RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR LLYWODRAETHU AC ARCHWILIO	**GOVERNANCE AND AUDIT COMMITTEE**
DYDD IAU, 4 RHAGFYR, 2025 am 2:00 y. p.	**THURSDAY, 4 DECEMBER 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, Euryn Morris **(Deputy Chair)**, Margaret M. Roberts, *Sedd Wag/Vacant Seat*

Y GRWP ANNIBYNNOL / THE INDEPENDENT GROUP

Gwilym O. Jones

LLAFUR CYMRU/WELSH LABOUR

Keith Roberts

ANNIBYNNWYR MÔN / ANGLESEY INDEPENDENTS

Paul Ellis, Kenneth Hughes

AELODAU LLEYG / LAY MEMBERS

Dilwyn Evans **(Chair),** Dr Geraint Jones, William Maund, William Parry

A G E N D A

1   **APOLOGIES**

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 - 18)

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

- 30 September 2025
- 23 October 2025 (extraordinary)

4   **GOVERNANCE AND AUDIT COMMITTEE ACTION LOG** (Pages 19 - 26)

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

5   **COMPLAINTS AND WHISTLEBLOWING 2024/25 INCORPORATING THE PSOW'S ANNUAL LETTER 2024/25** (Pages 27 - 66)

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

6   **INFORMATION GOVERNANCE: ANNUAL REPORT OF THE SENIOR INFORMATION RISK OWNER (SIRO) 2024/25** (Pages 67 - 80)

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

7   **AMENDMENT TO THE CONSTITUTION: FINAL APPROVAL OF THE COUNCIL'S ANNUAL ACCOUNTS** (Pages 81 - 86)

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

8   **INTERNAL AUDIT UPDATE** (Pages 87 - 92)

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

9   **REVIEW OF RISK MANAGEMENT FRAMEWORK AND STRATEGIC RISK REGISTER UPDATE** (Pages 93 - 136)

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

10   **TREASURY MANAGEMENT MID-YEAR REVIEW REPORT 2025/26** (Pages 137 - 154)

To present the report of the Director of Function (Resources)/Section 151 Officer.

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11   EXTERNAL AUDIT MONITORING REPORT (Pages 155 - 178)

To present the report of the Head of Profession (HR) and Transformation.

12   EXTERNAL AUDIT: NATIONAL FRAUD INITIATIVE 2024/25 - UPDATE FOR ISLE OF ANGLESEY COUNTY COUNCIL (Pages 179 - 192)

To present the report of Audit Wales.

13   EXTERNAL AUDIT: STRATEGIC MANAGEMENT OF BALANCES AND RESERVES - ISLE OF ANGLESEY COUNTY COUNCIL (Pages 193 - 212)

To present the report of Audit Wales together with the management response.

14   EXTERNAL AUDIT: ARRANGEMENTS FOR COMMISSIONING SERVICES - ISLE OF ANGLESEY COUNTY COUNCIL (Pages 213 - 232)

To present the report of Audit Wales together with the management response.

15   REVIEW OF FORWARD WORK PROGRAMME (Pages 233 - 242)

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 30 September, 2025

PRESENT:	Mr Dilwyn Evans (Lay Member) (Chair) Councillor Margaret M. Roberts (Deputy Chair for this meeting only) Councillors Geraint Bebb, Kenneth Hughes, Keith Roberts, Ieuan Williams. Lay Members: Dr Geraint Jones, William Maund, William Parry.
IN ATTENDANCE:	Director of Function (Resources)/Section 151 Officer Head of Internal Audit & Risk (MP) Performance and Projects Team Manager (GP) Chief Public Protection Officer (for item 5) Chief Digital Officer (MH) (for item 14) IT Infrastructure Manager (MD (for item 14) Principal Corporate Health and Safety Advisor (for item 5) Lead Security Engineer (CTC) (for item 14) Principal Auditor (NW) Committee Officer (ATH) Webcasting Officer) (FT)
APOLOGIES:	Councillor Euryn Morris (Deputy Chair)
ALSO PRESENT:	Councillor Robin Williams (Deputy Leader & Portfolio Member for Finance and Housing), (Rachel Freitag (Financial Audit Manager – Audit Wales), Carwyn Rees (Performance Audit Manager – Audit Wales), Director of Education, Skills, and Young People (IoACC), Licensing and Corporate Safety Manager (SH)(IoACC), Senior Auditor (AL) (IoACC)

The Chair welcomed everyone to the meeting and extended a particular welcome to the two newly appointed Lay Members, Dr Geraint Jones and William Maund who were attending their first meeting of the Governance and Audit Committee. In the absence of the Deputy Chair, Councillor Euryn Morris, Councillor Margaret M. Roberts was elected to serve as Deputy Chair for this meeting only.

1. APOLOGIES

The apology for absence was presented and was noted.

2. DECLARATION OF INTEREST

No declaration of interest was received.

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meetings of the Governance and Audit Committee held on 16 July 2025 were presented and were confirmed as correct.

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4. 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 Head of Audit and Risk reported on item 19 on the action log noting that the Public Services Ombudsman for Wales Letter 2024/25 will be reissued due to a data issue. As a result, the Letter will now be presented to this committee at its December 2025 meeting. Consequently, the Monitoring Officer's Annual Complaints Concerns and Whistleblowing report 2024/25 has also been deferred to the December meeting to coincide with the PSOW Letter's presentation. Regarding item 27 on the action log which relates to the analysis of staff attrition rates, specifically internal movements as opposed to external exits, the Performance and Projects Team Manager has consulted with HR on this matter and has been advised that the current HR system does not easily track staff movements between services. Officers are investigating this further and aim to provide an update at the next meeting.

A member of the committee referred to a previously presented Audit Wales report on the use of performance information - service user perspective and outcomes. He questioned how the report's recommendations are being followed up, noting that they are not listed in the action log. The Head of Audit and Risk said that the while the Performance and Projects Team Manager monitors the Council's implementation of external audit recommendations she would ensure they are being monitored.

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.

5. ANNUAL CORPORATE HEALTH AND SAFETY REPORT 2024/25

The report of the Head of Regulation and Economic Development incorporating the Council's Annual Health and Safety Report for 2024/25 was presented for the committee's consideration. The report provided an overview of health and safety activity at the Council during the period including an analysis of accidents and incidents together with the Council's response to those issues. It also listed key achievements and set out an action plan for the following year.

The report was presented by the Chief Public Protection Officer to provide the committee with assurance regarding the Council's Health and Safety performance.

In considering the report, the committee discussed the following matters –

- The committee questioned how many of the reported accidents and incidents were attributable to insufficient training or failure to follow health and safety protocols.

  The Principal Corporate Health and Safety Advisor explained that while this specific statistic is not recorded, each accident and incident is investigated to determine its cause. He noted that the majority of staff have received the necessary health and safety training, and that a significant proportion of incidents in the data are not employee related involving pupils in schools or clients in care homes. For employee specific incidents the adequacy of training and the presence of appropriate risk assessments are reviewed. Although the exact figures are not available, in most cases training has been sufficient and protocols have been followed.

  In a follow up question, the committee asked whether such information should be tracked and reported, as identifying cases of non-compliance or insufficient training could help

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prevent future accidents. The Chief Public Protection Officer acknowledged the point and stated that based on the incident data received by the Corporate Health and Safety team, it may be possible to analyse and identify patterns such as training gaps. He confirmed that the committee's suggestion had been noted.

- The committee referred to the 2025/26 health and safety strategic action plan which was included in tabular form within the report. Members noted that the proposed actions were very broadly defined, making it difficult to monitor progress effectively. It was suggested that each action should be SMART i.e. specific, measurable, achievable, relevant and timebound.

  In response, the Chief Public Protection Officer confirmed that the service is currently developing a more detailed three to four year strategic plan which will include defined targets and measurable outcomes. The plan is intended for presentation to the corporate management board.

  The committee welcomed the information and proposed that the completed three year strategic plan incorporating SMART actions be brought to this committee for review in due course.

- The committee asked whether the reduction in RIDDOR reports during 2024/25 was the result of deliberate action by the Council to mitigate risk or whether it was a matter of good fortune.

  The Principal Corporate Health and Safety Advisor responded that the decrease was due to a combination of both factors. He explained that since the pandemic, the Corporate Health and Safety team has taken a proactive approach in sharing information with staff and helping them re-familiarise themselves with health and safety systems. This has led to increased awareness among staff of the policies and procedures that must be followed, supported by ongoing engagement from the Health and Safety team. While this heightened awareness may have contributed to the reduction in reportable incidents, he emphasised that accidents can occur at any time. He noted that the importance of health and safety must continue to be reinforced consistently across the organisation.

- The committee asked whether in-year reporting is available to indicate how the current 2025/26 year is progressing.

  The Principal Corporate Health and Safety Advisor advised that reports are provided to the individual services and to the corporate management team. Based on his recollection, incident figures are currently slightly lower than those of the previous year although historical patterns suggest that incidents tend to rise in the third quarter. He confirmed that figures could be provided if required.

- In relation to the Council's maturity in managing health and safety, the committee sought clarification on how the organisation classifies itself in this regard. The committee also enquired whether the underlying trend in employee related statistics is a cause for concern.

  The Chief Public Protection Officer acknowledged that attitudes towards Council staff are a concern and is actively being addressed this year. Processes for capturing, monitoring and sharing data are being reviewed in collaboration with the Transformation and IT services to adopt a more digital approach and improve accessibility.

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- The committee questioned whether incidents of challenging or violent behaviour where staff are absent due to mental rather than physical impact, are recorded.

  The Principal Corporate Health and Safety Advisor confirmed that such incidents are recorded. He explained that where there is a known injury and the member of staff goes off work following an incident, it would be recorded and may trigger a RIDDOR report. While physical injuries are more commonly the cause of absence, mental health related absences lasting seven days or more are potentially RIDDOR reportable and would also be reported to the HSE.

- The committee noted that different locations such as schools require tailored responses and individual health and safety plans. It was asked whether activities undertaken during the year are measured against these plans.

  The Principal Corporate Health and Safety Advisor advised that while the team is aiming to adopt a more strategic approach this year, service specific action plans have historically been prepared. He noted that schools differ significantly from services such as highways, waste and property with control measures tailored to each environment. Services are expected to maintain service relevant health and safety action plans to monitor progress throughout the year.

  It was resolved, subject to the proviso in bullet point three below, that the committee –

  - **Accepts that the Council's activities regarding Corporate Health and Safety adequately address the risk and priorities of the Council.**
  - **Takes assurance that reasonable measures are in place to manage health and safety risks to an acceptable level.**
  - **Notes and welcomes the service's intention to produce a three year strategic plan incorporating SMART actions and requests that the completed plan be presented to a future meeting of this committee.**

6. INTERNAL AUDIT UPDATE

The report of the Head of Audit and Risk providing an update as at 30 September, 2025 on the audits completed since the previous update as at 30 June 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 Managing the Poverty Risk (YM11) (Reasonable Assurance), Continuous Monitoring – Payroll (Reasonable Assurance), and Continuous Monitoring – Creditors (Reasonable Assurance).

The report was presented by the Head of Audit and Risk who provided an overview of the three assurance report completed in the period along with the issues identified. Regarding the Continuous Monitoring – Creditors audit review, she highlighted that since the last review in September 2024, approximately £60,000 in previously identified duplicate payments has been recovered. The Payments Team continues to pursue the £65,000 still outstanding as resources allow. She further noted that this annual exercise is undertaken in collaboration with the Payments Team. This follows a leading software supplier, working with neighbouring councils, quoting approximately £53k for a three year contract to carry out a similar exercise.

During the ensuing discussion on the update report, the committee raised the following matters –

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- The committee questioned the rationale behind assigning a "Reasonable assurance" rating to the Managing the Poverty Risk review. The committee suggested that the issues identified, classified as moderate, were in fact more substantial and the rating should therefore be revised accordingly.

  In response the Head of Audit and Risk explained that the Council's risk assessment matrix is used to evaluate risk, weighing likelihood against impact and that the auditor has deemed the risk to be moderate (Yellow). While appropriate processes and mechanisms are in place for managing the poverty risk, improvements are needed which include ensuring that actions are SMART and strengthening the socio-economic duty within the Tackling Poverty Strategy, particularly by giving greater attention to intersectionality. In response to further queries regarding the availability of action plans, the Head of Audit and Risk clarified that the Council's Tackling Poverty Strategic Plan is supported by an operational plan which is separate from the action plan developed to address the six issues/risks identified in the audit review. The committee requested copies of both plans.

- The committee sought clarification of the observation in the Managing the Poverty Risk audit review that staff engagement remains limited. Members queried whether this indicated a deeper systemic risk that should be formally highlighted.

  The Head of Audit and Risk explained that the issue stems from the Council's service delivery plans. While the socio-economic duty is acknowledged within broader strategic plans, it is not sufficiently embedded within the Tackling Poverty Strategy and greater integration between the two is needed. The strategy also lacks adequate consideration of intersectionality where people affected by socio-economic disadvantage may also face challenges due to race, gender or sexuality. This dimension is not currently covered by the Tackling Poverty Strategy. The Head of Audit and Risk also clarified that although the strategy is formally owned by the Director of Social Services, it is applicable across all council services and each department has a role to play in addressing poverty.

- The committee raised concerns about whether the Managing the Poverty Risk review considers broader factors, specifically the percentage of children still living in poverty and the number of assaults against staff in the primary school sector, as previously discussed in the Health and Safety Annual Report. Members questioned whether there might be a link between these issues, suggesting that the poverty risk may be manifesting in such behaviours and that the review should draw these strands together.

  The Head of Audit and Risk acknowledged the point, noting that it reinforces the need for collective ownership of the Tackling Poverty Strategy. She confirmed that she would pass the observation to the Director of Social Services who holds formal responsibility for the Strategy.

  The Director of Function(Resources)/Section 151 Officer advised that the poverty risk is twofold: firstly, the Council's role in supporting Anglesey citizens affected by poverty; and secondly, the impact on Council services. He emphasised that as the number of people experiencing poverty increases, so too does the demand for services, particularly in adult and children's social care, housing and benefits hence the inclusion of the risk on the strategic risk register, as it has the potential to significantly affect Council resources.

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

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Additional action: Head of Audit and Risk to circulate the Tackling Poverty Strategy Operational Plan and Managing the Poverty Risk audit review action plan to the committee's members.

7. OUTSTANDING INTERNAL AUDIT RISKS, ISSUES 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 and provided an overview of its key points. As of 31 August 2025, seventy-three outstanding actions were being tracked, with ten assessed as "major" (amber) and sixty-three 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.

The following matters were raised by the committee –

- The committee enquired whether a revised timescale had been set for the overdue moderate rated action raised by the audit of Direct Debit Processes.

  The Director of Function(Resources)/Section 151 Officer explained that most individuals billed for business rates by the Council do not make any payments due to their eligibility under the Small Business Rates Reduction Scheme, resulting in a relatively small number of payees. While the Council offers direct debit payment, applicants must currently complete a form. To support transition to a paperless system, staff will collect payment details over the phone and forward the form for processing. However, bank authorisation and separate plans for each income stream need to be developed. Although the Council Tax direct debit scheme is paperless, the Business Rates scheme remains manual because of the low number of transactions which has not made it a priority. Additionally, the Payments team is also working on other projects to ensure compliance with the Payment Card Industry Data Security Standard (PCIDSS).

  In response to a follow-up question about extending the timescale for overdue actions and whether a mechanism exists for escalation to prevent "action creep," the committee was informed that each action has a designated owner and a target completion date. A user dashboard within the 4action system provides a real time snapshot of progress, enabling effective tracking and reporting. Action completion dates may be extended but only if the service can demonstrate a legitimate reason, taking into account the associated level of risk. For major rated issues/risks that have not been resolved twelve months after the original completion date, action owners are asked to provide an update to the committee explaining the delay. Greater flexibility is afforded to moderate (Yellow rated) actions, with each case assessed on its own merits and risk evaluated. Amber rated issues/risks are subject to internal audit's own escalation process.

  Responding to a question about the status of the two PCIDSS related actions listed in Appendix 1 of the report both of which had a target completion date of 30 September, the Director of Function(Resources)/Section 151 Officer explained that the Council has recently moved to an automated system for taking payment card details which is PCIDSS compliant with the exception of the Leisure Services and Oriel Ynys Môn. Solutions for telephone card payments taken by these services are being reviewed.

- A member of the committee referred to the three asset management related actions listed in Appendix 1 all of which had a target completion date of 1 October, 2025. He requested that the committee be notified by e-mail as to whether this deadline was met.

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It was resolved to accept the Council's progress in addressing the outstanding internal audit issues/risk/opportunities as satisfactory.

Additional action: Head of Audit and Risk to notify the committee's members by e-mail whether the three asset management related actions with a due date of 1 October 2025 were completed by this deadline.

8.   DRAFT SELF-ASSESSMENT REPORT 2024/25

The report of the Head of Profession (HR) and Transformation incorporating the draft self-assessment report for 2024/25 was presented for the committee's consideration. The Council is required by the Local Government and Elections (Wales) Act 2021 to publish an annual self-assessment report to show how it has performed, whether its resources are being used efficiently and effectively and how it is managing and mitigating the associated risks.

The report was presented by the Performance and Projects Team Manager who explained the self-evaluation process where each service assessed its performance across four key areas using updated scoring criteria - Needs Improvement, Meets Expectations, Exceeds Expectations and Outstanding. Their assessments were challenged in service review meetings with officers and elected members. Based on this process, the report provides an overall assessment of how well the Council has met its performance requirements, supported by evidence and sets out both actions taken and planned improvements.

In reviewing the self-assessment report, the following matters were raised by the committee –

- The committee noted the improvement areas identified for 2025/26. It was suggested that to facilitate their progress and completion, each improvement matter needs to be project managed with a clear structure through the use of critical path analysis. This would help define key steps and timelines especially for complex high level projects such as developing a data strategic plan to support the Council's aim of becoming a data informed organisation. Members emphasised the value of becoming a data driven organisation and the importance of developing a council wide culture of performance management that applies consistently across all projects.

  The Performance and Projects Team Manager clarified that project managers within the Transformation Service are qualified to PRINCE2 level and apply its methodologies when managing strategically important corporate projects. Standardised templates and processes are employed across the Council, including action plans, risk registers and detailed progress tracking. While the self-assessment report provides a high level overview of identified improvement areas and actions, the specific details are contained in individual service development plans which are reviewed and monitored on a quarterly basis.

  In a follow up, a member of the committee requested a copy of the project initiation document for the Data Strategic Plan initiative when completed.

- The committee questioned why all identified improvement actions have a completion deadline of March 2026.

  The Performance and Projects Team Manager explained that the improvement areas are broad in scope and the associated actions will be carried out throughout the year with the intention that all will be completed by March 2026. The committee will receive a mid-year progress update. In response to a question about whether the timescale is realistic, the

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Officer noted that while some actions are well positioned to be completed, others require further discussion and input from other services. However, the actions are considered achievable within the proposed timeframe.

- The committee asked how the identified improvement areas reconcile with services that have self-assessed as exceeding expectations, and whether completing all the improvement actions would result in services being rated as outstanding in the following year. The committee also questioned whether the efforts involved might lead to diminishing returns.

   The Performance and Projects Team Manager confirmed that discussions are ongoing regarding scoring and definitions particularly around service self-assessments which may be revised for next year. The improvement areas are derived from services' own evaluations and are subsequently prioritised by the Leadership Team in line with the Council's priorities. Next year's scoring will depend on the extent to which these improvement areas have been achieved.

- The committee sought clarification of the table within the report showing how the Council's wellbeing objectives align with the Welsh Government's national wellbeing objectives and the Council's strategic objectives. They specifically queried the meaning of the ticks across the seven columns and the meaning of the term "more equal."

   The Performance and Projects Team Manager explained that the table was developed when the Council Plan was agreed. The three well-being objectives reflect the Council's adopted wellbeing commitments and the seven columns represent the seven wellbeing goals that public bodies are required to work towards under the Well-being of Future Generations (Wales) Act 2015. The ticks indicate how the Council's well-being objectives contribute to achieving each of those seven wellbeing goals.

- The committee highlighted a disconnect between services' self-evaluation and actual performance, citing the Children and Families Service as an example. The committee noted that the service had rated itself as outstanding in service planning and performance, despite an earlier report showing that 31% of children in Anglesey have been living in poverty for over ten years. The committee further commented that it would have expected the service output position statement (table on page 18) to reflect a more varied pattern, including more red rated areas. In its current form, the table suggests no improvements are required.

   The Performance and Projects Team Manager acknowledged that the current scoring and definitions may need to be reviewed for the next self-assessment cycle. He clarified that the self-assessment reflects whether the Council believes it has met its stated commitments and targets for 2024/25 while the wider impacts on people and communities are addressed in the annual Performance and Wellbeing report.

- The committee asked whether the self-assessment process draws on broader factors such as health and safety, commercial aspects and community impacts when determining performance ratings.

   Using the Children and Families Service as an example, the Performance and Projects Team Manager said that the assessment considered service planning, the challenges faced during the year and how these were addressed, as well as key performance indicators and targets, which are monitored quarterly. Based on this evidence the self-assessment panel concluded that the service's performance was outstanding.

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- The committee raised concerns regarding the criteria used for service self-evaluation, specifically questioning the value and clarity of including both an "exceeds expectations" category and an "outstanding" category. Members noted that if the scoring framework and definitions are to be revised next year to become more rigorous, some services may receive lower ratings which could be challenging for those teams. It was suggested that services should be encouraged to recognise that "meeting expectations" is a positive and commendable outcome, particularly in light of Council's responsibilities and the pressures it faces.

  The Director of Function (Resources)/Section 151 Officer acknowledged that the current service output position as shown in the table may be misleading. While it appears to suggest that services are generally performing above expectations, it actually reflects performance against the Council's targets for 2024/25, which may not be immediately clear to a wider audience .

Having reviewed the self-assessment report, it was resolved that the Governance and Audit Committee -

- **Notes and accept the draft self-assessment report for 2024/25 and requests that the Performance and Projects Team Manager considers the comments made during the discussion relating to the clarity of definitions, scoring methodology and evaluation criteria.**
- **Notes that the self-assessment process is to be reviewed and recommends that the revised process for 2025/26 is more objective and data driven, and that the "Exceeds Expectations" category is removed to improve clarity.**

9. ANNUAL COUNTER FRAUD, BRIBERY AND CORRUPTION REPORT 2024/25

The report of the Head of Audit and Risk incorporating the Annual Counter Fraud, Bribery and Corruption Report for 2024/25 was presented for the committee's consideration. The report outlined the activity that Internal Audit carried out during 2024/25 to minimise the risk of fraud, bribery and corruption occurring within and against the Council and provided examples of attempted fraud against the Council in the period.

The Head of Audit and Risk presented the annual report outlining the Council's counter fraud activities in 2024/25. The Council's approach has been guided by CIPFA's Code of Practice on Managing the Risk of Fraud which sets out best practice for counter fraud work in local government , based on five principles and by the Fighting Fraud and Corruption Locally: A Strategy for the 2020s which also focuses on five pillars of activity/strategic objectives. These were detailed in Appendix 2 of the report and have informed the Council's counter fraud work and the development of a delivery plan for counter fraud activity. A progress update on the delivery plan was provided at Appendix 3. The results from the Council's Fraud Reporting Tool which went live in November, 2024 were detailed in Appendix 4.

It was resolved to note the activity carried out during 2024/25 to minimise the risk of fraud, bribery and corruption occurring within and against the Council and the assurance provided on the effectiveness of the Council's arrangements to minimise the risk of fraud.

10. NATIONAL FRAUD INITIATIVE OUTCOMES REPORT

The report of the Head of Audit and Risk setting out the Council's recent progress and outcomes in respect of its participation in the National Fraud Initiative was presented for the Committee's consideration.

The Head of Audit and Risk presented the report which detailed the NFI reports received by the Council between January and March 2025 (61 separate reports), the data matches they contained (3,034 individual matches) and the service areas to which they related (as outlined in Appendix 2 of the report – NF1 2024/15 Outcomes Summary). The financial outcomes from these reports, analysed by Internal Audit in conjunction with the services were detailed in the table at Appendix 2.

A member of the committee raised concerns about Council Tax premium avoidance. The Director of Function(Resources)/Section 151 Officer outlined the investigative process for such cases. He also confirmed that the Council prioritises NFI matches with higher reliability such as those containing national insurance numbers.

It was resolved to confirm that the committee takes assurance from the report that the Council, taking account of the need to priorities its resources, is seeking to actively embrace opportunities provided by the National Fraud Initiative to use data analytics to strengthen both the prevention and detection of fraud.

11. EXTERNAL AUDIT: AUDIT WALES PROGRAMME AND TIMETABLE UPDATE

The Audit Wales report, which updated the committee on the progress of its work programme both locally and nationally as of 30 June 2025 was presented for the Committee's information. The report also provided an overview of ongoing regulatory work by Estyn and CIW.

Mr Carwyn Rees, Audit Wales Performance Audit Manager reported that pandemic related restrictions had caused a backlog of work. However, good progress has since been made on the 2023/24 and 2024/5 performance audit programmes, with the former now completed and work underway on the 2025/26 programme. As a result, the performance audit programme is well positioned to return to timescale.

In response to a question from the Chair regarding the progress of the audit of the 2024/25 accounts, Rachel Freitag, Audit Wales Financial Audit Manager confirmed that the audit is on track to be completed by the end of October. The Director of Function (Resources)/ Section 151 Officer added that the date for the committee to meet in October to consider the audited accounts is yet to be confirmed.

It was resolved to note the report and the assurance provided.

12. REVIEW OF FORWARD WORK PROGRAMME

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

The Head of Audit and Risk advised the committee of two changes to the Forward Work Programme, namely the deferral of the annual review of the risk management framework and strategic risk register update to the December 2025 meeting along with the Annual Letter of the Public Services Ombudsman for Wales 2024/25 and the Annual Concerns, Complaints and Whistleblowing Report 2024/25.

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

13. EXCLUSION OF THE PRESS AND PUBLIC

It was considered and resolved –

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

14.   ANNUAL ICT CYBER SECURITY REPORT 2024/25

The report of the Head of Profession (HR) and Transformation incorporating the Annual ICT Cyber Security Report for 2024/25 was presented for the committee's consideration.

The Lead Security Engineer presented the report outlining the cyber security threats faced by the Council over the past year. It detailed how these threats were addressed and managed through existing mitigating and operational controls designed to detect and prevent malicious activity. The Lead Engineer summarised the main points of the report highlighting the most significant cyber security challenges which the Council experienced in 2024/25.

The ensuing discussion included the following points –

- The status of current cyber security projects with the committee noting that a progress update would be helpful.
- The adequacy of existing cyber security measures
- Resource requirements and limitations
- The potential for outsourcing as a means of reducing long-term pressure on the Council
- Whether the reported statistics indicate any monthly or quarterly trends in cyber threats
- The extent to which investment in cyber security measures has led to a reduction in impact
- The frequency of cyber security awareness training provided to staff

Officers responded to the specific issues raised and provided general assurance, stating that projects and activities are prioritised in areas where risk can be most effectively reduced, following risk assessment. The request for a projects update was acknowledged and noted. They confirmed that investment in IT services has increased significantly over recent years from £1.6m in 2017/18 to £5.1m in 2024/25 which represents a significant investment for the public sector. They noted that substantial progress had been made during this period, and that a business case has been developed to secure additional resources. It was emphasised that cyber security is not a one off project but an ongoing endeavour requiring continuous attention and investment.

It was resolved that the Governance and Audit Committee –

- **Notes the challenges highlighted in the report.**
- **Accepts that the activities regarding cyber security adequately address the risks and priorities of the Council.**
- **Takes assurance that reasonable measures are in place to manage cyber threat to an acceptable level.**

**Mr Dilwyn Evans
(Chair)**

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GOVERNANCE AND AUDIT COMMITTEE

Minutes of the extraordinary meeting held on 23 October 2025 in the Committee Room and on Zoom

PRESENT:	Mr Dilwyn Evans (Lay Member) (Chair) Councillor Euryn Morris (Deputy Chair) Councillors Geraint Bebb, Kenneth Hughes, Margaret M. Roberts. Lay Members: Dr Geraint Jones, William Maund, William Parry
IN ATTENDANCE:	Director of Function (Resources) and Section 151 Officer Accountancy Services Manager (BHO) Performance and Projects Team Manager (GP) Committee Officer (ATH) Webcasting Officer (FT)
APOLOGIES:	Councillor Keith Roberts
ALSO PRESENT:	Councillor Robin Williams (Deputy Leader and Portfolio Member for Finance, Corporate Business & Customer Experience), Rachel Freitag (Financial Audit Manager – Audit Wales), David Tomalin (Financial Audit Lead - Audit Wales), Head of Audit and Risk (IoACC)(MP), Principal Auditor (IoACC) (NW).

The Chair welcomed everyone present to the meeting and noted the apology for absence. He informed the committee of a change in membership following Councillor Ieuan Williams's appointment to the Executive and expressed thanks for Councillor Williams's contribution during his tenure on the Governance and Audit Committee.

1. APOLOGIES

An apology for absence was received from Councillor Keith Roberts.

2. DECLARATION OF INTEREST

No declaration of interest was received.

3. STATEMENT OF THE ACCOUNTS 2024/25, ANNUAL GOVERNANCE STATEMENT 2024/25 AND ISA 260 REPORT

- The report of the Director of Function (Resources)/Section 151 Officer incorporating the Final Statement of the Accounts for 2024/25 following audit was presented for the committee's consideration.

The Director of Function (Resources)/Section 151 Officer reported that the Isle of Anglesey County Council's draft Statement of Accounts 2024/25 was presented to the Council's external auditors, Audit Wales for audit on 30 June 2025.The detailed audit work is now substantially complete. The statutory deadline for the completion of the

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audited accounts for the 2024/25 financial year for all Welsh councils is 31 October 2025. The Statement of the Accounts will be considered by the Full Council on 28 October 2025 and signed shortly afterwards. Audit Wales conducted a thorough review of the accounts and financial transactions relating to 2024/25. Their audit testing identified some necessary changes and all material errors recommended for correction by the audit team have been amended to ensure that the accounts are materially correct. A summary of these changes is included in Audit Wales's ISA 260 report.

The Section 151 Officer guided members through the amendments, as outlined in section 3 of the report and detailed in the ISA 26O report presented separately below. Key points included –

- A reduction in the Council's end of year surplus by £500k, primarily due to technical accounting adjustments.

- A £5k reduction in the General Fund.

- An increase of £2.46m in earmarked reserves following the reclassification of costs associated with potential remedial works at the Penhesgyn former landfill site specifically relating to an onsite culvert. This risk has long been recognised, and a provision previously made in the accounts. On the auditors' advice the original £2m has now been transferred from the provision to an earmarked reserve.

- Technical changes have been made to the capital adjustment account and revaluation reserve (two unusable reserves) to reflect asset valuation adjustments. These do not affect the General Fund or earmarked reserves.

- The reduction in the end of year surplus has led to a corresponding decrease in the net asset value shown on the balance sheet.

- Update to Note 41 – Contingent Liabilities. – Electrical Installation Condition Report (EICR) Certificates. Under Part 4 of the Renting Homes (Wales) Act 2016 landlords are required to ensure their properties are in good repair and fit for human habitation. Whilst this and other councils in Wales have ensured that all electrical checks have been undertaken there has been a delay in issuing some certificates to tenants. A recent High Court ruling confirmed that rent repayment is not required for the period when a certificate was not available. The contingent liability remains in place pending any appeal, but the wording has been updated to reflect the current position.

The Director of Function (Resources)/Section 151 Officer welcomed the auditors' intention to issue an unqualified opinion on the accounts and thanked them for their professionalism and thoroughness in the conduct of the audit. He also thanked the Finance Service staff for their efforts in ensuring the accounts were completed on time. The audit process has been reviewed with the auditors, and for the 2025/26 financial year it is proposed that the Council's Constitution be amended to allow the Governance and Audit Committee to approve the final accounts in place of Full Council. The change will help in meeting the revised timetable for 2025/26 which brings forward the accounts completion deadline to 30 September.

- The Annual Governance Statement for 2024/25 was presented for the Committee's review and endorsement prior to its submission for approval by the Full Council. The first draft of the Annual Governance Statement was presented to the Committee for comment at its 16 July, 2025 meeting and the definitive version will form part of the final 2024/25 Statement of the Accounts following approval by the Full Council.

The Performance and Projects Team Manager reported that, following the committee's input at its 16 July 2025 meeting, the draft 2024/25 Annual Governance Statement now includes a RAG (Red, Amber, Green) status indicator for each governance matter identified in 2023/24 to support more effective tracking and analysis of progress. Regarding governance matters identified as part of the 2024/25 process, under the

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objective of modernising the Council's digital and data infrastructure, the timeline for developing a Data Strategic Plan and related actions has been extended to March 2027. This reflects a shift in priorities, as the council's IT infrastructure needs to be updated and adapted to enable more robust use of data and to support the formalisation of a strategic plan. The Performance and Projects Team Manager confirmed that the committee's comments from its July meeting have been incorporated in the updated governance statement.

The following matters were raised by the committee –

- The committee noted that one of the governance matters identified in 2023/24 – mapping all sources of assurance is currently behind schedule. The committee queried the timetable and associated risks.

  The Performance and Projects Team Manager confirmed that the issue has been carried forward to the schedule of governance matters identified in 2024/25 due to capacity constraints within the Council Business service. Discussions are ongoing to secure the necessary resources, but no definitive timeline can be provided until these are resolved. The matter is considered low risk.

- The committee also questioned whether the March 2026 completion target for the governance matters identified in 2024/25 is realistic.

  The Performance and Projects Team Manager responded that the timeline is considered achievable, as many of the associated improvement actions are already being implemented through current service provision plans and are being monitored. An update will be provided to the committee in February 2026 to confirm progress and provide assurance. The Officer further clarified that the work to modernise the Council's digital and data infrastructure is not related to cyber security. Instead, it forms part of the broader goal of becoming a data informed organisation.

It was resolved to recommend the Annual Governance Statement 2024/25 to the Full Council as a fair evaluation of the Council's governance arrangements.

- The report of External Audit on the audit of the Financial Statements for 2024/25 (ISA 260 report) was presented for the Committee's consideration.

  Rachel Freitag, Audit Wales Financial Audit Manager reported on the main findings from the audit of the Council's 2024/25 accounts and she thanked the Council's accountancy team and wider Finance Service for their support throughout the process. She confirmed that the auditors intend to issue an unqualified audit opinion on the 2024/25 accounts with formal certification by the Auditor General on 30 October, 2025 following approval by the Full Council on 28 October, 2025.

  She referred to two outstanding tasks on the audit. The first involves confirming that lesser disclosures are immaterial. While this is not expected to be material, supporting evidence is still required and this will be completed ahead of the Full Council's meeting. The second task relates to confirming that all audit amendments have been appropriately made. The revised accounts were received yesterday morning and checks were completed later that day. Some amendments are still being processed and an update will be provided at the Full Council meeting.

  She noted that one error valued at £1.561m has not been corrected. This falls below the auditors' £3m materiality threshold, allowing the financial statements to be considered true and fair and free of material misstatement. The error is a technical

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accounting misclassification between two unusable reserves with no impact on cash, the General Fund or taxpayer. Correcting the error would require a review of historical fixed asset records which would take time. The Finance team has decided to make this adjustment within the 2025/26 accounts which is acceptable given its immaterial nature.

The ambition for the 2025/26 accounts is to bring the certification deadline forward to 30 September. However, some key working papers, specifically the Valuer's report and IFRS 16 documentation, were received late in the audit process. IFRS 16 is a new accounting standard this year so the delay is expected to be a one-off with capacity issues within the Finance team a factor. It is imperative that a full set of working papers be submitted alongside the draft accounts if the revised deadline is to be met. The target is ambitious and concerns have been raised across the local government sector regarding its achievability. Audit Wales will work with audited bodies to explore ways of making the timeline more achievable including discussion with the Finance team about what can be done locally, and wider engagement through the society of Welsh Treasurers, Chief Accountants group, and good practice events. The goal ultimately is to return to the pre-pandemic audit schedule, ensuring that accounts are audited in a timely way so that the information is relevant and to avoid overlap with the autumn budgeting period.

The Director of Function (Resources)/Section 151 Officer advised that the delay in obtaining the Valuer's report was due to capacity issues within the Property Service. Discussions with the service have begun to ensure timely completion of property valuations for next year.

The committee raised the following matters –

- The committee suggested that the brackets on the usable reserves and unusable reserves figures in the balance sheet need to be removed.
- The committee enquired whether the uncorrected misstatement had existed undetected for some time or whether its discovery was prompted by a new regulation.

  Audit Wales's Financial Audit Manager confirmed that it is a longstanding issue that has been present in the accounts for several years but was only identified this year by the auditors' sample testing approach. This year's sample happened to identify the issue. She explained that the issue would have naturally resolved over time through asset revaluation. Given the values involved, the auditors are satisfied that the accounts have remained materially correct over the years otherwise a prior period adjustment would have been necessary, which is not the case.

  In response to a follow up question, the Financial Audit Manager confirmed that the misstatement did not delay the circulation of the final accounts. The decision not to correct it was made several weeks ago as it was recognised that addressing it would be time consuming.

- The committee asked whether the Council has sufficiently addressed the requirements of IFRS 16 – Leases in the current financial year.

  The Director of Function (Resources)/Section 151 Officer explained that under the previous accounting approach, lease costs and income from leased assets were recorded in the income and expenditure account. However IFRS 16 requires the authority to calculate the total value of leased assets and liabilities with the aim of

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reflecting them on the balance sheet. Historically, the council has not maintained a comprehensive record of leased assets as transactions were processed annually through the accounting system. As a result, much of the work this year has focused on identifying all leased assets and determining whether they meet the threshold for inclusion. This process which began in March has positioned the council well for meeting the requirements next year. Going forward, the council will only need to update the register by adding new leases and removing those that have ended.

- The committee asked whether the contingent liability in relation to Electrical Installation Condition Report (EICR) Certificates had been provided for in the accounts.

  The Director of Function (Resources)/Section 151 Officer confirmed that it remains unprovided, as it represents a potential future liability with an unknown value. As such it is identified by way of a note rather than a provision.

- Further questions were raised by the committee about whether some of the corrected misstatements should have been identified earlier through the service's own self-assessment and whether time pressures contributed to their being overlooked.

  The Director of Function (Resources)/Section 151 Officer acknowledged that ideally some of the misstatements would have been addressed in the draft accounts. However, the need to meet the 30 June deadline along with the late receipt of valuation information meant there was limited time available for reconciliation work and to verify whether the figures aligned following the processing of all accounting transactions relating to revaluations.

- The committee sought clarification of Note 14 – Significant Capital Commitments. The committee noted while the wording refers to 2025/26 and future years, the £20m capital commitment appears to relate specifically to 2025/26.The committee asked whether long-term capital project forecasts are captured elsewhere.

  The Director of Function (Resources)/Section 151 Officer explained that the figures in Note 14 reflect contractual commitments, but capital projects often span more than one financial year. As such some of the projects listed may extend beyond the end of the 2025/26 financial year.

In closing the meeting the Chair on behalf of the committee, thanked all those involved in the preparation of the accounts and the audit process. It was agreed that any typing or grammatical errors identified by members would be passed on to the accountancy service team for correction prior to the Full Council meeting.

It was resolved –

- **To accept the Statement of the Accounts 2024/25 and to recommend to the Full Council that the Chair of the County Council and the Director of Function (Resources)/ Section 151 Officer are authorised to sign the final audited accounts for 2024/25.**
- **To note the Audit Wales ISA 260 Report in respect of the audit of the Financial Statements for 2024/25.**

Mr Dilwyn Evans
Chair

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	4 December 2025
Subject:	Governance and Audit Committee Action Log
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
Nature and Reason for Reporting: This report informs the members of the Governance and Audit Committee about the status of the actions / decisions it has agreed upon.	

1. Introduction

1.1. 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.

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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.	Performance and Projects Team 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 Executive in July 2024. 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 Performance and Projects Team 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 Performance and Projects Team Manager that the Quod Anglesey socio-economic analysis and impact report has been completed but has yet to be published.	
	26/06/25	4			UPDATE: Leadership Team is considering how to communicate and share the report.	

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	The annual report has been postponed until the committee's meeting in September to coincide with the Public Service Ombudsman for Wales's (PSOW) annual letter. UPDATE: The issue of the Public Services Ombudsman for Wales Letter 2024/25 is delayed due to a data issue. As a result, the Letter will now be presented to December 2025 meeting. Accordingly, the Annual Concerns, Complaints and Whistleblowing Report will be postponed to coincide with the Ombudsman's Letter. UPDATE: Annual Concerns, Complaints and Whistleblowing Report for 2024/25 issued to the committee on 04/12/25 included salient information regarding Social Services service user concerns and complaints.	Complete.
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.	Complete

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
					UPDATE: The annual report has been postponed until the committee's meeting in September to coincide with the Public Service Ombudsman for Wales's annual letter.	
					UPDATE: The issue of the Public Services Ombudsman for Wales Letter 2024/25 is delayed due to a data issue. As a result, the Letter will now be presented to December 2025 meeting. Accordingly, the Annual Concerns, Complaints and Whistleblowing Report will be postponed to coincide with the Ombudsman's Letter.	
					UPDATE: Annual Concerns, Complaints and Whistleblowing Report for 2024/25 issued to the committee on 04/12/25 included an update on the progress of the identified measures to provide resolutions.	
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.	Performance and Projects Team Manager		Next report due December 2025.

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
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.
	26/06/25	4			UPDATE: Leadership Team considered the draft policy at its meeting of 17/06/25 and have asked for it to be further reviewed.	
25	16/07/25	5	The final version of the Annual Governance Statement to include RAG status indicators for the governance matters identified in the previous year.	Performance and Projects Team Manager	The Annual Governance Statement submitted to the committee on 23/10/25 included RAG status indicators for the governance matters identified in the previous year.	Complete.
26	16/07/25	5	The committee to be provided with an update on progress against the governance matters identified through the 2024/25 assessment process at its December 2025 meeting.	Performance and Projects Team Manager	Performance and Projects Team Manager has requested postponement until the committee's February 2026 meeting.	
27	16/07/25	5	The committee's members to be provided with an analysis of the staff attrition rate, including a breakdown of internal movements as opposed to external exits.	Performance and Projects Team Manager	The Performance and Projects Team Manager has explored this with colleagues in HR. Unfortunately, the HR system does not allow movement of staff between services to be easily tracked. Officers are looking into this and hope to provide an update by next meeting.	

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
28	30/09/25	4	The Head of Audit and Risk to confirm with the Performance and Projects Team Manager that the recommendations from the Audit Wales report on the council's use of performance information: service user perspective and outcomes are monitored and will be included in the next monitoring report coming to the meeting in December 2025.	Head of Audit and Risk / Performance and Projects Team Manager	The Performance and Projects Team Manager has confirmed that the recommendations from the report are being monitored, and progress with implementation was included in a monitoring report to the committee in December 2024. A further report will be made to the committee in December 2025. The Performance and Projects Team Manager added that he is part of a network established by the Welsh Local Government Association (WLGA) to look at the progress with implementing the recommendations from this review.	Complete
29	30/09/25	5	The Chief Public Protection Officer to bring the completed three-year Corporate Health and Safety strategic plan, incorporating SMART actions, to a future meeting of the committee.	Chief Public Protection Officer		

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
30	30/09/25	6	The Head of Audit and Risk to circulate to the committee's members: • 'Managing the Poverty Risk' internal audit review action plan • Tackling Poverty Strategy Operational Plan	Head of Audit and Risk	Head of Audit and Risk issued the internal audit action plan to members of the committee on 23/10/25. The Tackling Poverty Strategic Plan has been scrutinised by the Partnership and Regeneration Scrutiny Committee, with it last being scrutinised in March 2024. Therefore, to avoid duplication of oversight, the Scrutiny Forum was approached to provide assurance to the Governance and Audit Committee that they have oversight of the plan. In their forum meeting on 25 November 2025, the chairs and vice-chairs of Scrutiny recommended the following: The forum members did not feel that scrutinising the Tackling Poverty Operational Plan was a high priority given that internal audit had provided reasonable assurance in a recent report. However, the Partnership and Regeneration Scrutiny Committee will be scrutinising external partners under a tackling poverty theme next year, and considering the Governance and Audit Committee's request, a report to update the committee on progress against the Council's Tackling Poverty Strategy at the same meeting would be useful. The meeting has been pencilled in for April but may need to move to June 2026.	Complete.

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
31	30/09/25	7	The Head of Audit and Risk to notify the committee members by e-mail whether the three asset management related actions with a due date of 1 October 2025 were completed by this deadline.	Head of Audit and Risk	The Head of Audit and Risk notified members of the committee, on 28/10/25, that the three asset management related actions, with a due date of 1 October 2025, had all been resolved.	Complete
32	30/09/25	8	With regards the council's self-assessment process, the committee requested the Performance and Projects Team Manager considered feedback on scoring clarity and evaluation criteria and for the 2025/26 review, recommended a more objective, data-driven approach, along with the removal of the "Exceeds Expectations" category to enhance transparency.	Performance and Projects Team Manager	The Performance and Projects Team Manager has confirmed that he will consider the committee's comments when developing next year's self-assessment template.	Complete

Isle of Anglesey County Council

Report to:	Executive Governance and Audit Committee
Date:	21/10/2025 04/12/2025
Subject:	Complaints and Whistleblowing 04/2024 – 03/2025 incorporating the Public Services Ombudsman for Wales (PSOW) Annual Letter 2024/2025
Portfolio holder(s):	Deputy Leader, Finance, Corporate Business and Customer Experience
Head of service / director:	Director of Function (Council Business)/Monitoring Officer
Report author:	Director of Function (Council Business)/Monitoring Officer
Local members:	All

A – Recommendation(s) and reasons

Recommendations

(a) To implement, as soon as possible:

- the introduction of the Power BI dashboard for Heads of Service and Directors, in relation to complaints about their service

- training for complaints officers, and their deputies, on customer care and equalities/diversity

- updated guidance note on effective complaints handling.

(b) Having considered the Annual Letter from the Public Services Ombudsman for Wales (PSOW) for 2024/2025, to require that current performance data on service complaints become a standing item in the routine meetings between Heads of Service/Directors and their Executive lead (Portfolio Holder).

(c) To instruct the Monitoring Officer to remind services of the requirement to:

- action any recommendations from the PSOW, and report completion to the PSOW, within the timeframe set

- routinely record any lessons learnt from complaints, identifying any patterns and implementing suitable mitigation measures

(d) To instruct the Monitoring Officer to respond to the PSOW's Annual Letter 2024/2025, as required in the penultimate paragraph of the said Letter.

Mae'r ddogfen hon ar gael yn Gymraeg / This document is available in Welsh

CC-17494/884818 (884819)

Reasons

Introduction

Complaints may provide valuable information about the performance of the Council's services, including the opinions of service users. This data may be used, where possible and appropriate, to improve service delivery. The link to the Corporate Complaints Policy is here.

==The primary purpose of this report is to provide information on service complaints for the period 01/04/2024 – 31/03/2025.==

This report also includes limited information on whistleblowing disclosures made during that period. The link to the Whistleblowing Policy and Guidance is here.

Some information is also provided on Code of Conduct complaints. These are reported quarterly to the Standards Committee and formally at the ordinary meetings of the Committee. The links to these reports for the relevant period are below.

Quarter 1, 2 and 3
Quarter 4

Appendix 4 contains a summary of Code of Conduct complaints and whistleblowing.

Social Services complaints follow a different statutory procedure, namely the Social Services Complaints Procedure (Wales) Regulations 2014 and the Representations Procedure (Wales) Regulations 2014, and are considered by the Corporate Scrutiny Committee. For anyone wishing to obtain further information the relevant report will be received by the Social Services Scrutiny Panel on 20 November 2025 and then published on the Council's website.

Appendix 5 contains a summary of complaints received by Social Services during 2024/2025. The summary demonstrates that complaint levels remain low when compared with the demands upon the Service, with overall complaints decreasing from 22 to 21 despite an 11% increase in Adult Services referrals and 14% increase in Children and Families Services referrals. Key themes emerging from complaints were communication issues, assessment delays, and carer shortages. These are being addressed, including enhanced training, protocol reviews, and clearer practice expectations. All Stage 1 complaint responses were completed within statutory timescales.

Complaints about the Council's use of the Welsh language are not included in this report but are reported annually in the Welsh Language Standards Annual Report, which is published on the Council's website. The report is considered annually by the Partnership and Regeneration Scrutiny Committee. Any Welsh language complaints are also discussed by the Welsh Language and Equality Steering Group, and complaints data is also reported as part of the corporate scorecard and annual delivery document. For anyone wishing to obtain further information the link to the most recent Welsh Language Standards Annual Report is here

1. The Public Services Ombudsman for Wales

The PSOW may consider service related complaints from the public. The PSOW's powers for this fall under the Public Services Ombudsman (Wales) Act 2019.

To trigger an investigation, the PSOW must be satisfied that a complainant has pursued the local complaints procedure. The PSOW aims to complete investigations within 12 months of receipt of a complaint.

In addition to investigatory powers, the PSOW also offers guidance and support. For example, a model Complaints Handling Policy, issued under Section 38 of the Public Service Ombudsman (Wales) Act 2019. The Model policy provisions have been used to develop the Council's Complaints Policy. This was most recently revised in 2024.

2. What Constitutes a Complaint?

2.1 The PSOW defines a complaint as:

- An expression of dissatisfaction or concern **and**
- Written or spoken or made by any other communication method **and**
- Made by one or more members of the public **and**
- About a public provider's action or lack of action or the standard of service provided **and**
- Something that needs a response.

Note:

Request for Service – *It should be noted that a complaint is to be distinguished from an initial 'request for service.' A request for service is not a complaint (e.g. a request for service may be a request to repair a faulty street light or missed bin collection). A complaint would only arise should the request for service not be properly addressed.*

2.2 Stage 1 Complaints

The best way to deal with a complaint is as soon as possible after it has arisen; preferably at the first point of contact. Where this is possible, the relevant service area is expected to respond to the complaint by no later than **ten working days of receipt of the complaint.**

Stage 2 Complaints

A Stage 2 investigation is conducted if a complainant has not received a response at Stage 1, or they are dissatisfied with the response they have received.

The complainant should receive a response to ==a Stage 2 investigation within twenty working days==. This may take longer if there are complex issues involved, or several service areas are required to contribute to the response. In such instances, the complainant must be kept informed of the reason/s for any delay and estimated time for response.

If a complainant remains dissatisfied with the outcome of a Stage 2 investigation, they may refer the matter to the PSOW. Relevant information, enabling a complainant to refer the matter to the PSOW, is provided in all Stage 2 responses. There is no internal right of review or appeal.

2.3 How Complaints are Received

Most complaints are received via email (161) followed by face-to-face (7) and via post (3). The intention is to encourage complainants to use the Corporate Records Management (CRM) system, rather than email. Complainants do not have to create an account to lodge a complaint (but will be encouraged to do so) and may also submit a complaint as a guest user.

2.4 Corporate Complaints Statistics

Appendix 1 sets out the complaints data. However, the following points are noted:

- 171 complaints across all services, including Stage 1 and Stage 2

- 56 upheld (33.3%)

- 112 not upheld (66.7%)

- 152 responses on time (88.9%)

- 19 late responses (11.1%)

2.5   Complaints by Service

Environment/Public Protection
Total Complaints: 11 (**6.4% of all complaints**)
Stage 1: 10 complaints
Stage 2: 1 complaint
Upheld: 4 complaints (**36.4% upheld rate**)
Not Upheld: 7 complaints (**63.6%**)
Discontinued: 0 complaints
On-Time Responses: 10 complaints (**90.9%**)
Late Responses: 1 complaint (**9.1%**)

Highways & Property
Total Complaints: 49 (**28.5% of all complaints**)
Stage 1: 38 complaints
Stage 2: 11 complaints
Upheld: 8 complaints (**16.7% upheld rate**)
Not Upheld: 40 complaints (**83.3%**)
Discontinued: 1 complaint
On-Time Responses: 42 complaints (**85.7%**)
Late Responses: 7 complaints (**14.3%**)

Housing

Total Complaints: 47 (**27.3% of all complaints**)

Stage 1: 40 complaints

Stage 2: 7 complaints

Upheld: 25 complaints (**54.3% upheld**)

Not Upheld: 21 complaints (**45.7%**)

Discontinued: 1 complaint

On-Time Responses: 43 complaints (**91.5%**)

Late Responses: 4 complaints (**8.5%**)

Learning

Total Complaints: 13 (**7.6% of all complaints**)

Stage 1: 12 complaints

Stage 2: 1 complaint

Upheld: 0 complaints (**0.0% upheld rate**)

Not Upheld: 13 complaints (**100%**)

Discontinued: 0 complaints

On-Time Responses: 10 complaints (**76.9%**)

Late Responses: 3 complaints (**23.1%**)

Leisure

Total Complaints: 15 (**8.8% of all complaints**)

Stage 1: 15 complaints

Stage 2: 0 complaints

Upheld: 14 complaints (**93.3% upheld rate**)

Not Upheld: 1 complaint (**6.7%**)

Discontinued: 0 complaints

On-Time Responses: 15 complaints (**100.0%**)

Late Responses: 0 complaints (**0%**)

Planning

Total Complaints: 4 (**2.4% of all complaints**)

Stage 1: 2 complaints

Stage 2: 2 complaints

Upheld: 0 complaints (**0% upheld rate**)

Not Upheld: 4 complaint (**100%**)

Discontinued: 0 complaints

On-Time Responses: 4 complaint (**100%**)

Late Responses: 0 complaints (**0%**)

Resources

Total Complaints: 20 (**11.6% of all complaints**)

Stage 1: 14 complaints

Stage 2: 6 complaints

Upheld: 4 complaints (**21.1% upheld rate**)

Not Upheld: 15 complaints (**78.9%**)

Discontinued: 1 complaint

On-Time Responses: 17 complaints (**85%**)

Late Responses: 3 complaints (**15%**)

Waste

Total Complaints: 12 (**7.0% of all complaints**)

Stage 1: 10 complaints

Stage 2: 2 complaints

Upheld: 1 complaint (**8.3% upheld rate**)

Not Upheld: 11 complaints (**91.7%**)

Discontinued: 0 complaints

On-Time Responses: 11 complaints (**91.7%**)

Late Responses: 1 complaint (**8.3%**)

Corporate Complaints by Stage	Number
Stage 1	141
Stage 2	30
Total	**171**

2.6 Analysis of Internal Complaints Data

This is attached at **Appendix 2**

3. Complaints Submitted to the PSOW

3.1 The PSOW's Annual Letter 2024/2025 is at **Appendix 3**.

During 2024/2025 the PSOW's office experienced record levels of complaints, with 3,547 properly made complaints during the year. This was 10% higher than the previous year, and 43% higher than 2019/2020. There are also notable shifts in subject areas, with housing complaints rising nationally (19% vs 15% in 2019/2020). This rise in PSOW Housing complaints is also evident within the Council's internal complaints statistics too.

Despite this national rise in complaints received by the PSOW, this Council was the subject of 0.32 complaints per 1,000 residents compared to the Wales average of 0.41 per 1,000.

3.2 Volume of Complaints against Isle of Anglesey County Council 2023/2024 and 2024/2025

Performance Trends	2023/24	2024/25	Change
PSOW Complaints	38*	22*	- 42%

This data shows a decline in the volume of complaints over the relevant periods. It may be recalled that, during 2023/2024, 24% of complaints related to the Council's handling of complaints themselves, and suggests improvement in complaints resolution at a local level; avoiding escalation to the PSOW.

3.3 Outcomes of Complaints to the PSOW

Of the twenty-two complaints received by the PSOW, the outcomes were as follows:-

Outcome	2023/2024	2024/2025
Decision not to investigate	34% (14 cases)	40% (8 cases)
Premature complaints	32% (13 cases)	30% (6 cases)
Matter out of jurisdiction	10% (4 cases)	25% (5 cases)
Early resolution (intervention)	24% (10 cases)	5% (1 case)
Investigations	0	0

* The apparent discrepancy between the numbers of complaints received, and complaints closed is explained by the following extract from the PSOW's Annual Letter:-

"2023/2024
We received 38 complaints about Isle of Anglesey County Council in 2023/24 and closed 41 – some complaints were carried over from the previous year.

2024/2025
We received 22 complaints about Isle of Anglesey County Council and closed 20 – some complaints were carried over from previous year."

3.4   Intervention by the PSOW

Intervention by the PSOW refers to those complaints which have been assessed, and where the PSOW considers that early resolution may be possible without investigation. Inevitably, this also implies that a council may have done more at the Stage 2 to resolve the matter internally and avoid escalation to the PSOW.

In 2023/2024 there was an intervention rate of 24% (10 cases).   In 2024/2025 the intervention rate was 5% (1 case). This against a Wales average of 13% intervention. This suggests:-

- more effective internal complaints resolution;

- improved case management at the initial stages of a complaint;

- revision of the Council's Complaints Policy and complaints officers undertaking training with the PSOW

are likely to have resulted in this improvement.

3.5   Categories of Complaints

Service Area changes	2023/2024	2024/2025
Complaints handling	24% (9 cases)	5% (1case)
Resources	16% (6 cases)	23% (5 cases)
Housing	8% (3 cases)	18% (4 cases)
Planning and Building control	16% (6 cases)	9% (2 cases)
Leisure	3% (1 case)	9% (2 cases)
Environmental Health	Zero	5% (1 case)
Education	3% (1 case)	Zero
Licensing	3% (1 case)	Zero
HWP	3% (1 case)	5% (1 case)

Complaints handling was one of the highest categories of complaint in 2023/2024 with 24% of the total. In 2024/2025 complaints handling was one of the lowest complaint categories with 5% share.

The Council has demonstrated improvement over 2024/2025 in its complaints management, achieving reductions in both the volume of complaints and PSOW intervention rates.

4.   Learning from Complaints in 2024/2025

4.1   The Council's Complaints Policy places an emphasis on learning from mistakes and using the information to improve services.

Lessons learnt are currently recorded on the complaints database but not all services record complaints consistently.

4.2   The most significant lessons for 2024/2025 are:

4.2.1   The importance of considering equalities issues. During 2024/2025 the PSOW made recommendations based on a vulnerable resident's experience of navigating the Council's procedures and requested the Council prepare and publish an 'easy read' document highlighting the requirement to pay Council Tax on time and what to do about accruing arrears. Equalities are a major focus for the PSOW. In her 2024/2025 Annual Report the PSOW states:

'…Among the key themes and learning points highlighted in the report is the lack of reasonable adjustments for individuals with disabilities, such as learning disabilities, severe mobility issues, or autism and dyslexia. The Report also notes challenges arising from poor communication with people who have language needs or sensory loss…Additionally, the (thematic – Equality Matters 2025) report raises concerns about public bodies failing to align service delivery policies with their legal duties under equality and human rights legislation. **(PSOW Annual report 2024/2025)**

There is a need to refresh equalities training for complaints officers and to raise awareness of the Council's Equalities Policy and the availability of advice from the Equalities Officer.

4.2.2   The need for service areas to identify recurring issues, themes and make improvements where possible.

4.2.3   That procedures are interpreted consistently and well understood by all complaints officers. The PSOW training to the Council's complaints officers, in 2024, highlighted a misunderstanding by some in the interpretation of what constituted a complaint, which has been compounded by the fact that the Council has had four corporate complaints officers in the last three years and has still been unable to make a permanent appointment. This training resulted in amendments to the Council's Complaints Policy and a subsequent consultation response, provided by the Council to the PSOW, followed by a meeting with the PSOW's office, has resulted in

agreement to produce further national draft advice and guidance.

4.2.4 <mark>To engage more with the PSOW and especially to ensure that the PSOW is included in any correspondence with complainants regarding the implementation of PSOW recommendations, as failure to do so in two cases (involving six recommendations) during 2024/2025 has led to recommendations which were actioned, being recorded as non-compliance.</mark>

4.2.5 Although internal training and testing has taken place, further training is now taking place on the new complaints CRM. Once completed, with the system embedded, further training is to take place on equalities and customer care.

5. Looking Forward – 2025/2026

5.1 As referred to above, the Council undertook training with the PSOW in 2024 and the Council's Complaints Policy was updated.

This section outlines the actions that we are/will be taking in 2025/2026 to improve the Council's handling of service complaints.

5.2 The Complaints CRM went live on 01/10/2025 and will be reviewed on 13/11/2025.

Relevant officers have undertaken training on the new system and Directors/Heads of Service/Business Managers have received sessions on the reporting tool. (Power BI Dashboard) which provides service specific data updated, thrice daily. Those officers have now been assigned access to their respective Dashboards.

The development and introduction of the CRM is for the purpose of improving the Council's oversight and management of complaints; day to day operations by the service complaints officers and oversight by their Directors and Heads of Service.

5.3 The Interim Corporate Complaints Officer, together with the Training and Development Manager, are arranging training on customer care to raise awareness of best practice in effective complaints handling. Further training is also being arranged on equality and diversity.

5.4 The Interim Corporate Complaints Officer is updating a guidance note for complaints officers in order to further underline the principle of a well understood and consistently applied process of claims handling.

Having considered this Report in draft, the Chair of the Governance and Audit Committee has requested the Head of Service (Housing) and Head of Service (Highways Waste and Property) to attend the meeting of the Governance and Audit Committee to provide further information regarding the performance of their respective Services. Additionally, the Chair has requested further information regarding the performance of the Leisure Service. This information is at **Appendix 6**.

B – What other options did you consider and why did you reject them and/or opt for this opinion?

None. Reporting to the Executive is a requirement in the PSOW's Annual Letter 2024/2025.

C – Why is this a decision for the Executive?

It is a requirement by the PSOW

Ch – Is this decision consistent with policy approved by the full Council?

N/A

D – Is this decision within budget approved by the Council?

N/A. The funding required to implement some of the recommendations is already within budget.

Dd – Assessment of potential impacts (if relevant)

1. How does this decision affect our long-term needs as an island?

Reducing the number of complaints, and improving our complaints handling, will improve the experience of our customers, enable officers to focus on their core areas of responsibility and improve the reputation of the Council.

2. Is this a decision that is anticipated to prevent future costs/dependencies on the Council? If so, how?

Yes, because fewer complaints and better complaints handling will avoid duplication of work and the cost involved in officer time devoted to dealing with complaints, carrying out investigations and corresponding with the PSOW.

3. Have we collaborated with other organisations to come to this decision? If so, with whom?

Yes, the PSOW.

4. Have the citizens of Anglesey played a part in drafting this way forward, including those directly affected by the decision? Explain how.

The experiences of customers in dealing with complaints has directly affected some of the recommendations in the report.

5. Note any potential impact this decision would have on the protected groups under the Equality Act 2010.

Yes. One of the recommendations is training for complaints officers in relation to equality and diversity. This is also a national theme in the PSOW's thematic work in 2024/2025.	

6. If this is a strategic decision, note any potential impacts the decision would have on those experiencing socio-economic disadvantage.

N/A

7. Please note any potential effects that this decision would have on opportunities for people to use Welsh and not treat the language less favourably than English.

There are no anticipated effects as the interaction between the recommendations and the Council's customers will remain fully bilingual.

E – Who did you consult with and what were their comments?

1. Chief Executive / Leadership Team (mandatory)	Circulated to the Chief Executive and the Leadership Team on 15/09/2025 and any material feedback has been included into this Report.
2. Finance / 151 Officer	Part of the Leadership Team
3. Legal / Monitoring Officer (mandatory)	Author of the report
4. HR	All part of the Heads of Service consultation on the draft report
5. Property	
6. IT	
7. Procurement	
8. Scrutiny	No
9. Local members	No

F – Appendices

Appendix 1 : Summary of Complaint by Service for 2024-2025
Appendix 2 : Analysis of Internal Complaints Data
Appendix 3 : PSOW's Annual Letter 2024/2025
Appendix 4 : Summary of Code of Conduct Complaints and Whistleblowing
Appendix 5 : Annual Report Social Services Complaints 2024/2025 - Summary of Key Points
Appendix 6 : Further Information regarding the performance of the Leisure Service

Ff – Background papers (contact the report author for more information)

All directly relevant background papers are provided in the Appendices above.

Summary of Complaints by Service for 2024 – 2025

Service	No. of Stage 1 complaints	No. of Stage 2 complaints	No. upheld	Complaints not upheld	Complaints discontinued	Responded to on time	Late responses (within 3 months)	No of responses (over 3 months)
Council Business								
Council Business	-	-	-	-	-	-	-	
Highways, Waste & Property								
Highways & Property	38	11	8	40	1	42	7	
Waste	10	2	1	11		11	1	
Housing								
Housing	40	7	25	21	1	43	4	
Learning								
Learning (excludes schools)	12	1		13		10	3	
Regulation & Economic								
Economic Development/ Maritime								
Leisure	15		14	1		15		
Planning	2	2		4		4		
Env/Public Protection	10	1	4	7		10	1	
Resources								
Resources	14	6	4	15	1	17	3	
Transformation								
Cyswllt Môn	-	-	-	-	-		-	
H R	-	-	-	-	-		-	
Totals	**141**	**30**	**56**	**112**	**3**	**152**	**19**	

Environment/Public Protection
- 15 complaints, compared to 10 in 2023/2024, representing 8.7% of the total service complaints in 2024/2025. - 14 of the 15 complaints responded to on time. - Although the numbers of complaints were few, 5 of the 15 complaints were escalated to Stage 2. This suggests that Stage 1 claims handling could be more effective. - Nevertheless, only 2 complaints were upheld.

Highways & Property
- The highest number of complaints at 49, compared with 19 in 2023/2024, representing 28.5% of the total number of complaints in 2024/2025. - Given the increase in the number of complaints, from one year to the next, suggests that the Service should review the reasons for this and whether there are any adaptations which may be made to systems/processes/capacity/ training to reduce complaints in 2025/2026. However, this may be because of funding/staffing issues over which limited mitigations may be available. - It should be noted that only 8 complaints were upheld (16.7%) but also that few complaints have been recorded in Q1 and Q2 of 2024/2025, which suggests that the number of complaints may be higher than recorded.

Housing

- 47 complaints, compared with 113 in 2023/2024, representing 27.3% of the total service complaints in 2024/2025. This is a marked improvement, albeit from a low base, with performance in 2023/2024 being attributed to the implementation of a new IT system.

- However, 45 of the 47 complaints in 2024/2025 were logged for Quarters 3 and 4. It is unlikely that only 2 complaints were made in Quarters 1 and 2 combined. It is therefore reasonable to assume that the annual number of complaints for Housing may be significantly higher.

- The Housing Service needs to validate its data for 2024/2025 and consider reviewing the reasons for the high number of complaints upheld. 54.3% of the complaints logged during 2024/2025 were upheld. The Service should identify the primary causes of the complaints and devise a plan to improve these areas, where possible.

Learning

- 13 complaints, compared to 6 in 2023/2024, representing 7.6% of the total service complaints in 2024/2025.

- 12 out of 13 complaints resolved at Stage 1, which suggests effective complaints handling.

- None of the complaints upheld yet none escalated to Stage 2.

- However, the only issue relates to the slowest response times with 23.1% late responses. It should be noted that complaints in his field can be complex, and the absence of Stage 2 complaints suggests the complaints were dealt with effectively.

Leisure

- 15 complaints, compared to 29 in 2023/2024, representing 8.7% of the total service complaints in 2024/2025.

- All complaints responded to on time.

- All complaints resolved at Stage 1. This suggests good customer care skills in a largely front facing service. However, the number of complaints upheld is high at 93%, with only one complaint not upheld. This may be a result of the nature of the Service and the immediacy of the complaints made. However, it may be a training need, to ensure that complaints are not being confused with requests for service.

Planning

- 4 complaint, compared to 25 in 2023/2024, representing 0.6% of the total service complaints in 2024/2025.

- 2 complaints resolved at Stage 1, and 2 complaints resolved at Stage 2.

- None of the 4 complaints were upheld, and all complaints were responded to on time.

- High level of performance raising no concerns.

Resources

- 20 complaints, compared to 56 in 2023/2024, representing 11.6% of the total service complaints in 2024/2025. This demonstrates marked improvement.

- 14 complaints resolved at Stage 1 with 6 escalating to Stage 2. This is relatively high at 30% of the total number of complaints. This suggests that Stage 1 complaints handling could be more effective, but this is a broad service, and complaints often span more than one service area, leading to delay and complexity.

- 4 out of 20 complaints upheld.

Waste
- 12 complaints, compared to 21 in 2023/2024, representing 7% of the total service complaints in 2024/2025. - 10 out of 12 complaints resolved at Stage 1, which suggests effective complaints handling. - Only 1 complaint upheld. - 11 out of 12 complaints received responses on time. - High level of performance raising no concerns.

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Ask for: Communications

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✉ Caseinfo@ombudsman.wales

Date: 14 August 2025

PERSONAL & CONFIDENTIAL
Councillor Gary Pritchard
Isle of Anglesey County Council

By email only
garypritchard@anglesey.gov.uk
dylanwilliams@ynysmon.gov.uk
Lynnball@anglesey.gov.uk
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Dear Councillor Gary Pritchard

Annual Letter 2024-25

Role of PSOW

As you know, our role as the Public Services Ombudsman for Wales is to consider complaints about public services, to investigate alleged breaches of the councillor Code of Conduct, to set standards for complaints handling by public bodies and to drive improvement in complaints handling and learning from complaints. We also undertake investigations into public services on own initiative.

Purpose of letter

Through this letter, we want to give you an update on our work, share key trends in complaints about local government in Wales and highlight any particular issues for your organisation, together with actions I would like your organisation to take.

Complaints about public services

This letter, as always, coincides with the publication of our Annual Report. Again, we saw an increase in the number of people contacting us about public services. Since 2019-20, the volume of new complaints about public services reaching our office has increased by 44%.

We also closed a record number of complaints about public services – 5% more than last year. This year, we intervened (found that something has gone wrong, and recommended how to put things right) in 18% of complaints that we closed. Positively, this year we resolved many more complaints early on. 87% of our interventions this year involved Early Resolution, compared to 70% in 2023-24.

ombwdsmon.cymru
holwch@ombwdsmon.cymru
0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
Rydym yn hapus i dderbyn ac
ymateb i ohebiaeth yn y Gymraeg

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0300 790 0203
1 Ffordd yr Hen Gae, CF 35 5LJ
We are happy to accept and respond
to correspondence in Welsh.

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We understand that people who come to us want their complaints resolved as quickly as possible and we are committed to dealing with them in a timely manner.

Overall, we assessed incoming complaints, or intervened with an Early Resolution, within an average of 4 weeks; well within our target of 6 weeks. We have also reduced the time it takes us to complete an average investigation, from 64 weeks in 2023-24, to 53 weeks this year.

During 2024-25, we received 1,337 complaints about local councils - an increase of 20% on the previous year and 54% more than in 2019-20.

The main complaint subjects accounting for this increase related to social services, environment and environmental health, and housing. However, we also saw a welcome drop in complaints about complaint handling.

We intervened in 13% of local council complaints that we closed – a similar proportion to recent years.

We received 22 complaints about Isle of Anglesey County Council and closed 20 – some complaints were carried over from the previous year. Isle of Anglesey County Council's intervention rate was 5%. Of note, 18% of the complaints received about Isle of Anglesey County Council were in relation to Housing, an increase from 8% in 2023-24. You can find detailed information on complaints about your organisation that we handled this year can be found in the appendices.

In 2024-25, we made 4 recommendations to your organisation. To ensure that our investigations and reports drive improvement, we follow up compliance with the recommendations agreed with your organisation. In 2024-25, 6 recommendations were due. 0% of the recommendations due was complied within the timescale agreed. Recommendations and timescales for complying with recommendations are always agreed with the public body concerned before being finalised, and we therefore expect organisations to comply within the timescales agreed.

Our Code of Conduct work

Our role is to investigate allegations that councillors have breached their Code of Conduct. Where an investigation finds evidence to support the complaint on a matter which is serious enough to require a referral in the public interest, these cases are referred either to the local Standards Committee or to the Adjudication Panel for Wales for consideration.

In 2024-25, we received 4% less new Code of Conduct complaints than the previous year. 60% of these complaints related to members of Town and Community Councils. We continue to see that over a half of these complaints (56% this year) tends to relate to promotion of equality and respect.

We made 15 referrals to Standards Committees or the Adjudication Panel for Wales (compared to 21 last year). We are grateful to your Monitoring Officer for their positive engagement with my office over the last year. We will continue to engage with them on matters relating to the ethical standards framework, including Local Resolution Procedures this year.

Independent Review

As you will be aware, last year, it was brought to our attention that a member of staff who had been the Team Leader of our Code of Conduct Team had been making inappropriate and unacceptable social media posts of a political nature.

In view of the seriousness of the matter, we commissioned Dr Melissa McCullough to conduct an independent review of our Code of Conduct work. Dr McCullough's Report, published in September 2024, found that, "in general terms, the PSOW's Code of Conduct processes and delegations are robust in terms of safeguarding fairness and impartiality. They are systematic, well documented and supplemented with appropriate guidance and the reasoning for decisions is required to be recorded and explained as applicable."

While the findings overall were very positive, the review report included a number of recommendations and lessons learned, to "augment the existing safeguards for ensuring the fairness and impartiality of the processes and would clarify the related guidance as applicable."

Following this, the Senedd's Finance Committee published its report on the Review into the operations, processes and investigations carried out by the Public Services Ombudsman for Wales. The Committee made further recommendations to us in its report. The details of all the recommendations and lessons learned and the actions we have taken in response can be found in our Annual Report.

To provide additional assurance, Dr McCullough undertook further independent assessment of how we implemented the recommendations and lessons learned, as set out in her 2024 Independent Review Report. This assessment concluded that:

- all recommendations and lessons learned were fully accepted by us and have been fully implemented

- we demonstrated a comprehensive, thoughtful and consultative approach to the implementation

- the pace of implementation has been impressive

- a separate quality assurance review confirmed the robustness of our process.

Supporting improvement of public services

We continued our work on supporting improvement in public services.

During 2024-25, we concluded our second wider own initiative investigation which looked into unpaid carers' needs assessments in Wales. We considered whether 4 local councils – Caerphilly, Ceredigion, Flintshire and Neath Port Talbot - undertook carers' assessments in line with their statutory obligations.

We published the report on this investigation in October 2024. We found that only 2.8% of people in those council areas who identified as carers had received a needs assessment. In addition, only 1.5% had received a proper support plan following their assessment. Many carers were also not aware of their rights with regard to assessments and support services that might be available to them.

We identified some areas of good practice by the councils we investigated. However, we also made several recommendations including to:

- improve recording practices

- improve how information is shared with carers

- offer staff refresher training on carers' rights

- collaborate better with the healthcare sector.

We invited the other local councils in Wales to make similar improvements.

As we did in the case of our first own initiative investigation, we have been actively monitoring how organisations' have been complying with our recommendations.

We are planning to review compliance with the recommendations and any other impacts of the report in October 2025.

Currently 54 organisations across Wales operate our model complaints policy. This includes all local councils, all health boards and now most housing associations - representing about 85% of the complaints which we receive.

Our offer of free complaints handling training has remained popular and we provided a further 52 training sessions to public bodies across Wales during the year. This brings the total to 550 training sessions and 10,000 people, since 2020.

We have continued our work to publish complaints statistics, gathered from public bodies, with data published twice a year. We expect to publish the data on complaints handled by local councils in Wales during 2024-25 in the Autumn. This data allows us to see information with greater context – for example, during 2024-25 5.18% of complaints made to local councils went on to be referred to us.

Finally, this year we also published 2 thematic reports, which included as case studies complaints about local councils:

- 'Living in Disrepair' (November 2024): a thematic report about housing disrepair and damp and mould complaints.

- 'Equality Matters' (January 2025): a thematic report on inclusion and accessibility across public services.

These reports include general recommendations for public service providers, drawing on lessons learned from our casework.

Action we would like your organisation to take

Further to this letter, can I ask that your organisation takes the following actions:

- Present this Annual Letter to the Cabinet and to the Governance and Audit Committee at the next available opportunity and notify me of when these meetings will take place.

- Consider the data in this letter, alongside your own data, to understand more about your performance on complaints, including any patterns or trends and your organisation's compliance with recommendations made by my office.

- Inform me of the outcome of the organisation's considerations and proposed actions on the above matters at the earliest opportunity.

I would like to thank you, and your officers, for your continued openness and engagement with my office. Our information shows that local authorities are looking into more complaints than ever before and are using information from complaints to deliver better outcomes for the people of Wales.

Yours sincerely

Michelle Morris

Michelle Morris
Public Services Ombudsman

Cc.   Dylan Williams, Chief Executive, Isle of Anglesey County Council
        Lynn Ball, Monitoring Officer, Isle of Anglesey County Council
        Gary O'Reilly, PSOW Contact Officer, Isle of Anglesey County Council

Information Sheet

Appendix A shows the number of complaints received by PSOW for all Local Authorities in 2024-25. These complaints are contextualised by the population of each authority.

Appendix B shows the categorisation of each complaint received, and what proportion of received complaints represents for the Local Authority.

Appendix C shows intervention rates for all Local Authorities in 2024-25. An intervention is categorised by either an upheld complaint (either public interest or non-public interest), an early resolution, or a voluntary settlement.

Appendix D shows outcomes of the complaints which PSOW closed for the Local Authority in 2024-25. This table shows both the volume, and the proportion that each outcome represents for the Local Authority.

Appendix E shows the compliance performance of each Local Authority.

Appendix F shows the outcomes of Code of Conduct complaints closed by PSOW related to Local Authority in 2024-25. This table shows both the number, and the proportion that each outcome represents for the Local Authority.

Appendix G shows the outcomes of Code of Conduct complaints closed by PSOW related to Town and Community Councils in the Local Authority's area in 2024-25. This table shows both the number, and the proportion that each outcome represents for each Town or Community Council.

Appendix A – Complaints received (overview)

Local Authority	MAL			CODE			Total		
	Complaints Received	Population	Received per 1,000 residents	Complaints Received	Population	Received per 1,000 residents	Complaints Received	Population	Received per 1,000 residents
Blaenau Gwent County Borough Council	14	67356	0.21	1	67356	0.01	15	67356	0.22
Bridgend County Borough Council	58	146743	0.40	10	146743	0.07	68	146743	0.46
Caerphilly County Borough Council	78	176437	0.44	3	176437	0.02	81	176437	0.46
Cardiff Council*	219	383536	0.57	4	383536	0.01	223	383536	0.58*
Carmarthenshire County Council	86	190083	0.45	14	190083	0.07	100	190083	0.53
Ceredigion County Council	47	73050	0.64	0	73050	0.00	47	73050	0.64
Conwy County Borough Council	29	114410	0.25	9	114410	0.08	38	114410	0.33
Cyngor Gwynedd	46	119173	0.39	2	119173	0.02	48	119173	0.40
Denbighshire County Council	98	97156	1.01	7	97156	0.07	105	97156	1.08
Flintshire County Council	61	155812	0.39	3	155812	0.02	64	155812	0.41
Isle of Anglesey County Council	22	69291	0.32	2	69291	0.03	24	69291	0.35
Merthyr Tydfil County Borough Council	17	58593	0.29	3	58593	0.05	20	58593	0.34
Monmouthshire County Council	19	94572	0.20	9	94572	0.10	28	94572	0.30
Neath Port Talbot Council	48	142898	0.34	1	142898	0.01	49	142898	0.34
Newport City Council	61	163628	0.37	1	163628	0.01	62	163628	0.38
Pembrokeshire County Council	47	125006	0.38	6	125006	0.05	53	125006	0.42
Powys County Council	55	134439	0.41	24	134439	0.18	79	134439	0.59
Rhondda Cynon Taf County Borough Council	62	241178	0.26	3	241178	0.01	65	241178	0.27
Swansea Council	113	246742	0.46	6	246742	0.02	119	246742	0.48
Torfaen County Borough Council	20	93419	0.21	4	93419	0.04	24	93419	0.26
Vale of Glamorgan Council	61	134733	0.45	3	134733	0.02	64	134733	0.48
Wrexham County Borough Council	76	136149	0.56	11	136149	0.08	87	136149	0.64
Total	**1337**	**3164404**	**0.41**	**126**	**3164404**	**0.04**	**1463**	**3164404**	**0.45**

Appendix B – Complaints received (by organisation)

Isle of Anglesey County Council	Complaints Received	% Share
Adult Social Services	2	9%
Benefits Administration	0	
Children's Social Services	2	9%
Community Facilities, Recreation and Leisure	2	9%
Complaints Handling	1	5%
Covid19	0	
Education	0	
Environment and Environmental Health	1	5%
Finance and Taxation	5	23%
Health	0	
Housing	4	18%
Licencing	0	
Planning and Building Control	2	9%
Roads and Transport	1	5%
Self Funding Care Provider	0	
Various Other	2	9%
Total	**22**	

Appendix C – Cases with PSOW intervention (overview)

Local authority	No. of interventions	No. of closures	% of interventions
Blaenau Gwent County Borough Council	0	12	0%
Bridgend County Borough Council	6	57	11%
Caerphilly County Borough Council	11	79	14%
Cardiff Council*	37	190	19%
Carmarthenshire County Council	11	86	13%
Ceredigion County Council	11	45	24%
Conwy County Borough Council	5	29	17%
Denbighshire County Council**	6	98	6%
Flintshire County Council	7	61	11%
Cyngor Gwynedd	3	44	7%
Isle of Anglesey County Council	1	20	5%
Merthyr Tydfil County Borough Council	1	15	7%
Monmouthshire County Council	1	16	6%
Neath Port Talbot Council	5	45	11%
Newport City Council	6	62	10%
Pembrokeshire County Council	8	47	17%
Powys County Council	8	51	16%
Rhondda Cynon Taf County Borough Council	6	60	10%
Swansea Council	12	109	11%
Torfaen County Borough Council	0	18	0%
Vale of Glamorgan Council	12	63	19%
Wrexham County Borough Council	7	72	10%
Total	**164**	**1279**	**13%**

Appendix D – Complaint outcomes (by organisation) (* denotes intervention)

Isle of Anglesey County Council	Complaint Outcomes	% Share
Complaint investigation discontinued (with early resolution at assessment stages)*	0	
Complaint investigation discontinued (without settlement)	0	
Decision not to investigate complaint	8	40%
Early resolution*	1	5%
Matter out of jurisdiction	5	25%
Non-public interest report issued: complaint not upheld	0	
Non-public interest report issued: complaint upheld*	0	
Non-public interest report issued: complaint upheld with early resolution at assessment stage*	0	
Premature	6	30%
Public interest report issued: complaint upheld*	0	
Public Interest report issued: complaint upheld with early resolution at assessment stage*	0	
Special Interest Report*	0	
Voluntary settlement*	0	
Total	**20**	

Appendix E – Compliance performance comparison

Local Authority	Number of recommendations made on complaints closed in 2024-25	Number of recommendations falling due in 2024-25	% of recommendations, complied with in line with agreed target date
Blaenau Gwent County Borough Council	0	0	n/a
Bridgend County Borough Council	15	18	28%
Caerphilly County Borough Council	24	24	50%
Cardiff Council*	97	96	56%
Carmarthenshire County Council	29	27	67%
Ceredigion County Council	24	24	63%
Conwy County Borough Council	14	14	71%
Denbighshire County Council**	10	8	50%
Flintshire County Council	20	22	91%
Cyngor Gwynedd	9	9	89%
Isle of Anglesey County Council	4	6	0%
Merthyr Tydfil County Borough Council	2	4	0%
Monmouthshire County Council	2	2	0%
Neath Port Talbot Council	11	8	75%
Newport City Council	12	11	27%
Pembrokeshire County Council	20	18	61%
Powys County Council	21	23	22%
Rhondda Cynon Taf County Borough Council	11	10	20%
Swansea Council	25	24	33%
Torfaen County Borough Council	0	0	n/a
Vale of Glamorgan Council	30	31	55%
Wrexham County Borough Council	19	16	75%

Appendix F - Code of Conduct Complaints Closed (* denotes investigation)

Isle of Anglesey County Council	Code of Conduct Complaints Closed
Cc not acted on	0
Code of Conduct leaflet sent/link to website provided	0
Complaint taken over telephone – awaiting signature	0
Complaint Withdrawn	0
Discontinued. Not in the public interest to pursue*	0
Duplicate complaint with no new evidence	0
Information provided	0
No action necessary*	0
No declaration rec'd – Withdrawn	0
No evidence of Breach*	0
No prima facie evidence of breach	2
Not in the public interest to investigate	0
Out of Jurisdiction - signposted	0
Premature - referred for local resolution	0
Referred to Adjudication Panel*	0
Referred to Standards Committee*	1
Withdrawn	0
Total	3

Appendix G - Town / Community Council Code of Complaints

| Isle of Anglesey County Council | Decision not to investigate Code | | Investigations | | | | | |
	Not in the public interest to investigate	No prima facie evidence of breach	Discontinued. Not in the public interest to pursue	No action necessary	No evidence of Breach	Referred to Adjudication Panel	Referred to Standards Committee	Total
Aberffraw Community Council	0	0	0	0	0	0	0	0
Amlwch Town Council	0	1	0	0	0	0	0	1
Beaumaris Town Council	0	0	0	0	0	0	0	0
Bodedern Community Council	0	0	0	0	0	0	0	0
Bodffordd Community Council	0	0	0	0	0	0	0	0
Bodorgan Community Council	0	0	0	0	0	0	0	0
Bryngwran Community Council	0	0	0	0	0	0	0	0
Cwm Cadnant Community Council	0	0	0	0	0	0	0	0
Cylch-y-Garn Community Council	0	0	0	0	0	0	0	0
Holyhead Town Council	0	0	0	0	0	0	0	0
Llanbadrig Community Council	0	0	0	0	0	0	0	0
Llanddaniel Fab Community Council	0	0	0	0	0	0	0	0
Llanddona Community Council	0	0	0	0	0	0	0	0
Llanddyfnan Community Council	0	0	0	0	0	0	0	0
Llaneilian Community Council	0	0	0	0	0	0	0	0
Llanerchymedd Community Council	0	0	0	0	0	0	0	0
Llaneugrad Community Council	0	0	0	0	0	0	0	0
Llanfachraeth Community Council	0	0	0	0	0	0	0	0
Llanfaelog Community Council	0	0	0	0	0	0	0	0
Llanfaethlu Community Council	0	0	0	0	0	0	0	0
Llanfair Mathafarn Eithaf Community Council	1	1	0	0	0	0	0	2

Llanfair yn Neubwll Community Council	0	0	0	0	0	0	0	0
Llanfairpwll Community Council	0	0	0	0	0	0	0	0
Llanfihangelesceifiog Community Council	0	0	0	0	0	0	0	0
Llangefni Town Council	0	0	0	0	0	0	0	0
Llangoed and Penmon Community Council	0	0	0	0	0	0	0	0
Llangristiolus Community Council	0	0	0	0	0	0	0	0
Llanidan Community Council	0	0	0	0	0	0	0	0
Mechell Community Council	0	0	0	0	0	0	0	0
Menai Bridge Town Council	0	0	0	0	0	0	0	0
Moelfre Community Council	0	0	0	0	0	0	0	0
Penmynydd and Star Community Council	0	0	0	0	0	0	0	0
Pentraeth Community Council	0	0	0	0	0	0	0	0
Rhoscolyn Community Council	0	0	0	0	0	0	0	0
Rhosybol Community Council	0	0	0	0	0	0	0	0
Rhosyr Community Council	0	0	0	0	0	0	0	0
Trearddur Community Council	0	1	0	0	0	0	0	1
Tref Alaw Community Council	0	0	0	0	0	0	0	0
Trewalchmai Community Council	0	0	0	0	0	0	0	0
Valley Community Council	0	1	0	0	0	0	0	1

1. Code of Conduct Complaints

Any complaint against an elected member must be based on an alleged breach, or breaches, of the Members' Code of Conduct, with the PSOW exercising 'first sift' jurisdiction (i.e. assessing merit) before deciding if, and how, to proceed.

During 2024/2025, 4 code of conduct complaints were received by the PSOW against county councillors, with 2 closed after initial assessment, and without investigation.

A complaint against 1 county councillor continues to be investigated by the PSOW and the other was concluded by the Standards Committee, but fell into the year 2025/2026, therefore not relevant to the timeframe of this report.

For the sake of completeness, complaints about the elected members of town and community councils, in relation to the same Code of Conduct, are also reported twice a year to the County Council's Standards Committee. Owing to restrictions imposed by the PSOW, only very limited information about such complaints is formally reported to the County Council's Standards Committee twice a year. Please see following links:-

Quarter 1, 2 and 3
Quarter 4

2. Whistleblowing

The Council's Whistleblowing Policy and local Guidance document were devised to support employees to raise those concerns, which fall within the ambit of the Policy, without fear of victimisation or discrimination. Whistleblowing is the popular term used when a member of staff (it includes contractors but does not relate to the public or elected members) raise concerns about fraud, criminality, danger, or serious risk that might threaten the public, their co-workers or the Council's reputation. The relevant legislation here is the Public Interest Disclosure Act 1998, which is a piece of employment legislation designed specifically to protect employees and contractors from adverse treatment by their employers.

Council staff undertook a development session on whistleblowing via the Policy Portal during Quarter 1, 2025/2026. Compliance rates will be included in next year's annual report.

Owing to the sensitivities involved, the level of information provided in this report has been agreed by the Leadership Team in line with the Council's legal obligation to protect whistleblowers from detriment in the workplace. Accordingly, only limited information will ever be disclosed.

	Date Raised	Type of Disclosure* /Reported to	Nature of concern	Investigated	Outcome	Lessons Learned	Results fed back to the Whistleblower
1	14/03/2025 *	Level 1 / MO	Allegations of political interference in an extant prosecution	Yes, discussions with whistleblowers and relevant parties as well as a review of records	Informal resolution by Chair of Standards Committee / Monitoring Officer	Training module developed for senior officers on Member and Officer Relationships: Roles and Responsibilities	Yes, final update to the four whistleblowers at one-to-one meetings with the Monitoring Officer on 04/06/2025
2	14/03/2025 *	Level 1 / HoS Regulation & Economic Development	Concerns in Building Control regarding compliance, competence, capacity and staff well-being	Yes, and formally reported to the Executive on 02/10/2025. The link to the Report is here	Response to Improvement Notice approved by the Executive on 02/10/2025	Improve training, supervision and support for the relevant team as detailed in Annex A to the Executive report.	Yes on 19/09/2025

* Footnote – Dates verified. Dates of reporting coincidental.

Mae'r ddogfen hon ar gael yn Gymraeg / This document is available in Welsh

Annual Report Social Services Complaints 2024/2025

Summary of Key Points

Social Services are required to operate a statutory Representations and Complaints Procedure, under the Social Services Complaints Procedure (Wales) Regulations 2014 and the Representations Procedure (Wales) Regulations 2014.
This is a separate procedure from the Council's Corporate Complaints Policy

This Report shows that during 2024/2025:

- The number of compliments logged decreased compared to the previous year (from 383 to 317).
- The number of negative comments logged decreased compared to the previous year (from 68 to 62).
- The number of complaints logged increased for Stage 1 (from 16 to 20) compared with the previous year and decreased for Stage 2 (from 6 to 1). This was an overall decrease for all complaints logged (from 22 to 21).
- The level of complaints across both elements of the Service, in the context of service demand, (which increased by 11% for Adult Services and 14% for Children and Families Services) is low. Using the number of referrals as the comparator, the level of complaints at Stage 1 amount to 0.12% (Adult Services) and 0.26% (Children and Families Services) and for Stage 2 complaints 0.00% and 0.02% respectively.
- Both Services continue to analyse the learning points from complaints and compliments to take actions to improve services and practice for the future, such as reviewing protocols, policies and systems, staff training, and setting practice expectations.
- All responses for Stage 1 investigations were sent within timescale.

Complaint Themes

- Communication matters
- Delays and inconsistencies with regards to assessments
- Accuracy of information
- Contact arrangements
- Lack of support
- Placements
- Delays
- Shortage of carers provision

Learning from Complaints

- The need for adequate, clear and sensitive communication
- Actions to be clearly recorded
- Compliance with statutory timescales for carrying out necessary actions

Mae'r ddogfen hon ar gael yn Gymraeg / This document is available in Welsh

Positive Comments:

- Highly positive views of members of staff
- Appreciation of supportive and helpful services
- Services having a significant positive impact on/for service users and families
- Staff developing positive relationships with service users
- High quality care and kindness shown in residential homes and home care
- Professional, and impressive quality of work and support

Leisure 2024_2025 CONCERNS

Post/ Email/Face to face / Telephone	Date Received	Brief Description	Method of Reply	Upheld / Not upheld	Lessons Learned
Facebook post	17/04/2024	Post regarding issues with cleanliness in the Gym with a picture of treadmills with dust with "Ty Taclus" written in Issues with getting through on telephone, concerns over communication when fitness sessions are cancelled. Concerns raised over cleanliness in Swimming Pool Changing room. Request for more aqua bikes. Machines out of order in fitness room.	E-Mail	Upheld	Discussed with Centre Duty Manager and increased hygiene levels and checks
Face to Face	22/04/2024		E-Mail	Upheld	Was discussed that new phone systems were on the way along with encouraging online booking rather than phone booking. Was agreed that in the event an instructor is not available that the aqua session becomes an open swim session as group discussed the social benefits. Cleanliness discussed with Duty Managers at centre. Company had been in recently to fix some of the machines.
Email	01/05/2024	Concerns over the hygiene levels of the changing rooms in Plas Arthur Swimming Pool., especially shower walls and baby change rooms	E-Mail	Upheld	Discussed with Duty Managers at centres and increased checks in place, with extra impetus on cleaning shower walls
Email	06/05/2024	Raised concerns that Pilates session that was booked at Plas Arthur Leisure Centre online, on bank holiday was cancelled due to reduced bank holiday hours	E-Mail	Upheld	Although sessions were removed for Bank Holiday this was unfortunately the only session that was not removed. Continue with advertising of changed hours (In centre and online via social media).
Email	06/05/2024	Raised concerns that Pilates session that was booked at Plas Arthur Leisure Centre online, on bank holiday was cancelled due to reduced bank holiday hours	E-Mail	Upheld	Although sessions were removed for Bank Holiday this was unfortunately the only session that was not removed. Continue with advertising of changed hours (In centre and online via social media).
Email	07/05/2024	Concerns regarding covering swim teacher lesson at Holyhead Leisure Centre	E-Mail	Upheld	Discussed with Duty Managers so that there is a clearer Duty Manager presence on poolside during swim lesson time
Email	10/05/2024	Concerns raised over access to free swim for veteran armed forces after age of 60.	E-Mail	Upheld	Although working to guidelines set by Welsh Government on the access criteria, changes made to allow access to be in line with neighbouring authorities
Email	03/06/2024	Concerns over Swimming lessons assessments in Holyhead leisure centre as child had been on same level without change in assessment % for months	E-Mail	Upheld	Customer chose to move child to lesson in Plas Arthur Leisure Centre.
email	06/06/2024	Frustrations raised over not being able to book Pilates session in Amlwch Leisure Centre online	E-Mail	Upheld	Session was blocked off at centre so that customers were unable to book as instructor was unavailable on them dates. Learning was that centre inform performance team of such changes so that session can be removed from system and therefore not show, rather than be visible but full.
Email	01/07/2024	Concern raised of swimming lesson in Holyhead Leisure Centre, relating to Autism Awareness	E-Mail	Upheld	Ensure that staff are trained to deal with the situation and follow guidance.
Email	16/07/2024	Customer arrived at the centre to find that swimming session had been cancelled	E-Mail	Upheld	Ensure that cusomers receive emails or phone calls from CCO's asap.
Email	22/07/2024	Concerns raised that unable to book onto Plas Arthur Aqua class on Monday night even though attempts were made 7 days in advance as allowed by members	E-Mail	Upheld	Ensure that booking website is working or if not notification goes out to customers.
Email	31/07/2024	Concerns regarding clenliness and Hygine in Holyhead Leisure centre gym and changing areas	E-Mail	Upheld	Ensure cleaning sheets are kept on top of.
Email	09/08/2024	Concern following open day at Amlwch Leisure Centre, where customer had called to book a space for an activity but told there was no need to, on the visit customer turned away as session was too busy and told that should have booked ahead	E-Mail	Upheld	Clear instrucion given to customers.
Email	19/08/2024	Concerns that there is no consistency with swimming lessons in Holyhead, with seemingly different teacher for class	E-Mail	Upheld	Staff turn over has been high but new staff and contracts in place now.
Email	10/09/2024	Concerns / Unhappines raised with the announcement of change to swimming terms and conditions so that there is a reduction in annual swimming lessons from 46 weeks a year to 45 weeks	E-Mail	Upheld	Clear explination to cstomers as to why this is happening.
Letter	10/09/2024	Letter in response to news of cut following a reduction in funding to over 60s free swimming entitlement from 2 sessions a week to one at each of the 3 swimming pools	Letter	Upheld	Clear explination.
Email	17/09/2024	Concerns raised over not being able to contact Plas Arthur Leisure Centre by phone	E-Mail	Upheld	Ensure that if a Duty manager is working on shift that he/she help out at reception.
Email	20/09/2024	Concerns raised on behalf of constituants regarding reduction in over 60 free swim from 2 sessions in each centre to one	E-Mail	Upheld	Information provided to customers.
Email	26/09/2024	Concerns over swimming lessons in Holyhead, that another child pushed their child under the water during the lesson	E-Mail	Upheld	Ensure that staff are in control of the sessions.

Post/ Email/Face to face	Date Received	Brief Description	plaint (ie a concern) or Stag	omplaint still ope	Method of Reply	Stage 1 response within 10 working days yes/no? If not how many days overdue?	Was the complaint: 1. Not merited? (Please explain below) 2. Discontined? (Please explain below) 3. Upheld? 4. Not upheld?	a referral from th	Date of response	Lessons Learned?
Face to face	28/10/2024	Gentleman was showering and not happy that sports camp children were running around and looking around the showers area.	Business as usual	no - closed	Face to face	Yes	Upheld	NA	28/10/2024	Ensure that staff are watching the children at all time.
Email		Parent was unhappy that a picture of her daughter had appeared on social media.	Business as usual	no - closed	E-Mail	Yes	Upheld	NA		Ensure that staff check signed parental documents before posting anything on social media
Face to Face	16/10/2024	Members were not happy about the change of payment and DD set up for Aqua bikes due to change of instructor.	Business as usual	no - closed	E-Mail	Yes	Upheld	NA	16/10/2024	Ensure that all prices are clear to customers and which bookings are for 60+
Phone / CRM and Email	04/11/2024	Member was not happy that his son was bobbing up and down after jumping into the swimming pool at Amlwch Leisure Centre. He stated that the lesson was a shambles and that his son who is in wave 1 were placed in the deeper end of the swimming pool rather than the shallow end. Teachers in the pool had to intervine to help with the lesson and support the children.	Business as usual	no closed	E-Mail	Yes	Upheld	NA	07/11/2024	After the incident Dyfed Davies our swimming tutor went to observe swimming lessons at Amlwch Leisure Centre to help them with the saftey aspect of the sessions. We have also asked for Duty Managers to be on pool side when young unexperienced teachers are teaching.
Faceto face	07/11/2024	Paying customers not happy that Youth's come onto the pitch willingly and cause hassle for them i.e playing football / being a hinderance / causing distractions within their sessions.	Business as usual	no - closed	E-Mail	Yes	Upheld	NA	07/11/2014	We have had managers working late on the evenings that we know incidents happen and we have been on the gates not letting youth's who have not paid for sessions on the pitch. We also have new CCTV that shows us the pitch so that duty managers can keep an eye on the pitch without having to physically go outside.
Email	30/10/2024	Customer not happy about the change to the gym layout at Amlwch Leisure Centre.	Business as usual	no - closed	E-Mail	Yes	Upheld	NA	05/11/2014	Send a email out to customers to inform of gym changes in the future. Or any further notice.
Email	27/12/2024	Customer not happy that the lane swimming session was open to public swim and only x2 lanes available for lane swimming.	Business as usual	no - closed	E-Mail	Yes	Upheld	NA	29/12/2024	If swim lane times are quiet ask the swimmers in the pool if they're happy for other users to use the pool first. Stick to the session planned.
Email	03/12/2024	Customer was not happy that some machines that her son could use on the youth package had been moved to the free weights area at Amlwch Leisure Centre, where he is not suppose to attend due to him being on the youth package.	Business as usual	No - closed	E-Mail	Yes	Upheld	NA	05/12/2024	Managers have spoke with the Duty Managers at the centre and informed them that any changes need to be approved by management to ensure health and saftey of members.
Face to face	04/12/2024	Duty manager has concern about the youths in the centre. They are using inappropriate language towards staff and being a nuisence.		No - closed	Letter	Yes	Upheld	NA	05/12/2024	Managers have started working late at the centre to support the duty managers with the youths. Managers have approached youths asking them to behave or the police will be contacted. Police was called to speak with some individuals and the situation has since declined. Performance manager has also created a beahaviour policy for users.

to face / Telephone or refe	Date Received	Brief Description	aint (ie a concern) or	Sta	omplaint still ope	Method of Reply	Stage 1 response within 10 working days yes/no? If not how many days overdue?	Was the complaint: 1. Not merited? (Please explain below) 2. Discontined? (Please explain below) 3. Upheld? 4. Not upheld?	was this a referral from the PSOW	Was any compensation paid? If so how much?	Lessons Learned?
Email	10/03/2025	Concern about cleanliness of Plas Arthur gym and kids usage of the equipment.	Business as usual		No closed	Email	Yes	Upheld	No through Mon Actif email	No	Ensure duty managers are aware of the concern and ensure that staff complete checks of the gym and ensure that children use the correct equipment for their mammership.
Email	31/03/2025	Concern about David Hughes Saturday closure.	Business as usual		No closed	E-Mail	Yes	Upheld	No through Mon Actif email	No	Emailed the customer with feedback regarding our decision to close on Saturdays.
Email	19/02/2025	Concern about Amlwch gym layout and the space of the new studio.	Business as usual		No closed	E-Mail	Yes	Upheld	No through Mon Actif email	No	Emailed the customer stating our decision for the change and how this will help the centre.
Email	04/02/2025	Concern about additional swimming lane being added in the pool for early morning public swim.	Business as usual		No closed	E-Mail	Yes	Upheld	No through Mon Actif email	No	Replied to the customer stating the reasons for this and appologising for the inconvenience.
Email	24/03/2025	Email and pictures sharing concern of the clenliness of the gym at Plas Arthur. Also about equipment being broken for a long period of time and youth gym mambers using the wrong equipment and asking for more staff present at the gym.	Business as usual		No closed	E-Mail	Yes	Upheld	No through email	No	Fitness manager has responded to the email ensuring that new equipment is on the way and that broken ones will be fixed ASAP. Duty managers have been informared to ensure staff to prioritise the gym checks.
Email	07/04/2025	Concern regarding the closure of David Hughes Leisure Centre on Saturdays.	Business as usual		Yes	E-Mail	Yes	In progress - Not upheld	No through email	No	Head of Leisure is dealing with this concern.
Email	06/04/2025	Concern regarding removal of lane swimming on Saturdays in Holyhead Leisure Centre.	Business as usual		No closed	E-Mail	Yes	Upheld	No through email	No	Ensure Duty managers are aware of any changes and help to resolve the situation. Unhappy customers can use lane swimming on any other day.
Email	04/02/2025	Concern regarding crowded lane swimming session at Holyhead Leisure Centre	Business as usual		No closed	E-Mail	Yes	Upheld	No through email	No	Talked with customer and ensured her that this was temporary and that lanes will be back to normal from next week.

Footnote: Leisure staff were of the view that 'concerns' were merely service requests/business as usual matters, and not formal complaints. It is a term the PSOW uses to refer to Stage 1 complaints. The Council has removed the word "concern" from guidance and policy as it is misleading. 'Stage 1 Complaint' is now used instead. So, the high percentage of Leisure complaints is because the majority of them are actually service requests/business as usual matters, and should not have been included as these are not reportable matters. The Head of Service has confirmed that Leisure staff have now been trained on the updated guidance and Corporate Complaints Policy. So, this issue should not arise going forward. If it does, the Head of Service will be aware from the Power BI Dashboard.

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance & Audit Committee
Date:	04/12/2025
Subject:	Information Governance – Annual Report of Senior Information Risk Owner (SIRO) for the period 01/04/2024 to 31/03/2025
Head of Service:	Lynn Ball Director of Function (Council Business) / Monitoring Officer / SIRO.
Report Author:	Interim Data Protection Officer

Nature and Reason for Reporting:
To provide the Senior Information Risk Owner's view of the main Information Governance (IG) issues for the period 01/04/2024 to 31/03/2025; and current risks.

1.   INTRODUCTION

This Report outlines the view of the Council's SIRO as to the Council's compliance with statutory* requirements in the field of Information Governance (IG).

Additionally, this Report will refer to any Council interaction with regulatory authorities and instances of identified vulnerability and risk. Aside from the information in **Appendix 8** of this Report will not include reference to cyber security, nor the work undertaken during the year in relation to the Cyber Assessment Framework.   These are matters for the Chief Digital Officer's Annual Report to this Committee.

Some statistical information regarding the Council's IG performance is presented in the Appendices.

2.   RECOMMENDATIONS

2.1   Focused data breach training be delivered to Freedom of Information Act Officers (FOIA Officers) to improve their awareness of what constitutes a data breach, how to report a data breach, and the mitigation measures that need to be taken in the event that a data breach is discovered.

2.2   The Personal Data Security Incidents Policy, and supporting Guidance, be reviewed and updated before being relaunched internally with FOIA Officers. Such relaunch to be accompanied by specific training on the revised Policy and Guidance.

Footnote: *These include compliance with the United Kingdom General Data Protection Regulation (UK GDPR), provisions of the Data Protection Act 2018, stipulations within the Freedom of Information Act 2000, requirements under the Regulation of Investigatory Powers Act 2000 (relating to surveillance activities), alongside associated procedural guidelines.

2.3 Subject to corporate approval, quarterly KPI figures in relation to FOIA requests, as reported to the Executive and Corporate Scrutiny Committee, be amended to include compliance rates across individual services. This is to improve transparency in identifying areas of underperformance with a view to assisting and supporting those areas with targeted improvement measures and training.

2.4 Request that services conduct an assessment of their publication schemes with a view to increasing reliance on s20 and s21 of the FOIA (that is, information which is intended for future publication or information which is already available)

2.5 To provide FOIA training to FOIA Officers to include the appropriate application of exemptions.

3.   THE SIRO'S ASSESSMENT

3.1   Data Breaches

The overall figures for reported data breaches remains consistently low, as reported in previous years. However, for the Council to have only experienced seven data breaches in a year **(Appendix 1)** may indicate a lack of awareness of what constitutes a data breach and so matters that should be reported to the Interim Data Protection Officer (IDPO) are being overlooked. To ensure that the Council's practices are robust, training needs to be refreshed in this area. Clearly this will be done in recognition of the fact that the number of data breaches may increase with improved awareness and clarity of the required systems and processes.

The Personal Data Security Incidents Policy was last reviewed in 2020. It was due to be reviewed in 2022, and then in 2024. However, owing to staffing/capacity issues, this work was never undertaken. Similarly, the guidance note to accompany the Policy was also due for review but this work has not been undertaken.

3.2   Freedom of Information Act 2000 (FOIA)

While there are areas of good practice, the headline is that the Council's overall FOIA compliance figures are stubbornly low and always below the required minimum requirement expected by the Information Commissioner (ICO) (target 90%) **(Appendix 4)**.

Of relevance to this issue may be the following considerations:-

- There is an absence of current service related publication schemes. Routine/regular publication of material frequently requested under FOIA and the Environmental Information Regulations (EIR) is an exemption to FOIA/EIR requests and, used effectively, publication schemes can reduce the burden on services.

- It is noted in **Appendix 4** that there was only one request for an internal review during the period of this Report. An internal review is an appeal

against a decision made in response to an FOIA/EIR decision and is required before an applicant may refer an appeal to the ICO.

As a comparison, the report on governmental FOIA compliance indicates that in 2024 (figures released in 2025) that an internal review was initiated in 13% of FOIAs. The Council's low level of requests for internal reviews may be linked to a very limited reliance on statutory exemptions.

The number of reported exemptions relied upon was only 16 in total despite there being 818 FOIA requests, involving 6574 elements. See **Appendix 4**.

Accordingly, the IDPO has arranged for FOIA Officers to receive additional training on FOIA, more generally, including specific training on the application of exemptions. There will also be routine meetings with the IDPO for the FOIA Officers and the application of exemptions will be a standing agenda item. This is intended to refresh awareness and confidence in the application of exemptions.

In particular the IDPO will be working with the FOIA Officers, and their services, to discuss the renewal/implementation of publication schemes. This allows regularly requested items to be published, allowing FOIAs to be responded to in reliance on sections 20 and 21 of the FOIA. That is information intended for future publication, or which is already available. Thoughtful and regularly reviewed publication schemes can lead to improvements in FOIA compliance rates and reduce the workload on services.

It is proposed that the reporting of individual elements is removed from future reports. This information does not provide any meaningful assistance to understanding the workload created by FOIAs and quarterly reporting of performance by individual service areas would provide greater understanding of relevant issues and opportunities for intervention and improvement.

The average compliance figure over preceding years has been provided in **Appendix 4**.

3.3 ENVIRONMENTAL INFORMATION REGULATIONS

FOIA reporting should include reporting on EIR 2004. Over the reporting period requests that should have been treated as EIR requests have been incorrectly logged as FOIA requests and managed, processed and reported as such.

In future reports, EIRs will be included in joint reporting.

It should be noted that the same statutory deadlines for responses exist for EIR. That is, 20 working days.

3.4 SUBJECT ACCESS REQUESTS (SARs)

This is reported in **Appendix 6**

3.5 INDIVIDUAL RIGHTS REQUESTS (IRRs)

2 IRRs were received during the reporting period. These were treated incorrectly as complaints.

In future SIRO reports these will be reported as IRRs made under the Data Protection Act 2018.

3.6 REGULATORY OVERSIGHT

This is reported in **Appendix 7**

3.7 THE RESOLUTION OF THE GOVARNANCE AND AUDIT COMMITTEE 2023/2024

This is reported in **Appendix 8**

3.8 CORPRORATE RECORDS MANAGEMENT (FOIA)

This is reported in **Appendix 9**

Appendix 1. The number of data security incidents recorded by the Council during the year.

Data security incidents (24/25): 7

Level 1 (near miss or confirmed as a data security incident but **no** need to report to ICO/other Regulators) = 7

Level 2 incidents Data security incidents that **must** be reported to the ICO because of the risk presented = 0

Category Level 0 -1	Number
Disclosed in error	7
Lost data/ hardware	0
Unauthorised disclosure	0
Lost in transit	0
Other	0
Category 2	Number
Disclosed in error	0
Unauthorised disclosure	0
Technical failing	0
Other	0

Appendix 2. Agreed actions following data security incidents.

Action
No formal actions were agreed during the period of this report.

Appendix 3. Data breaches reported to the ICO.

During the period of 01/04/2024 to 31/03/2025, no data breaches required reporting to the ICO.

Appendix 4. Information about Freedom of Information Act 2000 requests and complaints

4.1 Freedom of Information Act 2000 requests

During the reporting period of 01/04/2024 and 31/03/2025 the Council received 818 requests for information.

Most requests were made to Planning & Public Protection, Highways, Property & Waste, and Resources.

FOI data in summary for the reporting period:

Total Number of Requests Received	818
Total Number of Elements Received	6574
Percentage of requests responded to within statutory timescale	82% against the ICO target of 90%
Total number of requests for an Internal Review in accordance with the Statutory Code of Practice	1

The ICO advises that public bodies should respond to 90% of FOIA requests within 20 working days.

During the reporting period of 01/04/2024 to 31/03/2025, the Council's corporate average compliance was 82%.
This remains significantly below the ICO's target and suggests training and capacity issues. This pattern of underperformance is longstanding and stagnant. Compliance over time is presented in the graph below.

FOIA Compliance 2015 -2025

Year	Compliance
2015-2016	67%
2016-2017	77%
2017-2018	78%
2018-2019	81%
2019-2020	82%
2020-2021	79%
2021-2022	79%
2022-2023	72%
2023-2024	80%
2024-2025	82%

7
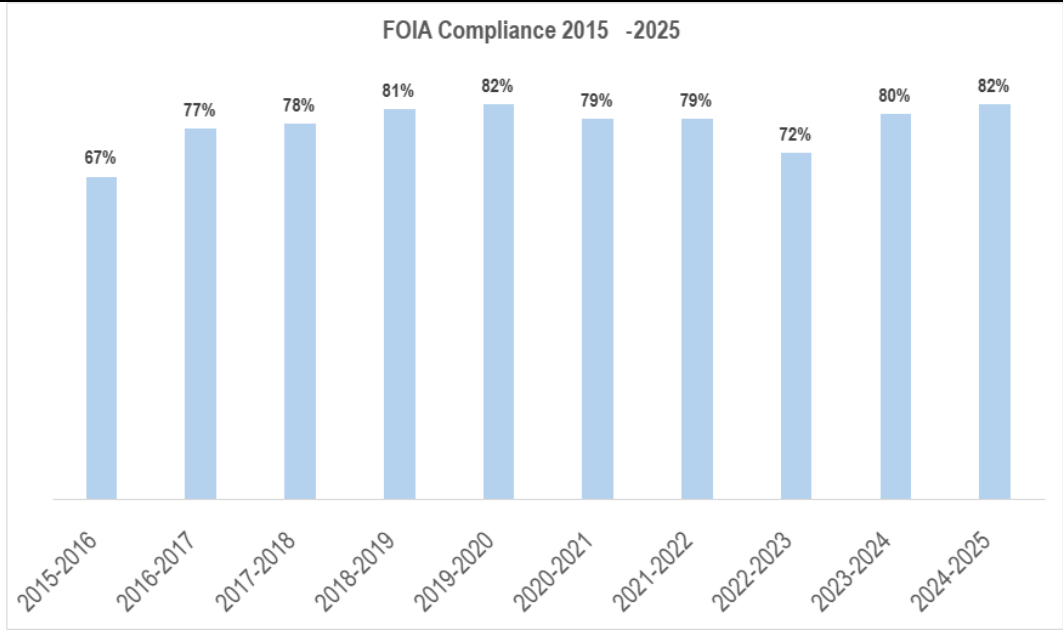
4.2 Freedom of Information Act 2000 exemptions used.

During the reporting period of 01/04/2024 to 31/03/2025 the following exemptions were applied:

Exemption	Number of times used
Section 1 S1(3) (request requires clarification)	3
Section 12 (above the appropriate limit of 18 hours)	1
Section 14 (repeated requests)	1
Section 21 (accessible by other means)	4
Section 31 (prejudice to various law enforcement functions)	1
Section 39 (environmental information)	1
Section 40 (personal data)	1
Section 41 (information provided in confidence)	2
Section 42 (legal professional privilege)	2
Total exemptions applied	16

Appendix 5. Information about the number of data protection complaints made to the Council during the year by individuals about its processing of their personal information.

Data protection legislation consolidates the rights of individual data subjects to complain about the way organisations have used, or propose to use, their personal data or otherwise infringe their data subject rights.

Data Protection Act Complaints to the Council (Individual Rights Requests)
2 DPA complaints were received 1 complaint related to a request to **erase personal data** 1 complaint related to an **objection** to the Council's processing of personal data Following investigation by the IDPO, it was found that**:** **1 case was upheld**. The Council's processing had compromised an individual's rights; **1 case was not upheld**. The Council's processing had not compromised the individual's data protection rights.

Appendix 6. Information about the number of data protection Subject Access Requests and the Council's performance.

Subject Access Requests and Compliance
 49 SARs were received during the period. Of those received: 39% (19) responses sent within the appropriate statutory deadline, i.e. within 1 month with 1 late response. 59% (29) requests are on hold pending confirmation or clarification regarding the identity of the applicants. Such requests are not categorised as "late". 2% of the responses sent were late.

Appendix 7. Information about Regulatory Oversight

7.1 Data Cymru Ransomware Incident

7.1.1. Summary of Incident

On 03/11/2024 Data Cymru experienced a ransomware attack by a group identified as INC Ransom. The attack was first detected on 04/11/2024 and resulted in unauthorised access to sensitive personal data relating to children's social services across councils in Wales. A further investigation on 26/11/2024 uncovered a second, more extensive dataset, that had also been accessed by the attackers.

The compromised data included sensitive personal information of children in care placements across Wales, dating back to 2012. This information included children's names, dates of birth, placement details, provider information, and setting addresses. According to analysis, the attack appeared to have been made possible through a legacy test account created during Data Cymru's migration to their outsourced IT provider (OGI/NSUK) in 2012. This account, which Data Cymru was unaware of, provided the attackers with a backdoor into their systems. The primary focus of the attack was a legacy file storage system that was being gradually phased out as part of a migration to SharePoint.

7.1.2. Actions Taken by Isle of Anglesey County Council

This Council responded to the Data Cymru breach with a measured and coordinated approach, focused on protecting affected individuals while maintaining compliance with data protection requirements. Upon notification of the breach in 11/2024, this Council promptly established internal communication channels, designating identified officers as the points of contact for the incident. Information was carefully managed on a need-to-know basis to maintain the confidentiality recommended by the National Cyber Security Centre.

Throughout the incident management process, the Council actively participated in the coordinated national response through the All-Wales Heads of Children's Services (AWHOCS) regional leads meetings and Data Protection Officer networks. The Council adopted the nationally agreed media management protocol and prepared our communications team to handle any press inquiries according to the established guidelines. We also maintained ongoing communication with affected local care providers, offering guidance on their responsibilities as data controllers.

When the BBC published an article in 03/2025 about a data breach affecting vulnerable children, the Council promptly reviewed risk assessments and prepared to manage any resulting FOIA requests according to the recommended exemption approach. Throughout the incident, the Council maintained comprehensive documentation of our decision-making processes, including the risk-based decision not to notify affected individuals. In 04/2025, the Council received confirmation that the ICO had decided not to take regulatory action, validating the approach to managing this complex data breach incident.

7.1.3 Lessons Learned by Isle of Anglesey County Council

The Data Cymru ransomware incident provided this Council with several valuable insights that have strengthened our approach to data protection and incident management. Through our involvement in this complex incident, the Council identified key areas for improvement across our data governance practices, security oversight, and multi-agency collaboration processes.

The Council recognised the need to clarify data controller/processor relationships and review data sharing arrangements with external organisations, particularly where sensitive information about vulnerable children is concerned. These governance considerations have led to more robust documentation of data flows and processing activities for special category data.

Security collaboration emerged as another crucial learning area, with the Council acknowledging the importance of regular verification of security controls implemented by their data processors rather than solely relying on contractual obligations. The fact that unencrypted data extracts were compromised highlighted the need for consistent security standards across all data handling practices. Finally, the Council's participation in the coordinated national response demonstrated the value of multi-agency incident management while also revealing opportunities to develop more robust internal processes for incidents involving external data processors.

7.2 Information Commissioner's Office

The ICO is responsible for enforcing and promoting compliance with the Data Protection Act 2018 and the UK GDPR; the Freedom of Information Act 2000; the Privacy and Electronic Communications Regulations; the Environmental Information Regulations; the Re-use of Public Sector Information Regulations; the INSPIRE Regulations. The ICO has power to assess any organisation's processing of personal data against current standards of 'good practice'.

Information about the number of data protection complaints from individuals about the Council's processing of their personal information which were investigated by the Information Commissioner's Office (ICO) during the period of this report.
Two complaints were investigated by the ICO, with one investigation running beyond the period of this report. In both cases, the ICO required no further action from the Council.

Freedom of Information Act Appeals to the ICO
Two decisions were appealed to the ICO during the period of this report: In one case, the decision of the ICO was that the Council ought to provide a substantive response to the request within 10 working days. The other case required the Council to consider the data protection elements of the FOIA complaint separately, but no further steps were required.

7.3. Surveillance Camera Commissioner

Nothing to report for this period.

Appendix 8. Update on resolution of the Committee from 2023-2024

"It was resolved to accept the report and to 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."

Current Status

Updates are provided to the Leadership Team where either:

- a vulnerability has been identified/or a proposed mitigation to an identified vulnerability, is likely to cause a material impact to one or more services or

- there is a choice to be made on the balance of risks. In these cases the Leadership Team receives a report from IT requiring a decision to be made to apply a mitigation recognising any impacts thereof. Alternatively, to implement a different mitigation of lesser impact, or to accept the risk of a particular vulnerability.

On 30/09/2025 the Council's Chief Digital Officer presented a report to this Committee in relation to the status of cyber projects including the work ongoing as part of the National Cyber Assessment Framework.

Appendix 9. Corporate Records Management/FOIAs

The recently appointed IDPO has raised concerns that the original specification for the FOIA/CRM system is too restrictive in the level of oversight that it will provide. In essence, the conclusion is that the CRM project which has been pursued was not sufficiently ambitious. The current IDPO has undertaken a holistic review of the Council's Information Governance arrangements and has concluded that it would be of greater benefit to the Council to devise a system that is not just limited to FOIA data but also includes wider information requests (those described in Section 3 of this Report) which should provide for a broader range of accuracy and corporate monitoring of performance.

A model along similar lines already exists in another regional authority but enquiries have established that the existing system in not compatible with this Council's CRM platform so joint working/acquisition is not possible.

In the circumstances the new project will be fully designed in-house and a new CRM specification is being designed together with a new project plan.

In the meantime, although outside the timetable of this Report, the IDPO has implemented some new ways of working and managing FOIAs, along with additional training and regular ongoing meetings which it is hoped will make the present service more efficient. There is now additional monitoring, routine meetings between the IDPO and FOIA officers providing opportunities to address areas of weakness and allowing targeted training and support to those service areas with lower levels of compliance.

Information has also been reported to the Corporate Scrutiny Committee on 18/11/2025 and will be reported to the Executive on 25/11/2025. The relevant Report states the following:-

"*The Council's current Data Protection Officer (DPO) has reviewed the councils FOI policy and procedures. Following this review a new specification will be developed for the establishment of FOIs on the CRM system that will ensure our procedures are compliant with the Information Commissioner's Office (ICO). It is believed that the new online system should make improvements to performance in the long term. Some reduction in capacity within services to deal with FOI tasks also ensures that the target of 90% remains a difficult one.*"

Isle of Anglesey County Council

Report to:	Executive Governance and Audit Committee Council
Dates:	25/11/2025 04/12/2025 09/12/2025
Subject:	Amendment to the Constitution – Final Approval of the Council's Annual Accounts
Portfolio holder(s):	
Head of service / director:	Lynn Ball, Director of Function (Council Business)/Monitoring Officer
Report author:	Lisa Lord, Interim Legal Services Manager and Deputy Monitoring Officer
Local members:	All

A – Recommendation(s) and reasons

Recommendations

Executive

For the Executive to express a view on the proposed amendment to the Constitution to provide for the final approval of the Council's Annual Accounts by the Governance and Audit Committee, in place of the Council.

Governance and Audit Committee

For the Committee to express a view on the proposed amendment to the Constitution to provide for the final approval of the Council's Annual Accounts by the Governance and Audit Committee, in place of the Council.

Council

For Council to approve the proposed amendment to the Constitution to provide for the final approval of the Council's Annual Accounts by the Governance and Audit Committee, in place of the Council.

Reasons

- The main stages of the approval process for the Council's Annual Accounts are as follows:

  1. Certification of the draft accounts – s151 Officer

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2. Public examination of the draft accounts

3. Review of the draft audited accounts - Governance and Audit Committee

4. Report to the Executive to consider the draft audited accounts

5. Review by Governance and Audit Committee of the final accounts

6. Approval of the final accounts by full Council

- Audit Wales' Annual Plan has a clear goal to bring forward the audit timetable for local government. The authorisation date for 2025/26, is 30/09/2026, which is a month earlier than 2024/25.

- This compresses the time available to respond to any matters raised by the Governance and Audit Committee, agree any changes with the External Auditor, and produce an amended, accurate and bilingual version of the final accounts.

- If approval remains with full Council, the 09/2026 meeting will need to be moved or an extraordinary meeting of full Council will be required.

- Delegating authority to the Governance and Audit Committee is a more efficient approval process. There is no disadvantage to any councillor, nor to the public, as the reports will still be available in the usual way (see full approval process above).

- Audit Wales has suggested the proposed amendment to bring our arrangements in line with those now currently operating in principal councils in Wales.

- Against this background, the amendment sought is to paragraph 3.4.8.12.3 – *"The Committee will review and approve, ~~prior to approval by full council~~, the authority's annual financial statements, including the explanatory foreword, key messages, trends, consistency with financial performance, suitability of and compliance with accounting policies and treatments and major judgmental areas"*.

- Under paragraph 2.15.2.1 of the Constitution "…*changes to the Constitution will only be approved by the full Council after consideration of the proposal by the Executive"*.

- A report will also be taken to the Governance and Audit Committee, on 04/12/2025, in order to seek the view of that committee on the change proposed.

B – What other options did you consider and why did you reject them and/or opt for this opinion?

Approval remaining with full Council. This was rejected as the status quo is having a negative impact on the efficiency of the process while the proposed change does not disadvantage any party.

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C – Why is this a decision for the Executive?

This is not an Executive decision, and the decision will be made by full Council. However under paragraph 2.15.2.1 of the Constitution there is a requirement to provide the Executive with an opportunity to comment on any proposed changes to the Constitution.

Ch – Is this decision consistent with policy approved by the full Council?

Changes to the Constitution (not falling within 3.5.3.6.6 and 3.4.12.6.3) require approval of full Council

D – Is this decision within budget approved by the Council?

There are no budgetary impacts

Dd – Assessment of potential impacts (if relevant)

1. How does this decision affect our long-term needs as an island?

The proposed change supports efficient decision making in relation to the Council's statutory accounts.

2. Is this a decision that is anticipated to prevent future costs/dependencies on the Council? If so, how?

Not to any significant extent but will obviate the need for an extraordinary meeting of the Council.

3. Have we collaborated with other organisations to come to this decision? If so, with whom?

Audit Wales

4. Have the citizens of Anglesey played a part in drafting this way forward, including those directly affected by the decision? Explain how.

No

5. Note any potential impact this decision would have on the protected groups under the Equality Act 2010.

No impact

6. If this is a strategic decision, note any potential impacts the decision would have on those experiencing socio-economic disadvantage.

No impact

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7. Please note any potential effects that this decision would have on opportunities for people to use Welsh and not treat the language less favourably than English.

No impact

E – Who did you consult with and what were their comments?

1. Chief Executive / Leadership Team (mandatory)	Considered on 14/10/2025 when the recommendation was agreed
2. Finance / 151 Officer	Report commissioned by the S151 Officer
3. Legal / Monitoring Officer (mandatory)	Author of the report and supportive of the recommendation Legal advice has been sought, in the context of this Report, about the conflict between CIPFA Delivering Good Governance in Local Government Addendum and legislation, when it comes to the voting rights of the lay members of the GAC. The Local Government (Wales) Measure 2011(as amended), Regulation 10 of the Accounts and Audit Regulations (Wales) 2014 (as amended) and statutory guidance all make it clear that lay members of the GAC have full voting rights. This is acknowledged by CIPFA and their Guidance will be revised to reflect the correct statutory position.
4. HR	N/A
5. Property	N/A
6. IT	N/A
7. Procurement	N/A
8. Scrutiny	N/A
9. Local members	Consultation with the Governance and Audit Committee on 04/12/2025

F – Appendices

Ff – Background papers (contact the report author for more information)

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	4 December 2025
Subject:	Internal Audit Update
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales

Nature and Reason for Reporting:

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)

The committee is required to 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 is required to 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)

This report fulfils the requirements of the Global Internal Audit Standards (UK public sector) consisting of the Global Internal Audit Standards (GIAS) of the IIA, the Application Note: Global Internal Audit Standards in the UK public sector and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government.

It is also consistent with the recommended practices for the oversight of internal audit as determined in CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022.

1. Introduction

1.1 Standard 11.3 of the Global Internal Audit Standards (GIAS) requires the chief audit executive to communicate the results of internal audit services to the board and senior management periodically and for each engagement. In addition, Standard 15.1 requires the chief audit executive to disseminate the final communication to parties who can ensure that the results are given due consideration.

1.2 This report updates the committee, as at 21 November 2025, on the audits completed since the last update as at 30 September 2025, the current workload of internal audit and our priorities for the short to medium term going forward.

2. Recommendation

2.1 That the Governance and Audit Committee considers:
- the outcome of Internal Audit's engagements,
- the assurance provided and
- our priorities going forward.

Internal Audit Update

December 2025

Marion Pryor BA MA CMIIA CPFA ACFS

Head of Audit & Risk

Contents

Summary of Assurance Work Completed Since Last Update

1. This section provides an overview of assurance reports finalised since the meeting in September 2025, including the overall assurance rating and the number of issues/risks/opportunities raised.

2. We have finalised **two** pieces of work in the period, summarised below and discussed in more detail later in the report:

Title	Assurance Level	Critical	Major	Moderate
Performance Management	**Reasonable**	0	2	5
Secondary Schools ICT Security	**Limited**	0	5	6

Performance Management

Reasonable Assurance	Issues / Risks / Opportunities	
	0	Critical
	2	Major
	5	Moderate

3. Our review sought to answer the following key question:

   Does the council have effective performance management arrangements in place to ensure that senior leaders and elected members receive relevant, accurate, timely and complete information regarding the council's performance against its key priorities and objectives, enabling them to effectively hold services to account for their performance?

4. The council has an effective performance management framework anchored in its Council Plan 2023–28, with well-established governance arrangements and a structured process for planning, monitoring, and reviewing strategic priorities. However, the review identified key areas for improvement to enhance the maturity and consistency of performance management across the organisation.

5. Notably, data quality assurance at both service and corporate levels is limited, posing risks to the accuracy of reported outcomes. The Corporate Performance team has limited resources and lacks a dedicated system to support robust data validation. Performance monitoring practices vary across services, with inconsistent use of KPIs and review mechanisms. While some services demonstrate strong performance cultures, others require clearer guidance and increased awareness.

6. Efforts are underway to standardise processes through a new annual service delivery plan template, which aims to improve corporate oversight. The council's self-assessment process, mandated by the Local Government and Elections (Wales) Act 2021, is largely compliant but could benefit from enhanced scrutiny and template revisions to ensure completeness and accuracy.

Secondary Schools ICT Security

Limited Assurance	Issues / Risks / Opportunities	
	0	Critical
	5	Major
	6	Moderate

7. Our review sought to answer the following key question:

   Does the Council have effective ICT governance, infrastructure and security measures in place across its secondary school estates?

8. The IT Audit Team at Salford Council conducted this piece of work on our behalf. They concluded that, in the main secondary schools are not mitigating the key risks associated with ICT governance, infrastructure and security to an acceptable level.

9. Though the Council has launched several initiatives to enhance school ICT services and address the identified risks over the medium term, they do not provide immediate mitigation for the current challenges.

10. We have raised 11 issues/risks/opportunities and have agreed an action plan with management, which is detailed in a separate document. We are assured that management plans to address all matters raised by July 2026.

11. Due to the nature of the concerns raised, the report and action plan will be discussed in private session of the meeting, following the application of the appropriate public interest test.

12. We will continue to monitor the action plan and will report progress to the Governance and Audit Committee.

Work in Progress

13.   The following pieces of work are currently in progress:

Area	Reason for Audit	Stage
Regulation and Economic	Investigation	Fieldwork
IT Audit: Physical and Environmental Security of Data Centres	Strategic Risk Register (YM3)	Draft Report
IT Audit: IT Asset Management	Strategic Risk Register (YM3)	Postponed at the request of the Chief Digital Officer
Adult Social Care Finance: Financial Assessments – Residential and Nursing Care	First Follow Up	Fieldwork
Managing the Safeguarding Risk	Strategic Risk Register (YM10/YM12)	Fieldwork
Early Education and Childcare Grant Programmes	First Follow Up	Fieldwork
Financial Management	Strategic Risk Register (YM1)	Fieldwork
Disabled Facilities Grants (DFGs)	Second Follow Up	Fieldwork

Outstanding Actions

14.   Work is progressing to support services with addressing all 'Issues / Risks / Opportunities' raised and implementing all outstanding actions.

15.   As at 21 November, there are currently no actions that have reached their target date for completion which have become 'overdue'.

Priorities

Short/Medium Term Priorities

16.   Our current workload can be seen in <u>Work in Progress</u> detailed earlier in this report. Delivery of the Internal Audit Strategy for 2025-26 is progressing well.

17.   We have successfully recruited a Senior Auditor who will be joining the team in mid-December. Work to induct the new officer to the team will begin immediately.

Longer Term Priorities

18.   Implementation of the requirements of the new Global Internal Audit Standards in the UK Public Sector will continue over the next 18 months.

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	4 December 2025
Subject:	Annual Review of Risk Management Framework and Strategic Risk Register Update
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales

Nature and Reason for Reporting:
The Governance and Audit Committee's terms of reference has an explicit requirement for the committee to review, assess and report on the effective development and operation of risk management arrangements in the council (3.4.8.8.1). As part of this responsibility, it will oversee the authority's risk management policy and strategy, and their implementation in practice. In fulfilment of this responsibility, the risk management framework (policy, strategy and guidance) is reviewed annually and presented to the committee for its consideration. In addition, when acting as a risk committee, it will review the strategic risk register and seek assurance that management appropriately own and manage risks effectively, consider the adequacy and effectiveness in capturing and assessing the strategic risks and evaluate whether planned mitigations are appropriate and effective, making recommendations to the responsible risk owner where appropriate. (3.4.8.8.3)

1. Introduction

1.1 This report presents the various elements of the council's current risk management framework, which is made up of the strategy, which includes the council's policy statement, together with the accompanying risk management guidance to the committee. The current documents are included in Appendix A and B respectively. Minor amendments have been tracked for reference.

2. Proposed changes to the framework

2.1 The departure of the Insurance and Risk Manager in May 2024 has provided an opportunity to review the structure and responsibilities of officers within the risk management framework, along with a comprehensive review of the strategic risk register.

2.2 Risk management responsibilities, in particular with regards the maintenance and updating of the strategic risk register, included within the Insurance and Risk Manager's role have been transferred to the Executive Manager (Leadership Team).

2.3 As part of our insurance contract with Zurich Municipal (ZM) we are afforded the services of Zurich Risk Solutions (ZRS) who we have commissioned to work with the council on a wholescale review of the council's approach to managing risk.

2.4   As part of this work, ZRS has worked with the Leadership Team to assist in the review of the current strategic risk register. ZRS held a workshop with the Leadership Team in March 2025, which has resulted in the strategic risk register being reduced from 16 risks to 11.

2.5   This more condensed set of risks has been formulated using the CORE model (concise; objective focused; root cause identified and explicit) and is aimed at identifying the root cause to allow for more effective and tangible mitigations to be implemented.

2.6   The Leadership Team has agreed the amended set of strategic risks. The Executive Manager (Leadership Team) is currently working with the Leadership Team to analyse the risks, i.e. considering the likelihood of the risk occurring and the impact on the council if that risk was to occur (the inherent risk), along with identifying the mitigating measures in place, and the effect this has on the risk score (the residual risk).

2.7   Risk owners, i.e. those responsible for the risk area and are senior enough to provide assurance that mitigations are in place and insist additional actions are completed, are being identified. A fully updated strategic risk register will be brought to the Governance and Audit Committee at its meeting in February 2026.

2.8   Additionally, the council has commissioned ZRS to:

- further develop and refine the council's risk appetite with the Leadership Team, utilising workshops and a survey to align perceptions and understanding

- provide risk management training to service business managers ('Risk Co-ordinators') to ensure there is a consistent level of understanding across the council, so individuals feel confident that they can apply the council's risk management approach to their working environment and there is engagement and a proactive mentality towards risk management which encourages regular and open risk discussion.

- provide an interactive strategic risk management training session to members of the Governance and Audit Committee. The session will help members distinguish between operational and strategic risks; while also building a shared understanding of risk management practices, procedures and the council's overall approach to managing risk. The aim is to provide members with a clear overview of how the council identifies, assesses and mitigates risk. The training will also emphasise the vital role of elected and lay members in providing oversight, challenge and assuring that risk management is effective across the organisation.

2.9   Despite the risk management system being in place for a number of years, staff turnover and a revised version of the software (v2) means that staff would benefit from a refresher on using the system. RSM, the provider of the system (4risk) has been commissioned to provide training on its use to the Executive Manager (Leadership Team) and support team, along with service business managers who perform the 'Risk Co-ordinator' role within services.

3. Recommendation

3.1   That the Governance and Audit Committee notes the work currently being undertaken as part of the wholesale review of the risk management framework and the strategic risk register.

Risk Management Policy & Strategy

Version ~~2~~3.0
(~~March~~ December 202~~5~~4)

About this policy

This document, together with the associated guidance, provide the Council's framework for risk management. The framework is relevant to all Council staff and Members.

Revision History

Version	Date	Summary of Changes
1.0	May 2023	
2.0	March 2024	Roles and responsibilities updated.
3.0	December 2025	Roles and responsibilities updated. Removed requirement for policy to be accepted in policy portal.

Date of next review	
This policy will be reviewed on:	~~May~~ December 2026
The review will be undertaken by:	~~Risk & Insurance Manager~~Head of Audit and Risk

~~Contact Details: Julie Jones (juliejones@anglesey.gov.wales)~~

We are happy to provide this policy in alternative formats on request.

Mae'r ddogfen yma ar gael yn y Gymraeg. This document is available in Welsh.

Foreword

There are risks involved in all aspects of life and business. As a diverse organisation, the risks the Isle of Anglesey County Council faces are widespread and varied. We believe the council should not shy away from risk but instead seek to proactively manage it. This will allow us to not only meet the needs of today but also be prepared to meet the future challenges of tomorrow.

We recognise that risks pose a threat but that they also present opportunities to innovate. A good understanding and awareness of the risks that we face is therefore needed if we are to successfully achieve the aims and objectives set out in our Council Plan, service delivery plans and project plans, and take fully informed decisions.

Risk management is a fundamental of good governance and internal control and is an essential component in delivering our aims and objectives. This document and the accompanying guidance set out the good risk management behaviours and practice that we expect throughout the council and will help us develop a risk aware culture.

The Executive and Leadership Team have a clear picture of the risks which threaten the ability to achieve our objectives and the level of risk exposure that we want to accept. Managing these risks effectively and ensuring that they are considered when decisions are taken, will put the council in a stronger position to deliver quality services, achieve our objectives, provide value for money, and respond to a changing risk profile.

Councillor ~~Llinos Medi~~Gary Pritchard
Council Leader

Dylan Williams
Chief Executive

Contents

1. Introduction

The risk management policy, strategy and accompanying guidance set out the principles and approach of the Isle of Anglesey County Council to managing risk.

The aim is to provide a consistent process that underpins the management of risk throughout the council, which reflects the size and the nature of our various operations, and uses our skills and capabilities to the full.

These documents apply to all council employees and members. Any partner organisations should be encouraged to embrace the principles contained in the documents.

1.1   Risk management policy and strategy objectives

The objectives of this document are:

- To develop a risk aware culture that runs throughout the council's activities.

- That it leads to a more consistent and informed decision-making process at all levels, thus improving accountability and transparency.

- For the council to be able to anticipate and respond to change and manage the risks and opportunities that may impact its objectives as set out in the Council Plan, service delivery plans and project plans.

- To ensure employees and elected members have the knowledge, skills and tools to understand the need and benefits of risk management and take responsibility for managing risk within their area.

- For the council to become a more risk mature organisation that monitors progress against targets, learns, and adapts when things do not go to plan.

1.2   Definition of risk and risk management

Risk is defined as "the effect of uncertainty on objectives."[1] In other words, the possibility that an event may or may not occur and it affects the achievement of an objective. The effect can be negative or positive.

Risk should not be confused or interchanged with an issue which is an event or situation that already exists.

Risk management is defined as "co-ordinated activities to direct and control an organisation with regards to risk"[2]. In other words, it is the process of methodically addressing the risks attached to activities with the goal of achieving sustained benefit within each activity and across all activities.

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[1] ISO 31000 2018
[2] ISO 31000 2018

1.3 Reasons for managing risk

There are many reasons for managing risks including:

- It increases the probability of success and reduces both the probability of failure and the uncertainty of achieving the organisation's overall objectives.

- Improves decision-making, planning and prioritisation by providing a framework that enables future activity to take place in a consistent and controlled manner.

- It can help managers demonstrate good governance and leads to a better understanding of the risk profile and risk mitigation.

- It can drive the effective delivery of objectives and efficient use / allocation of resources by focusing senior managers and elected members on the possible risks and opportunities to aid success.

- Regulators and partners are increasingly asking for evidence of good risk management practice, and this is also a requirement of many contractual agreements.

- Externally it can help to enhance political and community support and protect and enhance reputation. However, failure to identify, assess and manage risks may result in considerable unbudgeted expenditure and reputational damage.

2. Risk Management Policy Statement

The council is a diverse organisation committed to achieving its aims and objectives as set out in the Council Plan, service delivery plans and project plans. Risk is an unavoidable part of delivering these plans, and there are other risks that fall outside such plans that could impact the council's ability to provide quality services to the residents of Anglesey and those who visit and work on the island.   The council acknowledges that risk can pose a threat and provide opportunities.

It is the council's policy to adopt a proactive and consistent approach to managing its risks within a recognised risk appetite.   This proactive and consistent approach of identifying, assessing, managing and monitoring key risks is an integral part of our management processes at both strategic and operational levels, and ensures a culture of knowledgeable risk taking. Embedding risk management throughout all processes, projects and strategic decisions will put the council in a stronger position to deliver quality services, achieve objectives, provide value for money, and respond to a changing risk profile.

3. Risk Management Strategy

This strategy sets out how we aim to deliver the risk management policy, and where the responsibilities for managing risks lie. This will be achieved by:

3.1   Agreeing the council's risk appetite and risk maturity

Risk appetite is the amount and type of risk that the council aims to accept. By agreeing its risk appetite, the council is setting itself boundaries in terms of how much risk is acceptable and which risks it aims to manage if it is to realise its objectives.

Risk maturity is the level, understanding and effectiveness of the council's management of risk. Assurance of the council's risk maturity and an opinion of whether the risk management processes are fit for purpose will be sought from an independent party periodically and identifies areas where further improvement is required.

The Executive and Leadership Team have agreed the council's risk appetite, and this is set out and explained in detail in Section 4 of this document.

The Executive and Leadership Team will review the risk appetite at least once every administration.

3.2   Develop a risk aware culture

Risk culture refers to the values, attitudes and understanding of the council's staff and members in relation to the risks faced by the council. Where an organisation operates and makes decisions in the full knowledge of the risks involved, the risk culture is described as being **risk aware**.

To develop a risk aware culture staff and members will need to better understand the risks that are relevant to their area of work and how to evaluate risks. Integration, training, and communication all have a positive influence on risk culture.

Everyone manages risk and exploits opportunities to some degree in their day-to-day role. By integrating risk management into our processes and activities, our aim is that staff and members will understand, value and perform risk management, resulting in the council becoming a risk aware organisation.

Appropriate training will be delivered to members, managers at all levels, and those with specific risk management roles. Our cohorts of trainees are potentially the managers and senior leaders of the future. It is therefore important to develop their understanding of risk management by providing them with appropriate training and awareness sessions.

By communicating the risk management policy, strategy and accompanying guidance to staff and members the importance of effective risk management principles in our everyday activities will be highlighted. The documents will therefore be available on the Council's intranet (MonITor) and included as a policy that certain staff with management responsibilities and Members are required to accept via Porth Polisi.

3.3 Clearly defining roles, responsibilities and governance arrangements

Roles and responsibilities are set out in Section 5 of this document.

Risk co-ordinator is a new role, and each service is asked to designate an appropriate officer and deputy to undertake the role of their risk co-ordinator as part of their duties. This should ensure the importance of risk management is understood and embedded across the service.

We aim to improve the governance arrangements around risk management by encouraging a reference to risks in all reports which require a decision to be taken and ensure that risk registers are routinely considered at the appropriate level. For example, this chart shows the relationship between strategic and service risk registers and explains who owns and who needs assurance of the risks.
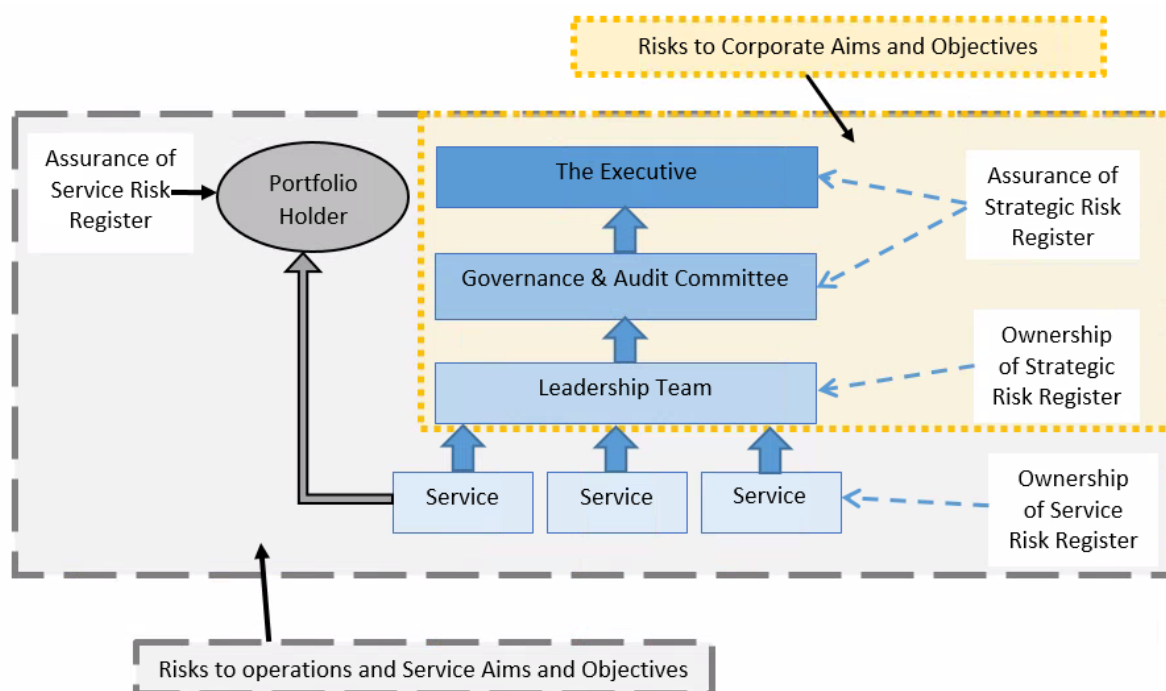
The Strategic Risk Register is reported to the Informal Executive and the Governance and Audit Committee twice a year.

Risks are regularly reviewed and discussed at corporate / strategic level, with key risks escalated from services.

3.4 Providing a risk management process

A generic risk management process provides a consistent approach to managing risk throughout the organisation. The risk management guidance accompanying this document sets out the detailed risk management process and is summarised in the diagram below.
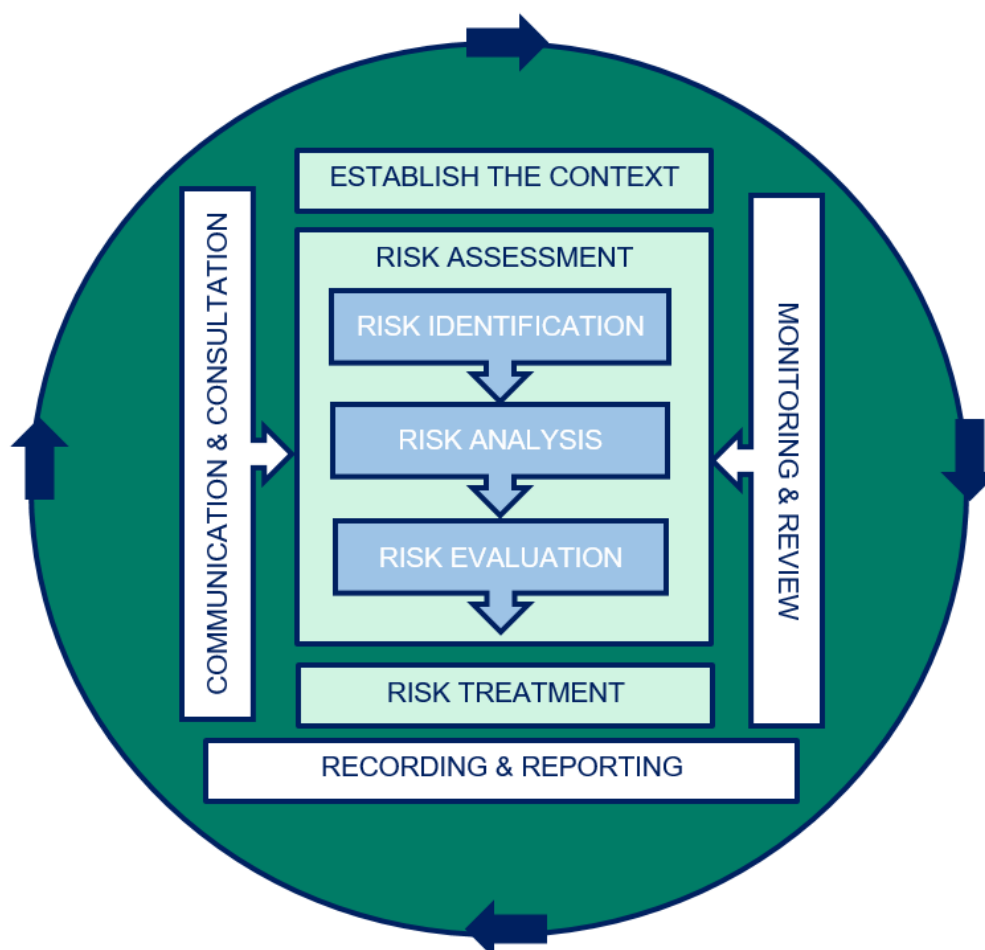
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The findings of each step of the risk management process are recorded in the risk register. The council maintains a strategic risk register, service risk registers, project and programme risk registers, and other activity specific risk registers as required.

Assessing the likelihood and impact of each risk and plotting them on a risk matrix provides a risk score for each risk and allows risks to be compared and prioritised. Each risk is assessed on an inherent (worst-case), residual (current position), and target (desired position) basis. Separate risk matrices have been developed for strategic, service, and project risks, and for opportunities, and these are included in the accompanying guidance.

3.5   Monitoring risk management performance

The council has developed a series of key performance indicators (KPIs) to monitor the progress and achievements of the risk management strategy. The KPIs include:

- risks and risk registers reviewed at strategic and service levels.

- assurance provided relating to the effectiveness of controls.

- staff and members who have received training.

- ~~staff and members who have accepted the policy on Porth Polisi~~

Responsibility for calculating these KPIs rests with the Internal Audit and Risk Management Team and these will be included in the annual risk report reported to the Leadership Team, the Governance and Audit Committee and the Executive.

Key risk indicators (KRIs) provide an early signal of a change in the risk exposure, and key control indicators (KCIs) an early signal of ineffective or less effective controls, providing an early opportunity to review the risks and where necessary, introduce additional controls. Therefore, where appropriate and relevant, KRIs and KCIs will be developed in conjunction with the risk co-ordinators and performance team.

4. Risk appetite and maturity

4.1 Risk appetite

4.1.1 Definition

Risk appetite is defined as "Amount and type of risk that an organization is prepared to pursue, retain or take"[3] or the level of risk that the council **aims** to operate within.

This should not be confused with or interchanged with risk tolerance, which is the absolute level of risk within which the council will operate.

Levels of risk appetite are defined below:

Risk Appetite	Description	High risk appetite
Eager	Eager to be innovative and to choose options offering potentially higher rewards despite greater risk	
Open	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward, value for money, and moderate / high risk.	
Cautious	Preference for safe delivery options that have a low degree of risk and may only have limited potential for reward.	
Minimal	Preference for very safe business delivery options that have a low degree of risk and only have a potential for limited reward.	
Averse	Avoidance of risk and uncertainty is a key organisational objective	Low risk appetite

A lower appetite for risk should be reflected by a higher risk management focus.

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[3] ISO 31000 2018

4.1.2 Risk appetite statement

The following table expresses the council's risk appetite for each category of risk, as agreed by the Leadership Team.

Risk Category	Risk Appetite
Objectives	Eager
Service Delivery	Open
Financial	Cautious
Reputation	Open
People (H&S / safeguarding)	Minimal
Regulation	Cautious
Environmental	Open

4.1.3 Why is risk appetite important?

By defining its risk appetite, the council is setting itself boundaries in terms of how much risk is acceptable and which risks it aims to manage if it is to realise its objectives.

The benefits of adopting a risk appetite include:

- Leads to informed decision-making.
- Reduces uncertainty.
- Improves consistency across governance mechanisms and decision-making.
- Supports performance improvement.
- Focuses on priority areas.
- Informs spending review and resource prioritisation processes.

4.2   Risk maturity

Risk maturity is the level, understanding and effectiveness of an organisation's management of risk.

Establishing a Risk Maturity Model is a key aspect of monitoring and reporting progress, provides assurance that risk management processes are fit for purpose, and identifies areas where further improvement is required. The level of maturity aspired to be is a balance of the resources available and the risk appetite.

The council's risk maturity model is:

		Level of Maturity				
		Immature	**Performed**	**Managed**	**Predictable**	**Mature**
Parameters of Implementation	Use of Standards, tools and techniques	Not using	Aware but no formalised use	Using	Regular use, outcomes consistent	Sound understanding, good use of tools
	Knowledge of the risk management discipline	Little knowledge	Aware but not clear of benefits	Understanding across some parts of the organisation	Sound knowledge of discipline and value	High degree of awareness and knowledge
	Risk management activities undertaken	None	Some ad-hoc, insufficient resources	Have framework and active when time permits	Formal program	Embedded in decision making
	Awareness of benefits and value of risk management	Unsure of benefits	Aware but not clear of benefits	Aware of some benefits	Aware of benefits and deployed across the organisation	Incorporated into business planning and strategic thinking

The council's level of risk maturity was last independently assessed in ~~November 2018~~ January 2024 by Zurich Risk Solutions, and determined as Level 3 'Managed', using a similar risk maturity model, also containing five levels of maturity.

5. Roles and Responsibilities

The roles and responsibilities according to the level of risk are outlined below:

Level of Risk	Risk Identification / Content	Assessment / Assurance
Strategic	**Leadership Team:** Strategic risk should be identified by the Leadership Team and the content of the risk register should be self-assessed through regular horizon scan and identification discussions. **The Executive:** The Executive should ensure that the risks reflect the current position of the organisation, ensure any emerging trends are considered and captured, and ensure that barriers to achieving the organisation's strategic goals are reflected in the content of the risk register. The Executive should not only be satisfied that priority threats and opportunities are captured but be part of a two-way conversation when challenging and reviewing risk.	**Governance & Audit Committee** The Governance and Audit Committee also have a role to play in ensuring that strategic threats and opportunities are being managed effectively. Although the committee may want to comment on the content of the risk register, their role is to ensure that the framework is robust enough to manage risk effectively. Their assessment may include control effectiveness, monitoring risk scores over time and reviewing any associated audit work in relation to the strategic risks.
Service	**Services** Every service should have a dedicated risk register that is associated with targets and service plans. Specific specialist projects may have separate risk registers or be included as part of the service's risk register. **Service Leadership Team** The relevant Head of Service and Director should have regular oversight of risks specific to their service area.	**Scrutiny Committee** Scrutiny Committee, when relevant, may want to review risks associated with a certain service.
Project	**Project Managers** Larger projects may have separate risk registers associated with the targets and project plans. **Project Boards** The relevant project board should have regular oversight of project risks.	**Scrutiny Committee** Scrutiny Committee, when relevant, may want to review risks associated with a certain project.

In addition, specific roles and responsibilities rest with the following specific groups or individuals:

	Role	Responsibilities
Members	**The Executive**	• Ensure risk is considered when agreeing the council's direction of travel. • Agree the delivery of the risk management policy and strategy. • Each Executive Member to oversee risks relating to their portfolio.
	Elected Members	• Consider risk as an integral part of strategic planning and decision making.
Management	**Leadership Team**	• Overall leadership for the effective delivery of risk management including the strategic risk register, risk management policy and strategy. • Set the tone from the top and promote the benefits of risk management. • Ensure all risks are aligned to corporate objectives. • Ensure full compliance with all corporate governance requirements, including the production of the Annual Governance Statement. • Report progress and change in relation to risk management to members.
	Corporate Directors, Heads of Service and their management teams	• Ensure there are effective risk management arrangements in their service in line with the risk management policy, strategy and accompanying guidance. • Identify cross cutting risks which impact on the achievement of service objectives. • Ensure service risk registers and actions are regularly reported to the Leadership Team and relevant Executive Member. • Ensure key decision reports contain balanced and considered risk. • Ensure that the risk implications of all new business change proposals are satisfactorily considered. • Where key services are to be provided through a partnership arrangement, clear lines of risk ownership and accountability are established.

	Role	Responsibilities
Risk Function	**Internal Audit and Risk Management Team**	• Act as corporate advisor of risk and co-ordinate strategic risk initiatives, ~~ensuring that risk management is integrated within all corporate strategies and procedures~~. • Promote a positive culture of risk awareness, demonstrating the ability to improve outcomes. • Ensure that risk management supports the delivery of innovative and challenging projects. • Provide corporate and service-based advice and support to ensure appropriate risk management is included in all decision making and other member reports. • Ensure the design and systematic implementation of policies, procedures and practises for risk identification, assessment, treatment, monitoring and reporting. • Develop the Risk Management policy, strategy and accompanying guidance and review periodically. • ~~Support the Leadership Team in maintaining the Strategic Risk Register and identify new and emerging risks.~~ • Contribute to the accuracy and integrity of risk registers with particular regard to the effectiveness of mitigating actions. • Encourage the council's external partners to adopt an effective and transparent approach to proactively manage risk. • Plan audit work to take into account key risks, and how effectively they are managed providing assurances for the Annual Governance Statement, the strategic risk register and the Governance and Audit Committee. • Ensure a periodic independent review of the corporate approach to risk management and compliance with it.
	Executive Manager (Leadership Team)	• Ensure that risk management is integrated within all corporate strategies and procedures. • Support the Leadership Team in maintaining the Strategic Risk Register and identify new and emerging risks. • Provide support to services to maintain service risk registers
	Risk Owners	• Manage all aspects of risks assigned to them. • Obtaining additional resources or support as required to manage and monitor risks assigned to them. • Ensure that risks assigned to them are regularly updated in risk registers. • Determine any actions required to mitigate risks, ensure that these are implemented fully and effectively, and ensure that risk score reflects the impacts of these actions.
	Risk Co-ordinators	• Ensure that the risk management policy, strategy and accompanying guidance are championed and adhered to consistently across the service. • Ensure that risk registers are developed, maintained and regularly reviewed for the overall service, and individual sections / teams as required.

	Role	Responsibilities
Everyone		• Report the service risk register to the service management team on a regular basis, and no less frequently than once a quarter. • Ensure that the service risk register is regularly reported to the Leadership Team and forms part of the service challenge process. • Arrangements are in place for risk management training, information, guidance to be communicated to all relevant staff.
	All staff	• Develop an understanding and familiarise themselves with the risk management policy, strategy and accompanying guidance and attend risk management training as required. • Maintain awareness of risks and take steps to manage risk as part of their role. • Report risks and any ineffective controls to managers. This includes reporting accidents and near misses, as well as opportunities.

6. Review

This document will be reviewed every three years or more frequently as the need arises.

Risk Management Guidance

Version 1.~~1~~0
(~~May~~ December 20~~2~~53)

Revision History

Version	Date	Summary of Changes
1.0	May 2023	
1.1	December 2025	Post holder changes and contact details

~~Contact Details: Julie Jones (juliejones@anglesey.gov.wales)~~

We are happy to provide this policy in alternative formats on request. Please use the above contact details.

Mae'r ddogfen yma ar gael yn y Gymraeg. This document is available in Welsh.

Contents

1. Introduction

This document provides details of the risk management process used throughout the Isle of Anglesey County Council, whether these be strategic, service, project, or other risks.

The aim is for a consistent and proactive culture and approach in terms of the process for managing risks, while acknowledging differences between strategic, service, project or other risks and a collective responsibility for managing risks facing the council as a whole.

Few risks and risk action plans remain static; risks change, priorities change, actions are completed, risk controls that were once effective may become irrelevant. Regular monitoring and reporting of risks is therefore essential.

2. Risk Management Process

The risk management process is continuous. It involves identifying, prioritising and treating risks. It is recommended that risk is a standing agenda item on management team meetings, working groups / forums, project and programme boards.

It is more effective to involve a number of individuals in the risk process to avoid the subjectivity of individual risk perceptions that can lead to a misjudgement of risk due to the effect of heuristics and bias. People are often driven by biases such as:

- Overconfidence – a tendency to overestimate the likelihood that outcomes will be positive

- Groupthink – a tendency to conform to group beliefs

- Anchoring – a tendency to rely on one piece of information rather than search for another

- Confirmation – a tendency to search for information that supports existing belief.

The following diagram depicts the risk management process:
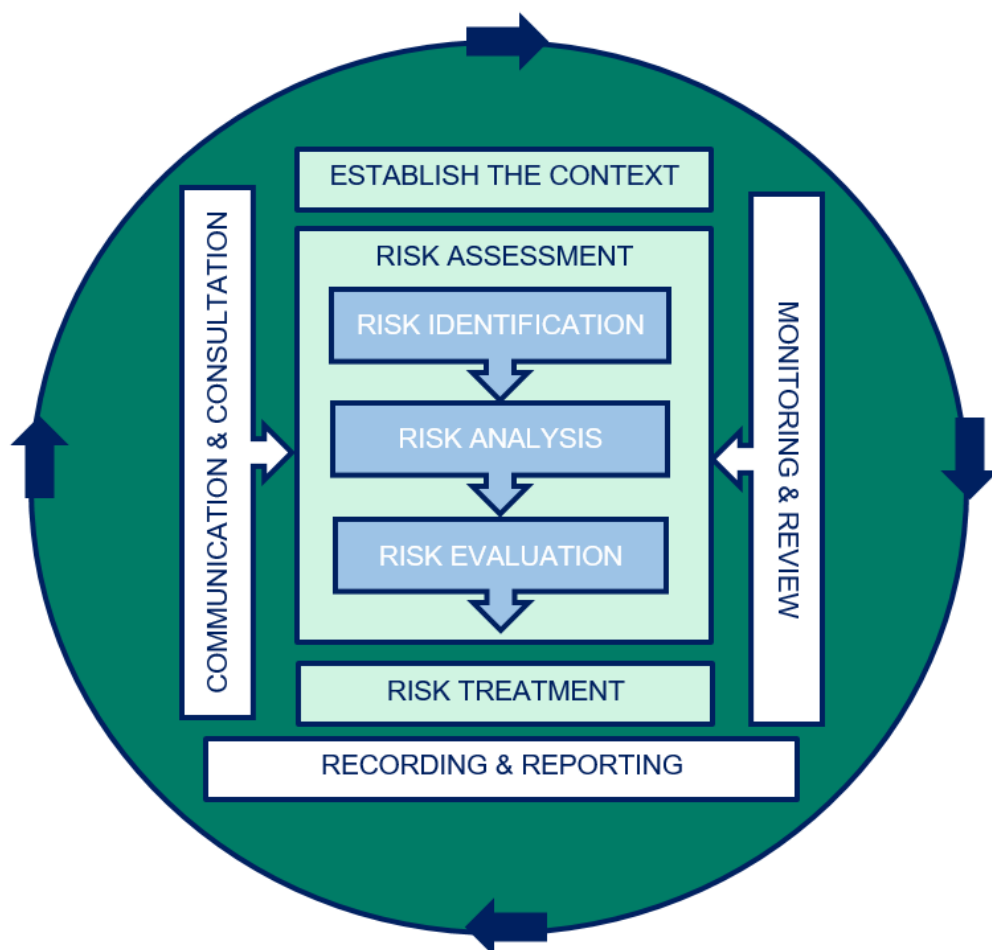
2.1. Establishing the Context

The first step is to establish the context of the risk. This frames the risk in terms of scope, objectives / business plans, risk appetite, and any assumptions made.

Strategic

- The context for strategic risks is the Council Plan

Service

- The context for service risks is their service delivery plan, and the aims, objectives and purpose of the service or business unit.

Project & Programme

- The context for project and programme risks is their project plan.

Partnership

- Partnership and collaboration is integral to the way the council seeks to achieve its ambitions. It is an important means of building capacity and is fundamental to the council's approach to achieving shared priorities.
- There are risks associated with any partnership that need management from the outset. All partnerships need a culture supporting well thought through risk taking and innovation by integrating risk management within the governance arrangements and consistently applying risk management processes throughout all the partnerships activities.
- The context for partnerships is the business plan, terms and governance arrangements of the partnership

2.2. Risk Assessment

Having established the context, the risk needs to be assessed. A risk assessment involves three steps:

- identifying the risk – which includes describing the risk, identifying the cause and impact of the risk and allocating a risk owner,

- analysing the risk to determine the likelihood and impact of the risk occurring, and

- evaluating the risk.

Risk identification

Risk identification is the process of determining what risks might prevent the achievement of aims and objectives. This is an ongoing activity, as internal and external factors are rarely static and therefore the impact and/or likelihood of risks materialising change regularly.

Risk identification should be approached in a methodical way to ensure that all significant activities have been identified and all the risks flowing from these activities have been defined. This requires an intimate knowledge of the area / activities being assessed and the wider legal, social, political and cultural environment in which it exists. Undertaking SWOT or bow tie analysis, holding workshops or brainstorming sessions are particularly useful when identifying risks for a new area or activity. Regular horizon scanning is recommended to identify new and emerging risks.

Service

- Should focus on the aims and objectives of the service as set out in their service delivery plan and risks to the day to day operation of the service.
- There are risks when engaging contractors. These include the ability to provide a service if the contractor fails to do so or fails to provide the goods required for the council to provide a service. Such risks should be notes in the relevant service risk register.
- A list of risks that should be considered are included in Appendix 4.2.

Project & Programme

- Should focus on the risks that may impact the achievement of the project / programme objectives, the time frame which the project / programme is to be delivered, and resources required to deliver the project / programme.
- A twin track approach to risk management is required for partnerships, namely:
  - **Outside Looking In -** the risks to the council in getting involved in or being part of the partnership. *These risks should be included in the relevant service risk register*.Examples:
    - Cost to the council of being part of the partnership is greater than delivering the service directly.
    - The partnership does not deliver the needs of the council or its residents.
    - The resources in terms of staff time required by the partnership outweigh the benefits.
  - **Inside out -** the risks to the partnership achieving its objectives.
- Each significant partnership should develop their own risk register relevant to the partnership's objectives and plan. This should be developed in conjunction with all of the partners. Examples:
  - Fundamental differences in political agendas or partners operating under different governance arrangements.
  - Misalignment of strategy and objectives across the partnership
  - A lack of relevant skills across the partnership to fulfil the objectives
  - Poor communication or non-acceptance of the roles and responsibilities of each partner.

Risk Description

Once a risk has been identified, it must be described so that it is clearly understood. There are three essential components to the description:

Cause + **Risk Event** + **Impact** = **Risk**
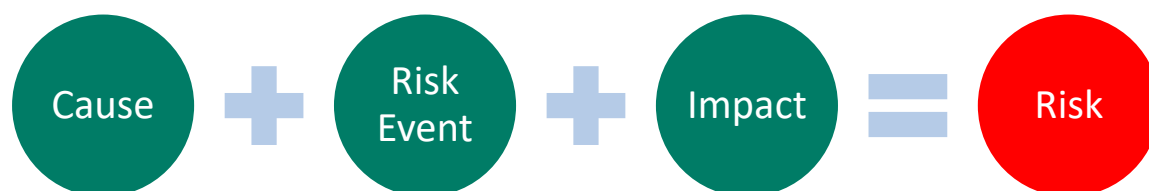
To keep the description as brief as possible, it is useful to note the causes and impacts separately. This approach is also useful in limiting the number of risks where there are several causes and impacts linked to one risk. It is however important not to be too vague as ambiguity will make analysing and evaluating the risk difficult. For ~~E~~example, defining a risk as "Staffing" could be construed as several different risks, whereas "The risk that key employees cannot be retained" is clearer.

Cause & Impact

Identifying what could cause the risk event to happen and the impact of the risk event assists in identifying possible risk treatments. Proactive or preventative treatments eliminate or reduce the cause and therefore reduce the likelihood of the risk event occurring. Reactive treatments influence the effect and therefore reduce the impact of the risk event if it were to happen. Where there are several possible causes or impacts, they should all be listed. For example:

- Risk: failure to retain key employees.

- Cause: uncompetitive pay, working conditions, high levels of absence or vacancies.

- Impact: disruption to services, increase in temporary staffing costs, increased pressures on recruitment team.

Risk Owner

Each risk must have an owner who is responsible for the risk area and is senior enough to insist actions are completed.

Strategic
- a member of the Leadership Team

Service
- Corporate Director, Head of Service or a member of the service management team.

Project & Programme
- project sponsor or Senior Responsible Officer (SRO)

Risk Analysis

The next step is to analyse the risk by considering the **likelihood** of the risk occurring and the **impact** on the organisation if that risk was to occur.

Likelihood ✕ Impact = Risk Score

Risk analysis can be quantitative, semi-quantitative or qualitative in terms of the likelihood of occurrence and the possible impact. Providing descriptors assists with the analysis and increases consistency.

Plotting the **risk score** for each risk on a **risk matrix** allows risks to be compared and prioritised.

Separate risk matrices have been developed for strategic, service, project risks, and for opportunities, and these are included in Appendix 4.3. Each partnership should develop and agree risk assessment criteria based on the parameters of the partnership. For example, the likelihood scale should reflect the partnership timeframe.

Please note that if a risk is significant enough to be considered at a different level, the risk needs to be re-evaluated against the relevant risk matrix. For example, if a service risk is to be considered as a strategic risk it must be re-evaluated using the strategic risk matrix.

For all matrices, likelihood and impact are measured numerically with 1 being the least likely and the least impact. For example, a strategic risk considered to have a Catastrophic impact if it does occur and is Almost Certain of occurring will have a risk score of 25.

The colour associated with the risk score depicts the **risk level**, the broad responses to each risk level is set out in the following table.

Risk Level	Response
Critical	• Priority risks • Escalate and actively monitored • Allocate resources to mitigate
Major	• Escalate and regularly monitored • Likely to require action to mitigate
Moderate	• Monitor the risk at least twice a year • Mitigation if obvious and cost effective
Minor	• Accept but continue to monitor at least annually • Mitigate if obvious and cost effective

Inherent Risk

Each risk is initially analysed on an inherent basis. This is the level of risk before treatment measures and existing controls have been considered, or in other words, **the worst-case scenario**.

Risk Controls

These are the treatments already in place to reduce the likelihood of the risk occurring or minimise the impact of the risk should it occur. It is rare that a single risk control will influence both the impact and likelihood. Treatments can be in the form of procedures, contingency plans, training etc.

Residual Risk

Each risk must also be analysed on a residual risk basis. This is the remaining level of risk after any existing risk controls have been considered or in other words, **the current level of risk**. This analysis must be undertaken using the same risk matrix used for analysing the inherent risk.

Risk Control Effectiveness and Lines of Assurance

The residual risk assumes that all identified controls are effective. However, if a control fails or is ineffective it will increase the likelihood of the risk occurring or the impact should the risk occur and impact the decision whether additional treatment is required. The effectiveness of each control therefore needs to be assessed.

Lines of assurance provide evidence of how effective a risk control is, or how effectively the entire risk is managed. The council uses a 'Three lines of assurance' model.

Line of Assurance	Provided by
1st	Risk or control owner.
2nd	Central support function, e.g. finance, HR, performance and legal.
3rd	Independent sources e.g. internal or external audit, external regulators.

The frequency and volume of assurance reduce down from the first line of assurance, through the second line of assurance, and culminating in the third level independent assurance. All three levels are important and should be presented and recorded.

Officers responsible for providing the assurance are responsible for adding the assurance to the risk register, with the Performance Team inputting external sources of assurance.

Risk Evaluation

When the risk analysis process is complete, it is necessary to evaluate or compare the residual risk against the risk appetite. Risk evaluation helps decide how significant a risk is, whether it should be accepted or treated, and prioritises risks for treatment.

Risk appetite is the amount and type of risk that the council aims to accept. This should not be confused with or interchanged with risk tolerance, which is the absolute level of risk within which the council will operate. The council's risk appetite is set out in the Risk Management

Policy and Strategy document and sets the boundaries in terms of how much risk the council finds acceptable, and which risks it aims to manage if it is to realise its objectives.

2.3. Risk Treatment

There are four primary risk treatment options.

Terminate	Treat
Avoid or stopping a certain process or activity completely. Alternatively, the activity could be carried out in a different way	Implement mitigating actions or controls measures to reduce the likelihood or the impact of the risk. It is rare for a single control measure to reduce the likelihood and impact. Controls should be monitored on a regular basis to ensure that they are effective. The vast majority of risk treatment options fall within this category.
Example: if a particular project is very high risk and the risk cannot be mitigated it might be decided to cancel the project.	Example: Checking electrical installations can reduced the likelihood of a fire and installing a sprinkler system can reduce the impact of the fire.
Transfer	Tolerate
Transferring the cost of the risk to another party who bears all or shares part of the risk. Please note that where the council has a statutory duty to act (e.g. refuse collection) the liability for failing to act remains with the council and cannot be transferred to the contractor undertaking the duty on the council's behalf.	Accept the risk and do nothing to mitigate it. It may not always may be necessary or appropriate to take action to treat risks. If the risk is shown as 'green' after mitigating actions, then it can probably be tolerated. Risks that are accepted still need to be monitored and reviewed.
Example: Outsourcing an area of work to a contractor or buying insurance cover.	Example: the cost of treating the risk outweighs the potential benefits.

Any risk above the risk appetite will require additional treatment.

When evaluating what treatment options to employ, consider:

- Existing best practices to treat the risk.

- Critical controls that will reduce the risk required as part of the risk treatment or mitigation plan.

- Costs associated with different treatment options against associated benefits.

- How other organisations mitigate the same risk.

Time and resource should therefore be focused on risks where the residual risk are above the risk appetite or at a critical level (red).

Action Plan

Where the risk owner believes additional treatment is required, they should record what action is required, by whom, and by when in the risk register and communicate this to the action owner. Where such a decision falls outside the risk owner's authority they must escalate the decision to someone who has authority.

Actions identified should be SMART (Specific, Measurable, Achievable, Realistic, Time-limited.)

Action owners are responsible for updating the risk register in respect of actions assigned to them, especially if completion of an action is delayed or unlikely to happen and must confirm when an action is complete.

Once an action is complete, the risk owner should consider the impact on the residual risk score or if there is a new control.

Target Risk

Where additional actions are to be implemented, an analysis of what the expected risk score will be once the actions are completed should be undertaken. This is the **target risk** and is calculated using the same risk matrix as was used for analysing the inherent and residual risk levels.

2.4.   Risk Recording, Monitoring & Reporting

Risk Register

The findings of each step of the risk management process are recorded in the risk register. 4risk is the council's preferred method for capturing risk registers.

Strategic
- •The Risk & Insurance Manager will facilitate the maintenance and update of the strategic risk register on behalf of the Leadership Team.

Service
- •Each Service will maintain and update their own service risk register.
- •Larger services or those with distinct business units may decide to also have risk registers for each or some teams within the service. Responsibility for maintaing such risk registers will be decided within the service.

Project & Programme
- •Project and programme managers will maintain and update project and programme risk registers.

Monitoring

Regular monitoring of every stage of the risk management process is essential.

Regular monitoring of individual risks ensures that the likelihood and impact remain representative, the controls remain relevant, and whether actions are on track. The frequency of review depends on the risk level; the higher the risk level the more often the review. Risks should also be reviewed after any significant event, the release of new legislation or government guidance and after an audit.

Regular monitoring of risk registers in their entirety ensures that they provide a fair overall representation of the risk to the organisation and that the level of the risks remain relative to one another.

Risks should feature as a standard agenda item at management teams (at all levels within the organisation), corporate forums/working groups where appropriate, project and programme boards, and partnership meetings, so that risks can be identified and captured. Discussions on risk should include:

- are any risks missing from the risk register

- review of existing risks

- the effectiveness of the current controls

- are actions on track

- new or emerging issues and risks

Strategic

- The Leadership Team will review the strategic risk register as a whole at least twice a year.
- The Leadership Team will review a small number of strategic risks each month.

Service

- Services are responsible for monitoring and updating their risk registers. Services are encouraged to review their risk registers at least once a quarter.

Project & Programme

- Risks should be monitored at the beginning of each stage of the project / programme to ensure key project / programme milestones are not compromised.

Partnership

- The partnership should agree the ongoing monitoring of the risk profile and progress of the action plan, and the frequency and content of risk reports.

Risk Control Effectiveness

Monitoring the effectiveness of controls regularly ensures the residual risk score is a true reflection of the risk. There are various methods of monitoring the effectiveness of controls including:

- periodic reviews where a judgement is made

- lines of assurance

- formal methods of testing the controls

- establishing key control indicators (KCIs)

Key Indicators

These can assist the monitoring process.

Key Performance Indicators	Key Risk Indictaors	Key Control Indicators
•monitor the progress and achievements of the risk management strategy.	•early warning indicators to monitor the risk cause, making risk monitoring proactive rather than reactive. •an indicator of change in the likelihood or impact of a risk, provide an early signal of increasing risk exposure and assist in the decision-making process for risk mitigation	•early warning indicators for key risk controls •Where controls are ineffective or less effective, the residual risk level should be reviewed.

Risk Reporting & Escalation

Risk Escalation

This ensures significant risks are escalated and brought to the attention of the appropriate person or group and is necessary to ensure that the appropriate decisions are taken and actions are implemented to mitigate the risk.

The timely availability of risk information to the right people is vital to the risk escalation process. There is no restriction on what may be escalated for action; the key criteria is that some form of intervention is required from management that is more senior.

Individual risk owners are responsible for escalating risks through the normal management hierarchy. Although it may be appropriate to include a risk in a different risk register, the responsibility for addressing the risk may remain with the originator. The Leadership Team should be informed of any risk that are above the appetite level; however, responsibility for managing those risks will usually remain with the risk owner but with increased scrutiny from the Leadership Team.

Risk Reporting

Risk reporting provides many benefits including allowing organisations to demonstrate an understanding of the risks they face and how best to deal with them. This provides greater confidence in the organisation's ability to mitigate risk and assurance that the council's risks are being well-managed and mitigated. It also shows effective leadership and integration of risk management into the wider governance arrangements.

Risk reporting should be within the normal reporting lines of the council to support better decision-making and ensure that planning and control is embedded and transparent. The communication of risk horizontally and vertically within the council is critical to this process as risks cannot be considered in isolation and the management of one risk can impact on another.

There is no prescribed format for risk reporting, however concise and focused reports based on good quality information are key to ensure reports are user-friendly, actionable and can be used easily in decision-making. Data collated for analysis should be meaningful to support decision-making and presented in a succinct and accessible way that focuses on key points.

Where a decision is required, any risks and opportunities associated with the decision should be clearly articulated in a succinct and accessible way to those with the authority to make that decision. This includes the risks and opportunities of proceeding with or ceasing an activity and not proceeding with or ceasing an activity.

Strategic

- Reports to the informal Executive and Governance & Audit Committees on the strategic risk register highlighting any changes to the strategic risks, any new risks identified and any risks that have been closed is presented to these committees twice a year.

Service

- Service risks will be scrutinised during the Service Challenge
- Service risk registers should be presented to the Portfolio Member at least annually

Project & Programme

- Risk reporting should be integrated with established reporting lines. This is usually Project Manager > Senior Responsible Officer > Project Board > Leadership Team.

Partnership

- All partners should receive copies of the risk register and any risk reports at least once a year with concerns escalated within the normal management process.

3. Opportunity Risk Management

If only threat risks are managed, the best outcome expected is to meet the promised objectives but never to improve on them. Identifying and managing opportunities is therefore encouraged within the council's risk appetite. The process for opportunity risk management remains similar to that outlined in section 2 with the following considerations:

Risk Assessment

It is important to identify real opportunities and not simply log the flip side of threats. A SWOT analysis is a useful tool to identify opportunities.

Opportunity Risk Matrix

LIKELIHOOD				1	2	3
	Favourable outcome likely to be achieved in less than 12 months	Likely	3			
	Reasonable chance of a favourable outcome in the next 2 years	Possible	2			
	Some chance of a favourable outcome in the next 5 years	Unlikely	1			

		1	2	3
		Minor	Moderate	Significant
Objectives		Little or no positive impact	Some positive impact	Notable positive impact
Service Delivery		Little impact on either quality or provision	Improvement in quality or provision	Notable improvement in quality and provision
Financial Benefit		<£250k	£250k - £1m	>£1m
Reputation		Little or no impact	Local recognition	National recognition
IMPACT				

Opportunity Treatment

The risk appetite will have a bearing on how opportunities are treated.

There are four primary responses to opportunities.

Exploit	Share
Exploit is where you do not take any action but if the risk does happen, you would take advantage of it and use it.	Work with another organisation to share the cost, resources and knowledge in order to realise the opportunity.
Example: Selling shares if the price rises to an unprecedented level.	Example: Establishing a new company jointly owned with another organisation.
Enhance	**Reject**
Take actions to increase the likelihood of event occurring and / or impact should the opportunity occur. This is not the same as Exploit, but doing certain things will give a greater chance for the opportunity to happen.	Identify an opportunity but decide not to take any action.
Example: Adding more resources to reduce time or provide training to improve quality	Example: The additional cost / resources required are greater than the potential return.

Monitoring and Reporting

Opportunity monitoring and reporting should be integrated with established risk reporting lines. Also, opportunities should be clearly highlighted in reports alongside any risks.

4. Appendices

4.1. Terminology

Word/term	Definition
Action / Action Plan	Additional treatments identified to mitigate the risk further. The action plan identifies what is required, by whom and by when.
Action Owner	The individual or group of people tasked with completing an action.
Assurance (Lines of)	Evidence of how effective a risk is managed.
Cause	The circumstance that could lead to a risk event happening
Control	The treatments already in place to reduce the likelihood of the risk occurring, or minimise the impact of the risk should it occur.
Control Owner	The individual or group of people tasked with implementing a control.
Impact	The outcome if a risk event happens.
Inherent Risk	The level of risk before treatment measures and existing controls have been considered - the worst-case scenario.
Issue	An event or situation that already exists.
Likelihood	The probability that the risk will happen.
Opportunity	A positive outcome or impact of a risk.
Partnership	A joint working arrangement where the partners are otherwise independent bodies, agree to co-operate to achieve a common goal of community cohesion and to achieve it, create an organisational structure or process and agreed programme.
Programme	A temporary flexible organisation structure created to coordinate, direct and oversee the implementation of a set of related projects and activities.
Project	A temporary structure that is created for the purpose of delivering one or more business products according to an agreed business case.
Residual Risk	The remaining level of risk after any existing risk controls have been considered - the current level of risk.
Risk	The effect of uncertainty on objectives.
Risk Assessment	The process of identifying, analysing and evaluating a risk.
Risk Appetite	The amount and type of risk that an organisation aims to retain / take.
Risk Co-ordinator	The officer that leads on promoting and embedding risk management within their Service.
Risk Culture	The values, attitudes and understanding of an organisation in relation to the risks it faces.
Risk Event	Occurrence of a particular set of circumstances.
Risk Level	The significance of the risk in terms of likelihood and impact displayed as red, amber, yellow or green.
Risk Management (Process)	The process of methodically identifying, assessing, and addressing the risks attached to activities.
Risk Matrix	A visual display of the relationship between the likelihood and impact of a risk.
Risk Maturity	The level, understanding and effectiveness of an organisation's management of risk.
Risk Owner	The individual or group of people tasked with managing, monitoring and reporting on a risk.
Risk Register	The document that records the outcome of the risk assessment and associated action plans.
Risk Score	The combination of the likelihood and impact.
Risk Treatment	The process of selecting and implementing measures to modify the risk.
Target Risk	The expected level of risk once the action plan is completed.

4.2. Service Risks

The table below includes some of the risks that may be relevant to services.

Category	Examples
Partnerships	• the risk to the Service of being part of a partnership in terms of value for money, efficiencies, reputational damage etc
Data	• losing or wrongly disclosing • access denial • retention and destruction • knowing what data is held and where • quality of the data held • accessibility of the data in the future
Health & safety	• staff • service users • contractors • members of the public
Business continuity	• loss of IT or telephony • availability of staff • loss of buildings / accommodation • access to records
Welsh language policy	• breach of the standards
Contracts	• procurement of goods and services • contract management • supply chain risks
Staffing	• Illness • absence • vacant posts • training & skills • management
Fraud	• by staff • by external parties
Environmental	• extreme weather impact • pollution • carbon footprint
Financial	• reduced real terms budget
Legislation	• changes in legislation • new legislation

4.3. Risk Matrices

Strategic Risk Matrix

LIKELIHOOD				Insignificant	Minor	Moderate	Major	Catastrophic
	Within the next 3 months	**Almost Certain**	5					
	Within the next 12 months	**Likely**	4					
	Within the next 2 years	**Possible**	3					
	Within the next 5 years	**Unlikely**	2					
	Not within the next 25 years	**Rare**	1					
MINOR	**MODERATE**			**1**	**2**	**3**	**4**	**5**
MAJOR	**CRITICAL**			**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**

	Insignificant	Minor	Moderate	Major	Catastrophic
Objectives	Minor delay in achieving objectives	Reduction in scope or quality of a secondary objective	Reduction in scope or quality of a primary objective or achievement of a secondary objective is significantly delayed	Achievement of a primary objective is significantly delayed, or a secondary objective cannot be met	A primary objective cannot be met
Reputation	Public concern restricted to local complaints	Minor adverse local / public / media attention and complaints	Serious adverse local or minor adverse regional or national media attention	Serious negative regional or national criticism	Prolonged regional and national condemnation
Financial Cost	<£100k	£100k - £500k	£500k - £2m	£2m - £5m	>£5m
Health & Safety	Near miss or minor injury not requiring any professional medical treatment	Minor injury requiring professional medical treatment	Serious injury	Life changing injury	Fatality
Safeguarding	No safeguarding impact	Isolated non-compliance with procedures	Continued non-compliance with procedures	Isolated safeguarding incident	Multiple and related safeguarding incidents
Regulation	No regulatory impact	Reportable incident to regulator, follow up not required	Report of a breach to regulator that requires immediate correction	Prosecution by regulator leading to fines or intervention that requires a project to rectify the situation	Prosecution by regulators that results in significant fines and/or large-scale intervention
Environmental	Minor short-term effect	Short term effect that requires little resources to resolve	Short term effect that requires significant resources to resolve	Serious short-term effect or some long-term effect	Serious and long-term effect
IMPACT					

Service Risk Matrix

LIKELIHOOD			Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Within the next 3 months	Almost Certain	5	Yellow	Yellow	Orange	Red	Red
Within the next 12 months	Likely	4	Yellow	Yellow	Orange	Red	Red
Within the next 2 years	Possible	3	Green	Yellow	Yellow	Red	Red
Within the next 5 years	Unlikely	2	Green	Green	Yellow	Orange	Orange
Not within the next 25 years	Rare	1	Green	Green	Yellow	Yellow	Orange

MINOR	MODERATE		1	2	3	4	5
MAJOR	CRITICAL		**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Service			No impact on service quality; minor delays in providing non-critical services	Minor impact on service quality, very short delay in providing a single critical service, or a significant delay to other operations	Significant fall in service quality, short term disruption to critical services, or prolonged disruption to other operations	Prolonged disruption to single critical service	Prolonged disruption to multiple critical services
Reputation			Public concern restricted to local complaints	Minor adverse local / public / media attention and complaints	Serious adverse local or minor adverse regional or national media attention	Serious negative regional or national criticism	Prolonged regional and national condemnation
Financial Cost (% of net Service budget)			<1%	1% - 10%	10% - 25%	25% - 50%	>50%
Health & Safety			Near miss or minor injury not requiring any professional medical treatment	Minor injury requiring professional medical treatment	Serious injury	Life changing injury	Fatality
Safeguarding				Isolated non-compliance with procedures	Continued non-compliance with procedures	Isolated safeguarding incident	Multiple and related safeguarding incidents
Regulation				Reportable incident to regulator, follow up not required	Reportable breach that requires immediate correction	Prosecution leading to fines or intervention that requires a project to rectify the situation	Prosecution that results in significant fines and/or large-scale intervention
Environmental			Minor short-term effect	Short term effect that requires little resources to resolve	Short term effect that requires significant resources to resolve	Serious short-term effect or some long-term effect	Serious and long-term effect
IMPACT							

Project Risk Matrix

LIKELIHOOD		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)
Almost Certain	5	Yellow	Orange	Red	Red
Likely	4	Yellow	Orange	Red	Red
Possible	3	Yellow	Yellow	Orange	Red
Unlikely	2	Green	Yellow	Orange	Orange
Rare	1	Green	Yellow	Yellow	Orange

		1	2	3	4
		Insignificant	**Minor**	**Moderate**	**Major**
Scope / Objectives		Minor	Require SRO approval	Require Board approval	Fails to meet objectives or scope
Cost		<5% increase	5%-10% increase	10%-20% increase	>20% increase
Timescale		Minor slippage	5%-10% increase	significant slippage	>20% increase
IMPACT					

4.4. 4risk Guide

A separate user guide is available for 4risk.

4.5. Methods of Identifying Risks

SWOT Analysis

A SWOT analysis is a planning tool which seeks to identify the Strengths, Weaknesses, Opportunities and Threats involved in a project or organisation. It is a framework for matching an organisation's goals, programmes and capacities to the environment in which it operates.

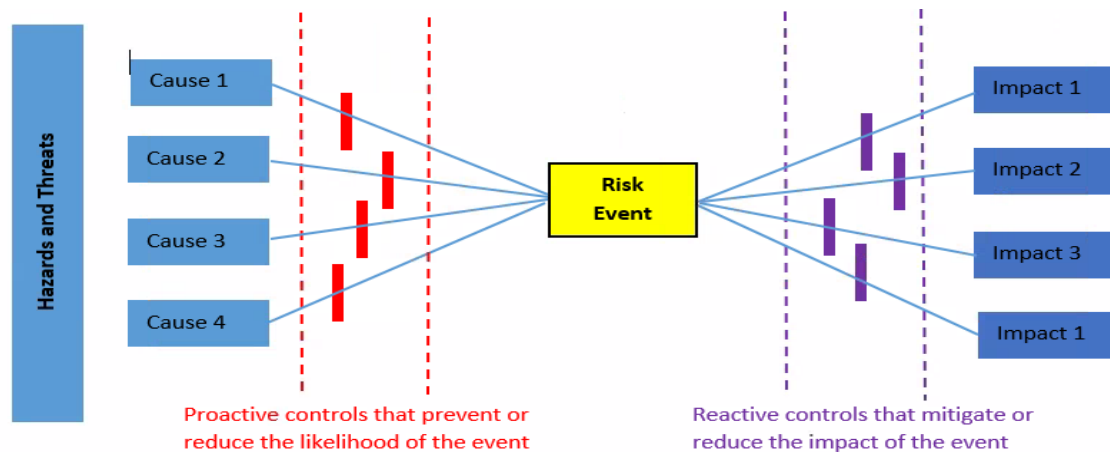The 'SWOT' itself is only a data capture exercise - the analysis follows later.

- **Strengths** – positive tangible and intangible attributes, internal to an organisation and within the organisation's control

- **Weaknesses** – internal factors within an organisation's control that detract from the organisation's ability to attain the desired goal. Which areas might the organisation improve?

- **Opportunities** – external attractive factors that represent the reason for an organisation to exist and develop. What opportunities exist in the environment, which will propel the organisation? Identify them by their 'time frames'.

- **Threats** – external factors beyond the organisation's control which could place the organisation mission or operation at risk. The organisation may benefit by having contingency plans to address them if they should occur. Classify them by their severity and probability of occurrence.

INTERNAL FACTORS	
Strengths	Weaknesses
EXTERNAL FACTORS	
Opportunities	Threats

Bow Tie Analysis

A bow tie is a graphical depiction of the pathways from the causes of an event or risk to its consequences.

Identifying what the various causes which could lead to the risk occurring can help identify controls to prevent or reduce the likelihood of the risk from happening. Similarly, identifying the various impacts should the risk materialise can help identify mitigating actions that can be put in place to reduce those impacts.

5. Contact Details

Area	Officer
Risk management framework: • Strategy • Policy • Guidance	Marion Pryor, Head of Audit and Risk
Risk management system (4risk)	Nanette Williams, Principal Auditor
Strategic Risk Register	Susan Jones, Executive Manager (Leadership Team)
Service Risk Registers	Risk Co-ordinators within services: • Resources – Nia Dafydd • Regulation and Economic – Nonn Hughes • Transformation – Rhian Jones • Highways, Waste and Property – Julie Jones • Social Services, Emma Edwards • Democratic Services – Dyfan Siôn • Legal Services– • Learning – Angharad Fflur Hughes • Housing – Darren Gerrard

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	**GOVERNANCE AND AUDIT COMMITTEE**
DATE:	**4 DECEMBER 2025**
SUBJECT:	**TREASURY MANAGEMENT MID YEAR REVIEW 2025/26**
PORTFOLIO HOLDER(S):	**COUNCILLOR R WILLIAMS – DEPUTY LEADER & PORTFOLIO HOLDER – FINANCE & CORPORATE BUSINESS AND CUSTOMER EXPERIENCE**
LEAD OFFICER(S):	**R MARC JONES, DIRECTOR OF FUNCTION (RESOURCES) / SECTION 151 OFFICER**
CONTACT OFFICER(S):	**JEMMA ROBINSON**

Nature and reason for reporting

To comply with regulations issued under the Local Government Act 2003 and with the Council's Treasury Management Scheme of Delegation for 2024/25 (Appendix 10 of the Treasury Management Strategy Statement 2024/25). In accordance with the Scheme of Delegation, this report is due to be presented to the Executive and then the full Council once it has been scrutinised by this Committee.

The Governance & Audit Committee are requested to:-

1. Review and note the contents of the report which summarises the treasury management activity as at 30 September 2025.

2. To forward any comments in respect of the report to the Executive meeting on 16 December 2025, where the report will be discussed.

1. **INTRODUCTION**

   1.1. The report sets out the position at the end of the first 6 months of 2025/26 in respect of the Council's performance in respect of the treasury management strategy. This mainly relates to investment of surplus cash and borrowing to fund capital expenditure.

2. **COMPLIANCE WITH REPORTING REQUIREMENTS**

   2.1. Under the requirements of the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code), a number of reports are required to be presented to the Governance & Audit Committee, the Executive and the full Council during the year. The mid year review is one of those reports and the presentation of this report ensures the Council's continuing compliance with the reporting requirements.

3. **REVIEW OF 2025/26 TO 30 SEPTEMBER 2025 – EXTERNAL FACTORS**

   3.1. A number of factors influence the Council's Treasury Management activities which are outside the Council's control but have a major impact on the Council's borrowing and investment decisions.

   3.2. **Interest Rates**

   The level of interest rates at the time decisions are taken and the future trajectory for rates has a significant impact on treasury management decisions and can influence if the Council borrows externally, the length of any borrowing, when the Council ties into longer term investments and where the Council invests its surplus cash.

At the commencement of 2025/26, the Bank of England base rate stood at 4.5%. It was anticipated that this rate would fall fairly quickly during the first half of the year, however, inflation has not fallen as quickly as expected and growth remains fairly low. With wage levels also remaining above inflation, but slowing, and unemployment rising to 5% in October 2025, the inflationary pressures seem to be easing. However, the Bank of England has taken a cautious approach to reducing interest rates, with a cut of 0.25% in May 2025, followed by a further cut of 0.25% in August 2025.

The Bank of England narrowly decided to maintain interest rates at 4% in November 2025, but a further 0.25% cut is expected in December 2025 or February 2026. A further cut of 0.25% is expected before the end of the financial year and rates will continue to follow a slow downward trend during 2026/27 and 2027/28.

3.3. The UK Economy

The UK economy is still operating within major global events which are impacting the global economy, which include the continuing war in Ukraine and the need to increase expenditure on defence, the change in the President of the United States, the introduction of higher tariffs by the United States causing a potential slowdown in the world economy and its impact on oil and energy prices.

In the first quarter of 2025/26, the UK economy grew by 0.3% and was 0.2% during the second quarter. The forecast growth in GDP for 2025 is 1.4%, with a similar figure forecast for 2026 and only a slight increase in 2027.

The Bank of England has indicated that they believe that CPI inflation has peaked in September 2025 and will begin to fall during the third quarter of 2025, reaching 3% early next year and gradually returning towards the 2% target in 2027.

How the UK economy performs and its impact on interest rates will be impacted by the Chancellor's budget in November 2025. Higher tax rises are likely, which may have a negative impact on inflation and unemployment.

3.4. A more detailed economic analysis produced by the Council's Treasury Management advisors, MUFG, is attached as Appendix 1. Forecasted economic indicators to March 2027 are shown in Appendix 2.

4. CAPITAL EXPENDITURE 2025/26

4.1. Capital expenditure has a significant impact on the Council's treasury management activity. Capital expenditure can be financed:-

- immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- from borrowing: If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

4.2. Following the completion of the draft accounts, the Executive approved the carry forward of unspent budget from 2024/25 to 2025/26, and this is detailed in the capital outturn report which was presented to the Executive on 17 July 2025. Further to this, additional capital funding has been received during the year, which has added to the capital budget. These additions were approved by the Executive at its meetings on 23 September 2025 and 25 November 2025.

4.3. Table 1 below provides details of the updated capital programme for 2025/26, following on from the decision of the Executive 2025:-

| Table 1 | | | |
| Revised Capital Budget 2025/26 | | | |
Summary	Budget Approved March 2025 including Slippage £	Additional Funding Q1 and Q2 £	Revised Capital Budget as at November 2025 £
Housing General Fund	900,650	198,030	1,098,680
Housing HRA	20,894,000	3,626,814	24,520,814
Lifelong Learning	1,666,791	1,904,082	3,570,873
Economic and Regeneration	9,460,242	1,900,668	11,360,910
Highways	2,974,500	4,021,120	6,995,620
Waste Management	1,470,124	-	1,470,124
Property	6,756,605	1,194,711	7,951,316
Transformotion	784,861	-	784,861
Adult Services	1,915,439	-	1,915,439
TOTAL	**46,823,212**	**12,845,425**	**59,668,637**
Funded By			
Capital Grant	22,014,411	13,762,949	35,777,360
Captal Receipts	831,431	-	831,431
Supported Borrowing	3,813,331	-	3,813,331
Unsupported Borrowing	13,020,000	- 9,338,353	3,681,647
Revenue Contribution	5,788,000	7,323,493	13,111,493
Reserves	1,340,443	252,625	1,593,068
Other Loans	15,596	844,711	860,307
TOTAL FUNDING	**46,823,212**	**12,845,425**	**59,668,637**

4.4. A summary of the capital programme and the forecasted expenditure and funding as at 30 September 2025 is shown in Table 2 below:-

| Table 2 | | | | | | |
| Projected Expenditure compared to Annual Budget 25/26 as at 30 September 2025 | | | | | | |
Summary	Annual Budget (£'000)	Total Expenditure (£'000)	Annual Budget Spent (%)	Projected Expenditure (£'000)	Projected Under / Over (£'000)	Variance (%)
Housing General Fund	1,099	842	77	1,099	0	0
Housing HRA	24,521	10,149	41	22,056	(2,465)	(10)
Lifelong Learning	3,571	1,123	31	3,571	0	0
Economic and Regeneration	11,361	3,968	35	10,881	(480)	(4)
Highways	6,996	2,704	39	6,996	0	0
Waste Management	1,470	-	0	865	(605)	(41)
Property	7,951	161	2	7,154	(797)	(10)
Transformation	785	194	25	630	(155)	(20)
Adult Services	1,915	435	23	1,915	0	0
TOTAL	**59,669**	**19,576**	**33**	**55,167**	**(4,502)**	**(8)**
Funded By						
Capital Grant	35,777			34,692	(1,085)	(3)
Capital Receipts	831			497	(334)	(40)
Supported Borrowing	3,814			3,797	(17)	(0)
Unsupported Borrowing	3,682			1,445	(2,237)	(61)
Revenue Contribution	13,111			12,883	(228)	(2)
Reserves	1,594			993	(601)	(38)
Other Loans	860			860	0	0
TOTAL FUNDING	**59,669**	**-**		**55,167**	**(4,502)**	**(8)**

5. IMPACT ON COUNCIL'S FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

5.1. Analysis of the Council's Current External Borrowing is shown in Appendix 3a – 3ch.

5.2. During the first half of the year, no new borrowing was undertaken, and the combined balance of all outstanding loans is £121.898m as at 30 September 2025. It is estimated that £10m of internal borrowing will have to be externalised by the end of the financial year, to give a forecasted borrowing position of £131.895m, with a further £25.033m of internal borrowing. This gives an estimated Capital Financing Requirement (CFR) of £156.928m, which is based on the forecasted capital expenditure and funding.

Table 3
Internal and External Borrowing Forecast to 31 March 2026

EXTERNAL BORROWING	£'000	£'000
Opening Balance		122,082
Borrowing to Fund Capital Expenditure	-	
Borrowing to Fund Loan Repayments	-	
Borrowing to Replace Internal Borrowing	10,000	
Total New Borrowing in Year		10,000
Loan Repayments in Year		- 187
Closing Balance of External Borrowing		131,895

INTERNAL BORROWING	£'000	£'000
Opening Balance		30,203
Replacement of Internal Borrowing	- 10,000	
Borrowing to Fund Loan Repayments	-	
Borrowing to Fund Capital Expenditure	6,102	
Total New Borrowing in Year		- 3,898
Rights of Use Assets brought onto Balance Sheet		
Loan Repayments in Year		187
Minimum Revenue Provision		- 1,459
Minimum Revenue Provision - Rights of Use Assets		
Closing Balance of Internal Borrowing		25,033

5.3. Debt Repayments

During the first half of 2025/26, annual repayments on PWLB annuity loans totalling £9k and zero interest Salix loans totalling £178k were made.

6. INVESTMENTS

6.1. The Treasury Management Strategy Statement (TMSS) for 2025/26, which includes the Annual Investment Strategy, was approved by the Council on 6 March 2025. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:-

- Security of capital;
- Liquidity;
- Yield.

6.2. All investments were made with institutions that met the required credit rating, as set out in the Treasury Management Strategy, and the value of the investments held with the institutions at any one time did not breach the approved limit set out in the strategy.

6.3. Further information on the Council's cash balances and investments are shown in Appendix 4a to 4c.

6.4. The interest received on investments as at 30 September 2025 is shown in Table 4 below, along with the forecasted position for 2025/26:-

Table 4
Interest Received on Investments as at 30 September 2025

	As at 30 September 2025	Forecast to 31 March 2026
	£	£
General Fund	387,892	652,564
Housing Revenue Account	49,456	83,201
School Balances	39,975	67,251
Total Interest Received	**477,322**	**803,016**

7. PRUDENTIAL INDICATORS

7.1. The Treasury Management Strategy (TMS) sets out a number of prudential indicators and authorised limits. The current forecasted position against each of the indicators and limits is set out in Table 5 below:-

Table 5
Comparison of the Forecasted Position at the End of Quarter 1 to the Treasury Management Strategy

PERFORMANCE INDICATORS				
Indicator Group	**Description**	**Treasury Management Strategy Statement 2025/26**	**Estimated Position at end of Q2**	
Affordability	Ratio of Financing Costs to Net Revenue Stream – General Fund	2.60%	1.55%	
	Ratio of Financing Costs to Net Revenue Stream – Housing Revenue Account (HRA)	10.03%	12.65%	
Capital Financing Requirement (CFR)	Council Fund & HRA	£154.390m	£156.928m	
AUTHORISED LIMITS				
Prudence	Gross debt must be lower than the CFR plus any additional CFR in the next two years	<171.070m	£121.895m	
External Debt	Authorised Limit	< £181.230m	£121.895m	
	Operational Boundary	< £171.230m	£121.895m	
Maturity of Debt	Under 12 months	<20% of total debt = £24.379m	£0.550m	0.45%
	12 months and within 24 months	<20% of total debt = £24.379m	£1.895m	1.55%
	24 months and within 5 years	<50% of total debt = £60.947m	£7.632m	6.26%
	5 years and within 10 years	<75% of total debt = £85.326m	£14.275m	11.71%
	10 years and above	100% = £121.895m	£121.895m	100.00%

8. REPORTABLE BREACHES TO THE TREASURY MANAGEMENT PRACTICE

8.1. The TMS for 2025/26 allows for the maximum investment of £10m in any single non nationalised bank or building society. The Council operates a Call Account with Lloyds Bank and the sum held is maximised as it provides a higher interest rate than other call accounts held by the Council.

8.2. On 4 June 2025, the balance on the Lloyds Call Account was £9.993m. On the 5 June 2025, interest totalling £25,748 was credited to the account, which took the balance to £10.019m, which exceeded the limits set out in the TMSS. On 23 June 2025, £1m was transferred from the account, bringing the balance down to £9.019m. Technically, this is a breach, although the breach did not result in any loss for the Council.

9. CONCLUSIONS

9.1. The Council's Treasury Management performance during the year was in line with the strategy of low risk, low return investments and a planned approach to borrowing designed to minimise interest charges.

9.2. The performance against the Prudential Indicators set by the Council show that the Council's Treasury Management activities are being undertaken in a controlled way which ensure the financial security of the Council and do not place the Council at any significant financial risk in terms of unaffordable or excessive borrowing.

9.3. The Council's Treasury Management Strategy, and its performance against the strategy, takes into account the external economic factors and it is constantly reviewed to ensure that it is the most appropriate strategy moving forward.
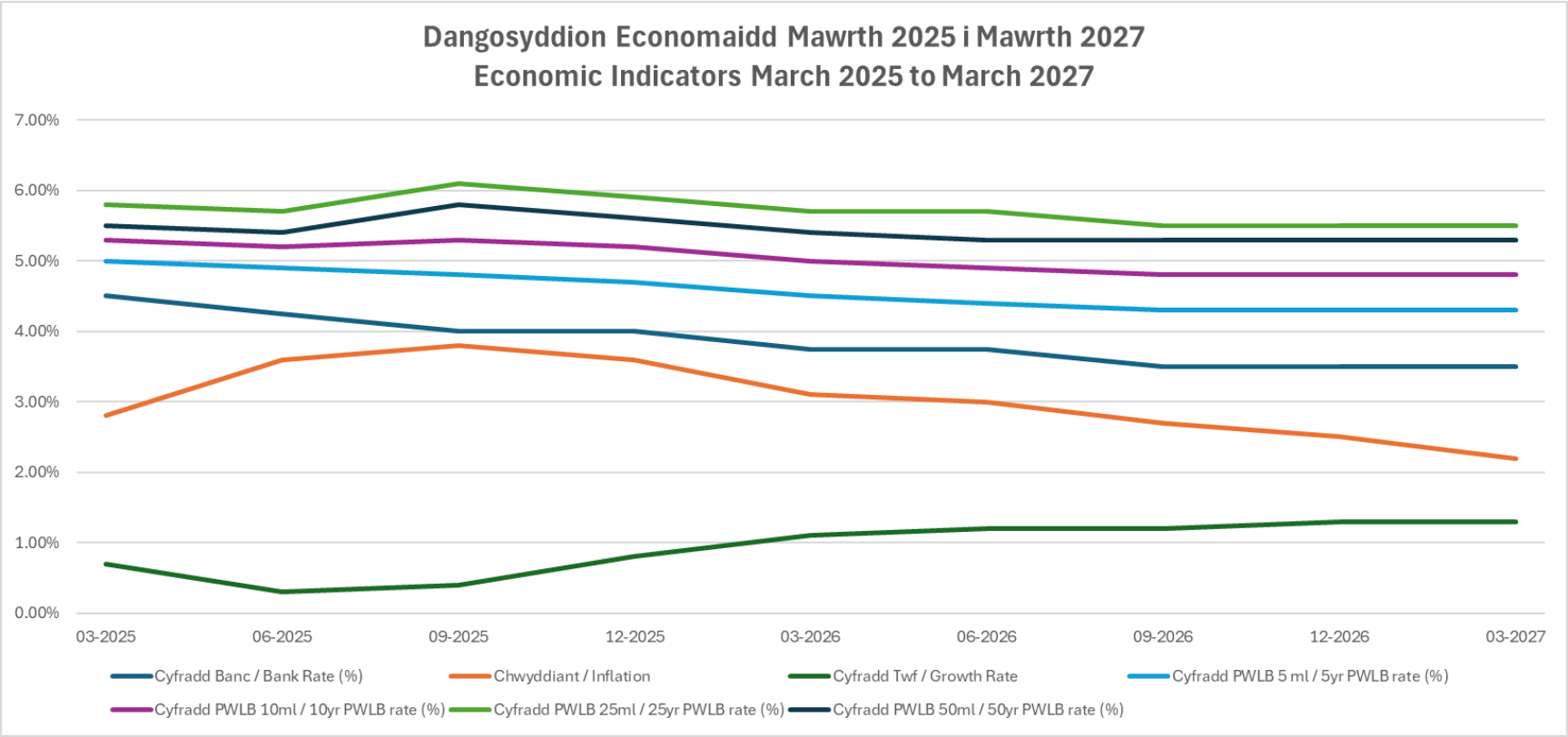
Economics Update – Produced by MUFG

- The first half of 2025/26 saw:

  - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth.

  - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.8% in July.

  - CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.6%.

  - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.

  - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70%.

- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q. Nonetheless, the 0.0% m/m change in real GDP in July will have caused some concern, with the hikes in taxes for businesses that took place in April this year undoubtedly playing a part in restraining growth. The weak overseas environment is also likely to have contributed to the 1.3% m/m fall in manufacturing output in July. That was the second large fall in three months and left the 3m/3m rate at a 20-month low of -1.1%. The 0.1% m/m rise in services output kept its 3m/3m rate at 0.4%, supported by stronger output in the health and arts/entertainment sectors. Looking ahead, ongoing speculation about further tax rises in the Autumn Budget on 26 November will remain a drag on GDP growth for a while yet. GDP growth for 2025 is forecast by Capital Economics to be 1.3%.

- Sticking with future economic sentiment, the composite Purchasing Manager Index for the UK fell from 53.5 in August to 51.0 in September. The decline was mostly driven by a fall in the services PMI, which declined from 54.2 to 51.9. The manufacturing PMI output balance also fell, from 49.3 to 45.4. That was due to both weak overseas demand (the new exports orders balance fell for the fourth month in a row) and the cyber-attack-induced shutdown at Jaguar Land Rover since 1 September reducing car production across the automotive supply chain. The PMIs suggest tepid growth is the best that can be expected when the Q3 GDP numbers are released.

- Turning to retail sales, and the 0.5% m/m rise in volumes in August was the third such rise in a row and was driven by gains in all the major categories except fuel sales, which fell by 2.0% m/m. Sales may have been supported by the warmer-than-usual weather. If sales were just flat in September, then in Q3 sales volumes would be up 0.7% q/q compared to the 0.2% q/q gain in Q2.

- With the November Budget edging nearer, the public finances position looks weak. Public net sector borrowing of £18.0bn in August means that after five months of the financial year, borrowing is already £11.4bn higher than the OBR forecast at the Spring Statement in March. The overshoot in the Chancellor's chosen fiscal mandate of the current budget is even greater with a cumulative deficit of £15.3bn. All this was due to both current receipts in August being lower than the OBR forecast (by £1.8bn) and current expenditure being higher (by £1.0bn). Over the first five months of the financial year, current receipts have fallen short by a total of £6.1bn (partly due to lower-than-expected self-assessment income tax) and current expenditure has overshot by a total of £3.7bn (partly due to social benefits and departmental spending). Furthermore, what very much matters now is the OBR forecasts and their impact on the current budget in 2029/30, which is when the Chancellor's fiscal mandate bites. As a general guide, Capital Economics forecasts a deficit of about £18bn, meaning the Chancellor will have to raise £28bn, mostly through higher taxes, if she wants to keep her buffer against her rule of £10bn.
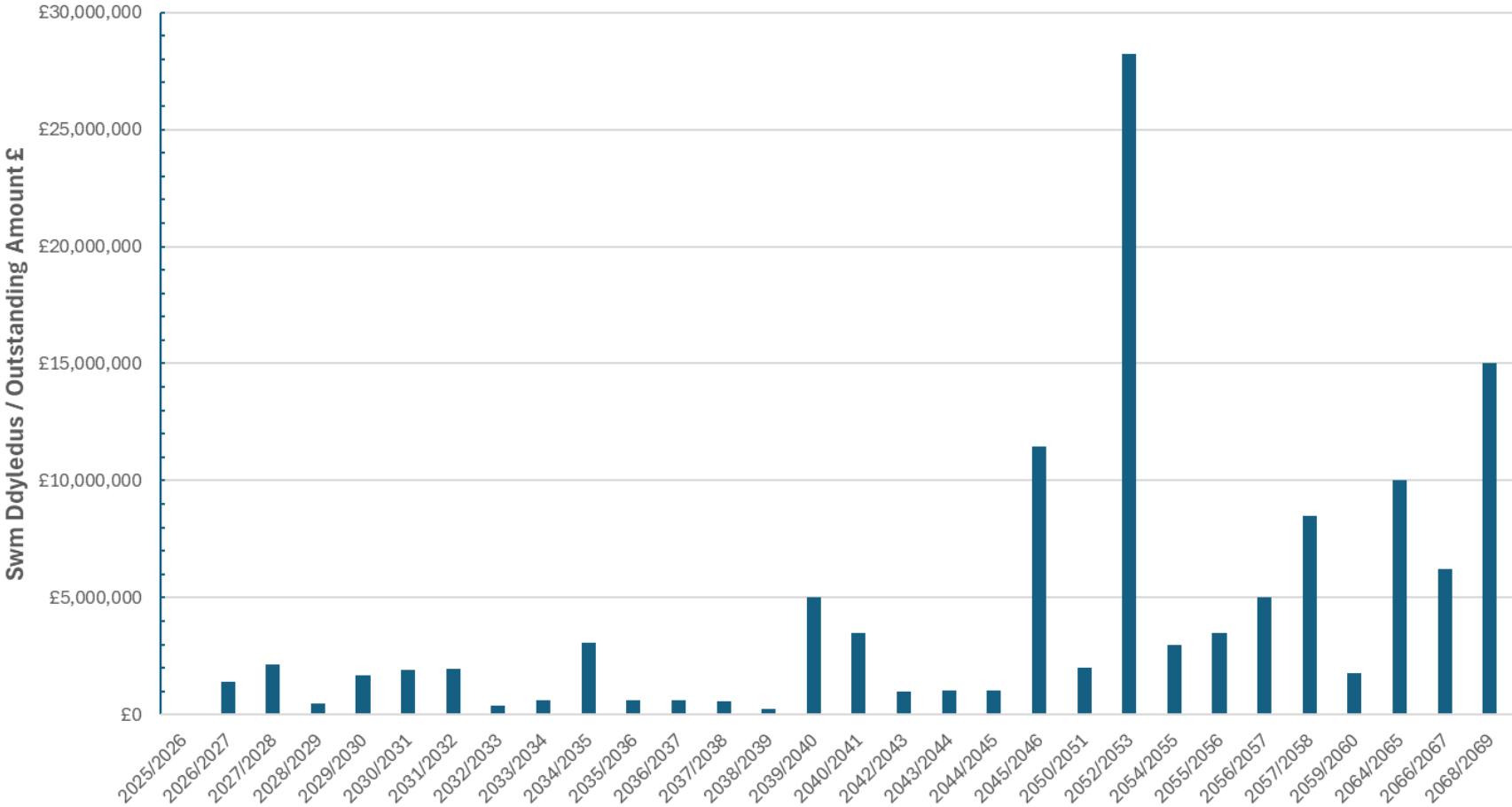
- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nine of the ten months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October Budget. The number of job vacancies in the three months to August stood at 728,000. Vacancies have now fallen by approximately 47% since its peak in April 2022. All this suggests the labour market continues to loosen, albeit at a declining pace.

- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.8% in July. The rate for the private sector slipped from 5.5% to 4.7%, putting it on track to be in line with the Bank of England's Q3 forecast (4.6% for September).

- CPI inflation fell slightly from 3.5% in April to 3.4% in May, and services inflation dropped from 5.4% to 4.7%, whilst core inflation also softened from 3.8% to 3.5%. More recently, though, inflation pressures have resurfaced, although the recent upward march in CPI inflation did pause for breath in August, with CPI inflation staying at 3.8%. Core inflation eased once more too, from 3.8% to 3.6%, and services inflation dipped from 5.0% to 4.7%. So, we finish the half year in a similar position to where we started, although with food inflation rising to an 18-month high of 5.1% and households' expectations for inflation standing at a six year high, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.

- An ever-present issue throughout the past six months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended Q2 at 4.50%.

- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England have kept yields elevated over 4.70%.

- The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 closed Q2 at 8,761, around 2% higher than its value at the end of Q1 and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed Q3 at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors' global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings.
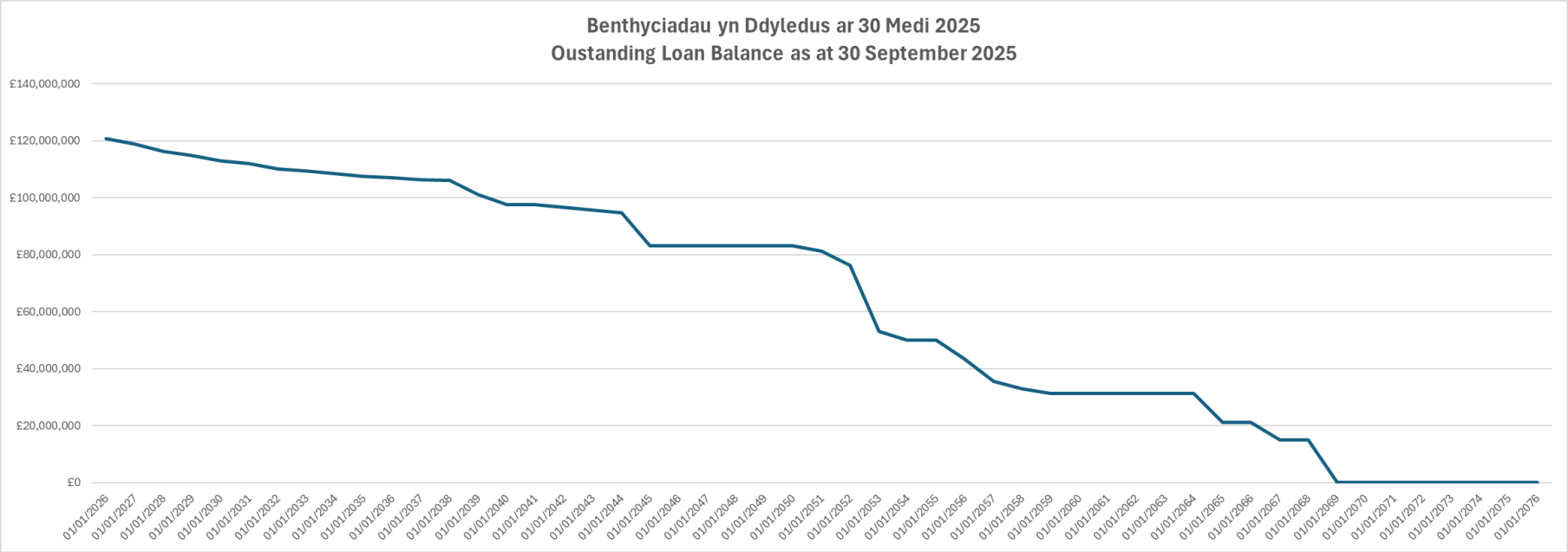
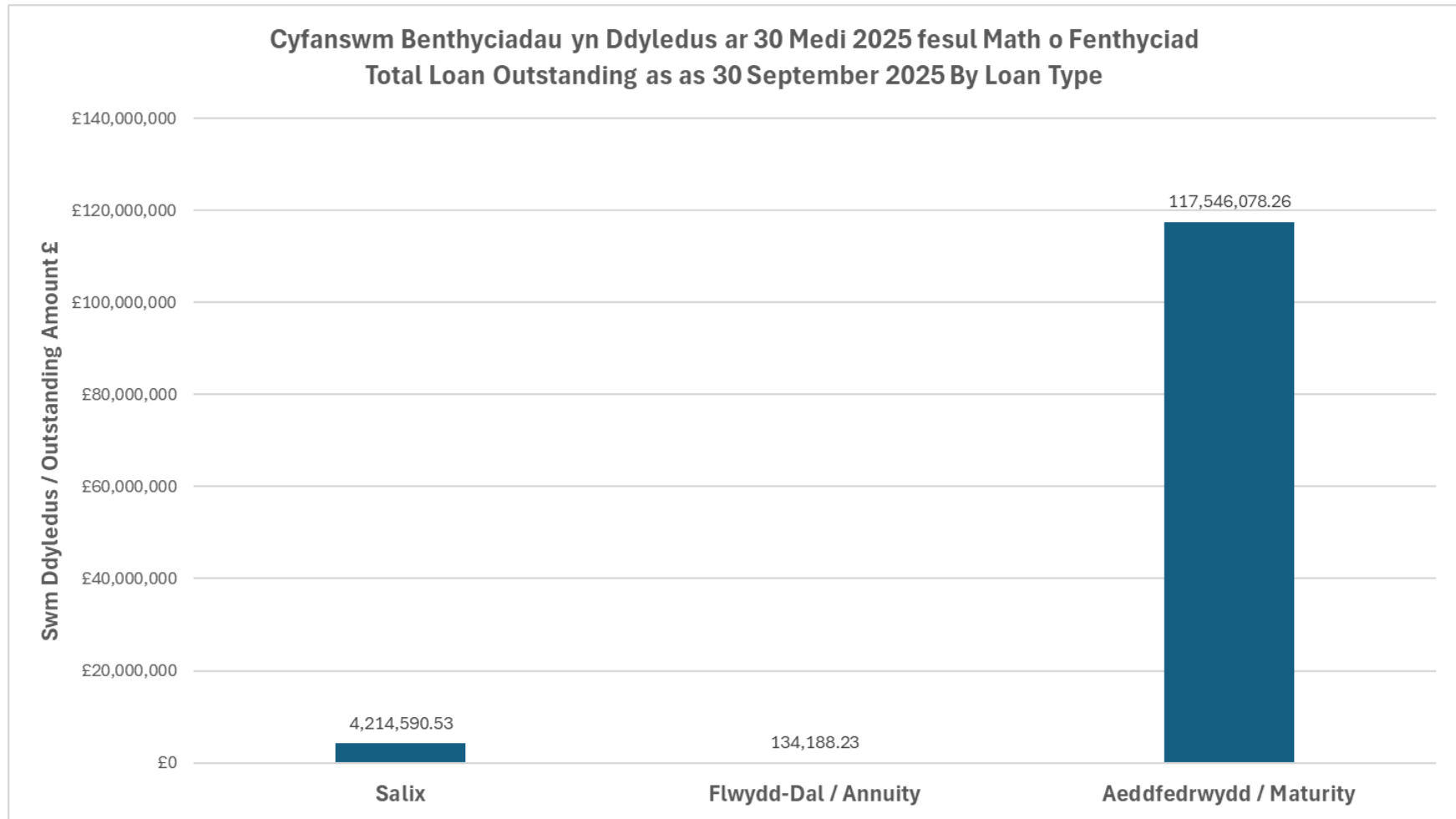**MPC meetings: 8 May, 19 June, 7 August, 18 September 2025**

- There were four Monetary Policy Committee (MPC) meetings in the first half of the financial year. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.

- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC will be wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.

- The Bank of England does not anticipate CPI getting to 2% until early 2027, and with wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction).

- The Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggests the Bank still thinks interest rates will fall further but possibly not until February, which aligns with both our own view and that of the prevailing market sentiment.
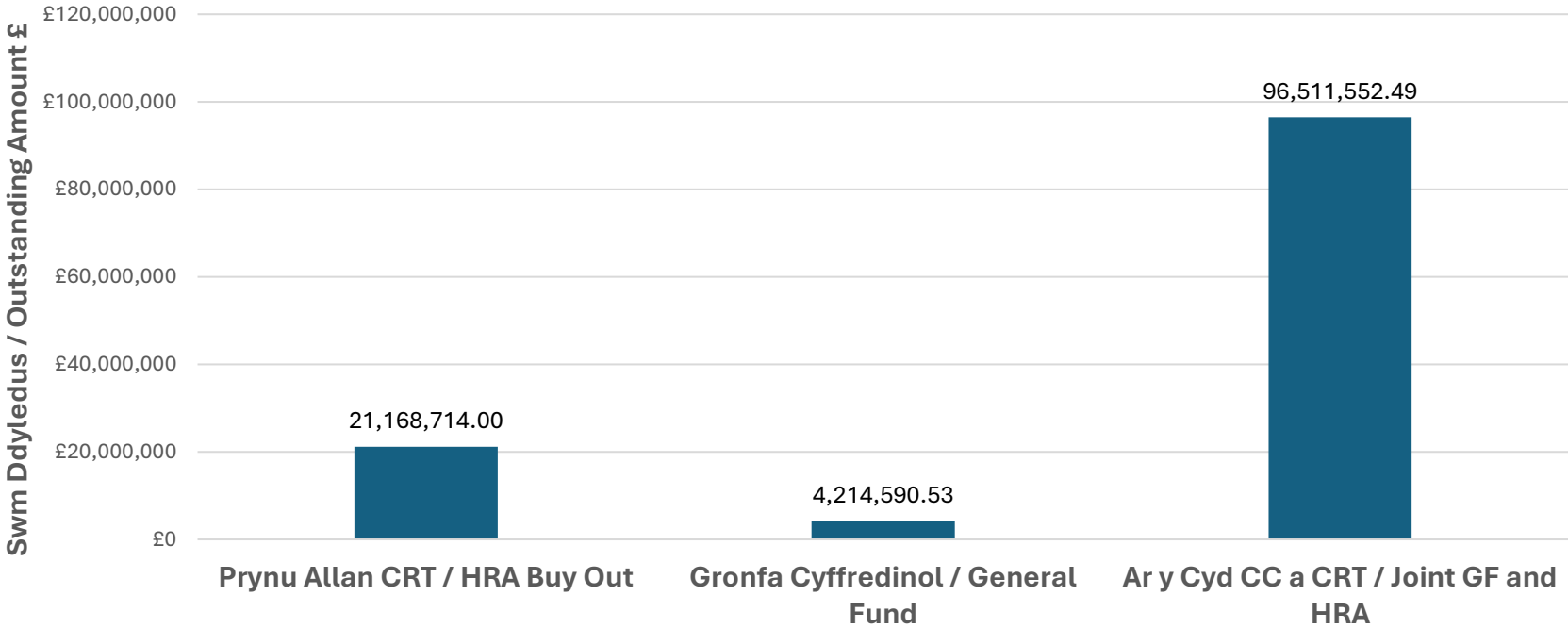
Dangosyddion Economaidd Mawrth 2025 i Mawrth 2027
Economic Indicators March 2025 to March 2027

Legend:
- Cyfradd Banc / Bank Rate (%)
- Chwyddiant / Inflation
- Cyfradd Twf / Growth Rate
- Cyfradd PWLB 5 ml / 5yr PWLB rate (%)
- Cyfradd PWLB 10ml / 10yr PWLB rate (%)
- Cyfradd PWLB 25ml / 25yr PWLB rate (%)
- Cyfradd PWLB 50ml / 50yr PWLB rate (%)

Cyfanswm Benthyciadau yn Ddyledus ar 30 Medi 2025 fesul Blwyddyn Ad-Dalu
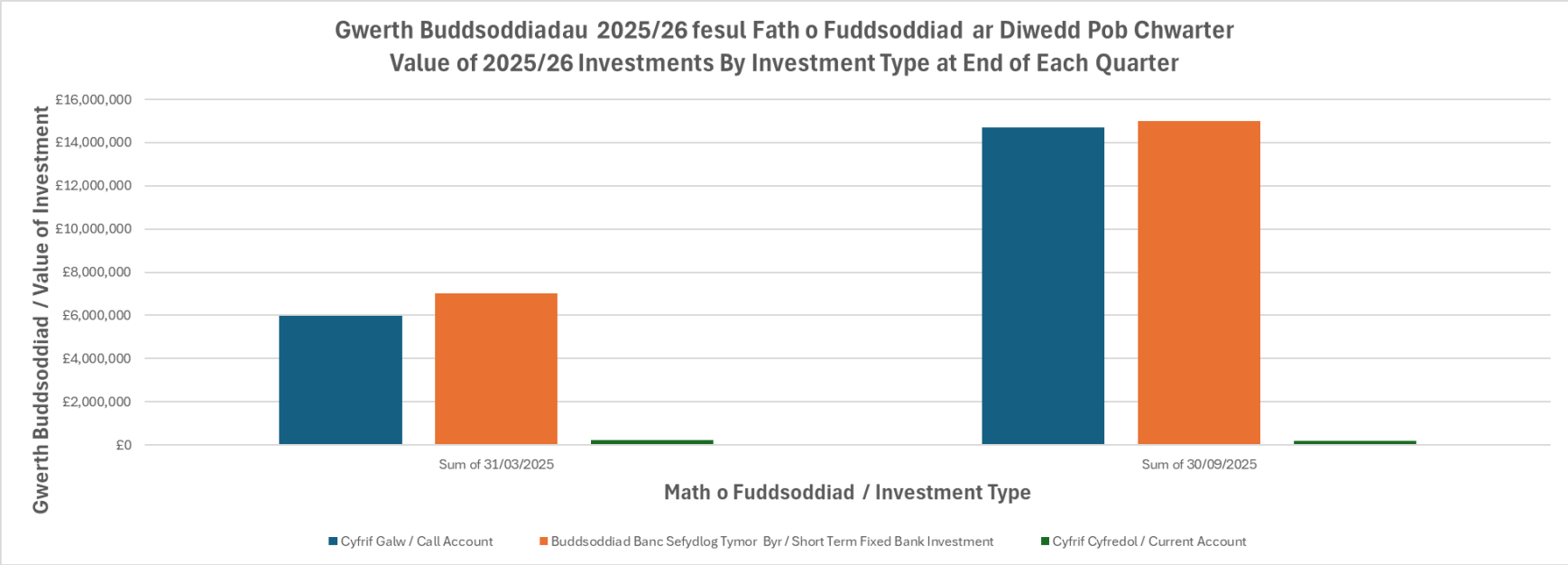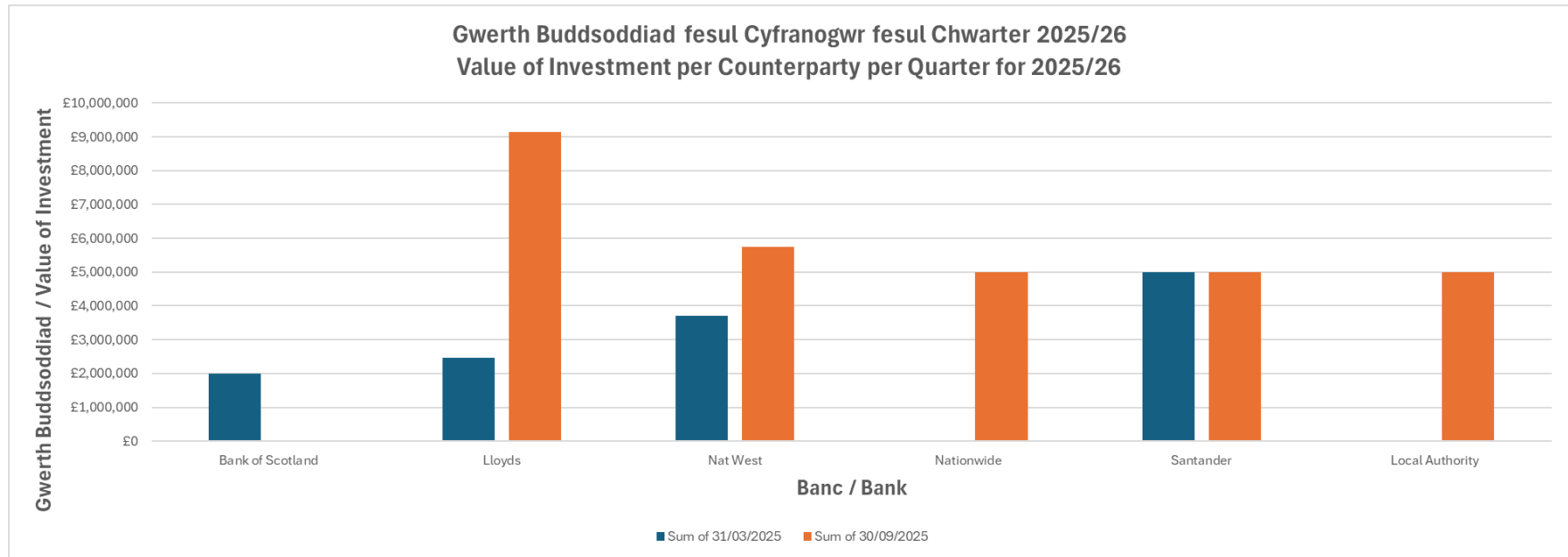Total Loans Outstanding as at 30 September 2025 By Repayment Year

Benthyciadau yn Ddyledus ar 30 Medi 2025
Oustanding Loan Balance as at 30 September 2025

Cyfanswm Benthyciadau yn Ddyledus ar 30 Medi 2025 fesul Math o Fenthyciad
Total Loan Outstanding as as 30 September 2025 By Loan Type

Bar chart — Y-axis: Swm Ddyledus / Outstanding Amount £ (£0 to £140,000,000)

Loan Type	Amount
Salix	4,214,590.53
Flwydd-Dal / Annuity	134,188.23
Aeddfedrwydd / Maturity	117,546,078.26

Cyfanswm Benthyciadau yn Ddyledus ar 30 Medi 2025 Fesul Gronfa
Total Loan Outstanding as as 30 September 2025 By Fund

Gwerth Buddsoddiadau 2025/26 fesul Fath o Fuddsoddiad ar Diwedd Pob Chwarter

Value of 2025/26 Investments By Investment Type at End of Each Quarter

Math o Fuddsoddiad / Investment Type

Gwerth Buddsoddiad / Value of Investment

- Cyfrif Galw / Call Account
- Buddsoddiad Banc Sefydlog Tymor Byr / Short Term Fixed Bank Investment
- Cyfrif Cyfredol / Current Account

Gwerth Buddsoddiad fesul Cyfranogwr fesul Chwarter 2025/26
Value of Investment per Counterparty per Quarter for 2025/26

Canran y Buddsoddiad a Ddelir ym Mhob Math o Fuddsoddiad Fesul Chwarter 2025/26

Percentage of Investment Held in Each Investment Type per Quarter 2025/26

Legend:
- Cyfrif Galw / Call Account
- Buddsoddiad Banc Sefydlog Tymor Byr / Short Term Fixed Bank Investment
- Cyfrif Cyfredol / Current Account

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	4 December 2025
Subject:	External Audit – Monitoring Report
Head of Service:	Carys Edwards Head of Profession HR and Transformation 01248 752502 CarysEdwards@ynysmon.gov.uk
Report Author:	Gwyndaf Parry Programme, Business Planning & Performance Manager 01248 752511 GwyndafParry@ynysmon.gov.uk
Nature and Reason for Reporting: The Governance and Audit Committee is receiving this report in line with its Terms of Reference – • 3.4.8.11.3 The Committee will oversee external audit arrangements, comment on the scope and depth of external audit work and ensure it gives value for money. It will consider external audit reports **and will monitor their recommendations**; and • 3.4.8.13.1 The Committee will receive and consider reports from any other regulators or inspectors, which will be a useful source of assurance. The purpose of this report is to assure the Committee that the recommendations attached to the external audit reports have been given due consideration by the Council Services and that the relevant ones are being implemented in a meaningful way.	

Introduction

1. In order to demonstrate good governance, this report details the council's response to external audit reports and associated recommendations published by regulators.

2. Updates are provided against the work the council has undertaken since the last report that was presented to this committee in December 2024.

Recommendation

3. That the Governance and Audit Committee:

    a. Considers the report and accepts the responses and updates as an accurate reflection of the Council's work against the related recommendations.

External Audit – Monitoring Report
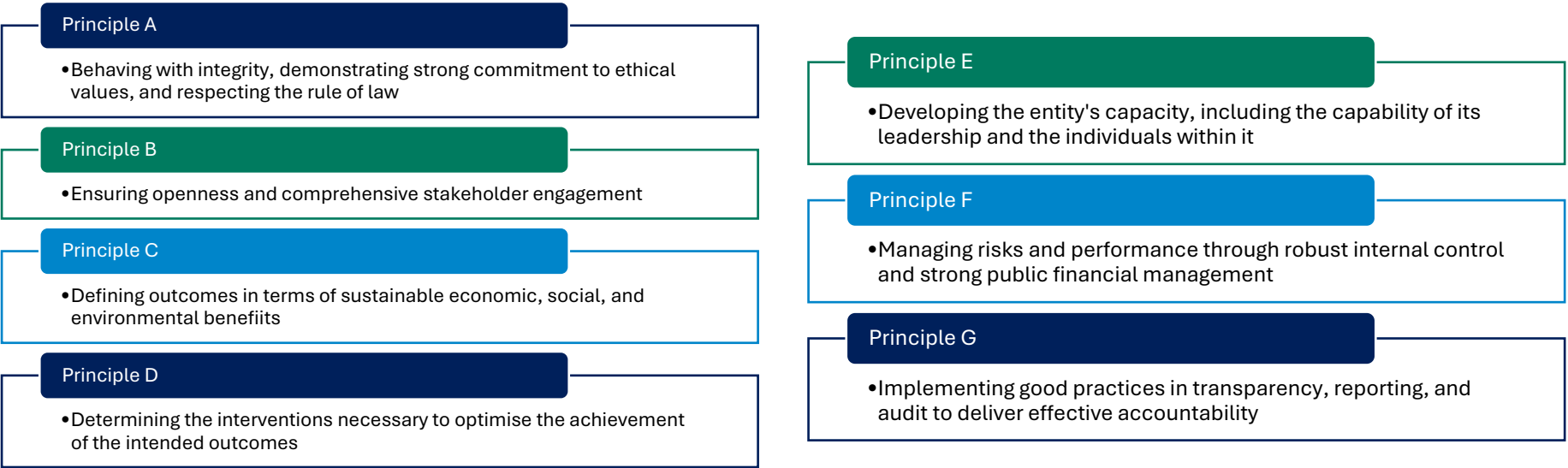
Prepared by: Transformation Service

Publication date: November 2025

Mae'r ddogfen hon ar gael yn y Gymraeg / This document is available in Welsh

Introduction

This report outlines the council's progress in responding to recommendations from local and national regulatory reports over the past 24 months that are yet to be implemented. Monitoring and reporting on progress against these recommendations is a cornerstone of effective governance.

Our Local Code of Governance 2023-2028 demonstrates how the Council follow the core (and supporting) principles contained within the Framework for Delivering Good Governance in Local Government (CIPFA / Solace, 2016). The established principles are:

Principle A
- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Principle B
- Ensuring openness and comprehensive stakeholder engagement

Principle C
- Defining outcomes in terms of sustainable economic, social, and environmental benefiits

Principle D
- Determining the interventions necessary to optimise the achievement of the intended outcomes

Principle E
- Developing the entity's capacity, including the capability of its leadership and the individuals within it

Principle F
- Managing risks and performance through robust internal control and strong public financial management

Principle G
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability

External audit and regulatory reports and how the council respond to the recommendations align closely with **Principle G** and **Principle F**.

These reports are critical tools for ensuring that the council operates transparently and is held accountable for its decisions, resource use, and service delivery. By evaluating the council's adherence to statutory obligations and identifying areas for improvement, they support evidence-based governance and enable the council to demonstrate its commitment to continuous improvement.

By actively reviewing and addressing the recommendations, the council demonstrates its commitment to delivering high-quality services and meeting its statutory obligations.

Summary

As at the end of November 2025, the council have implemented 41% of the recommendations, 51% of responses are on track, and 8% are behind schedule. The chart below notes the local and national regulator report titles and the evaluation of the response to their recommendations.
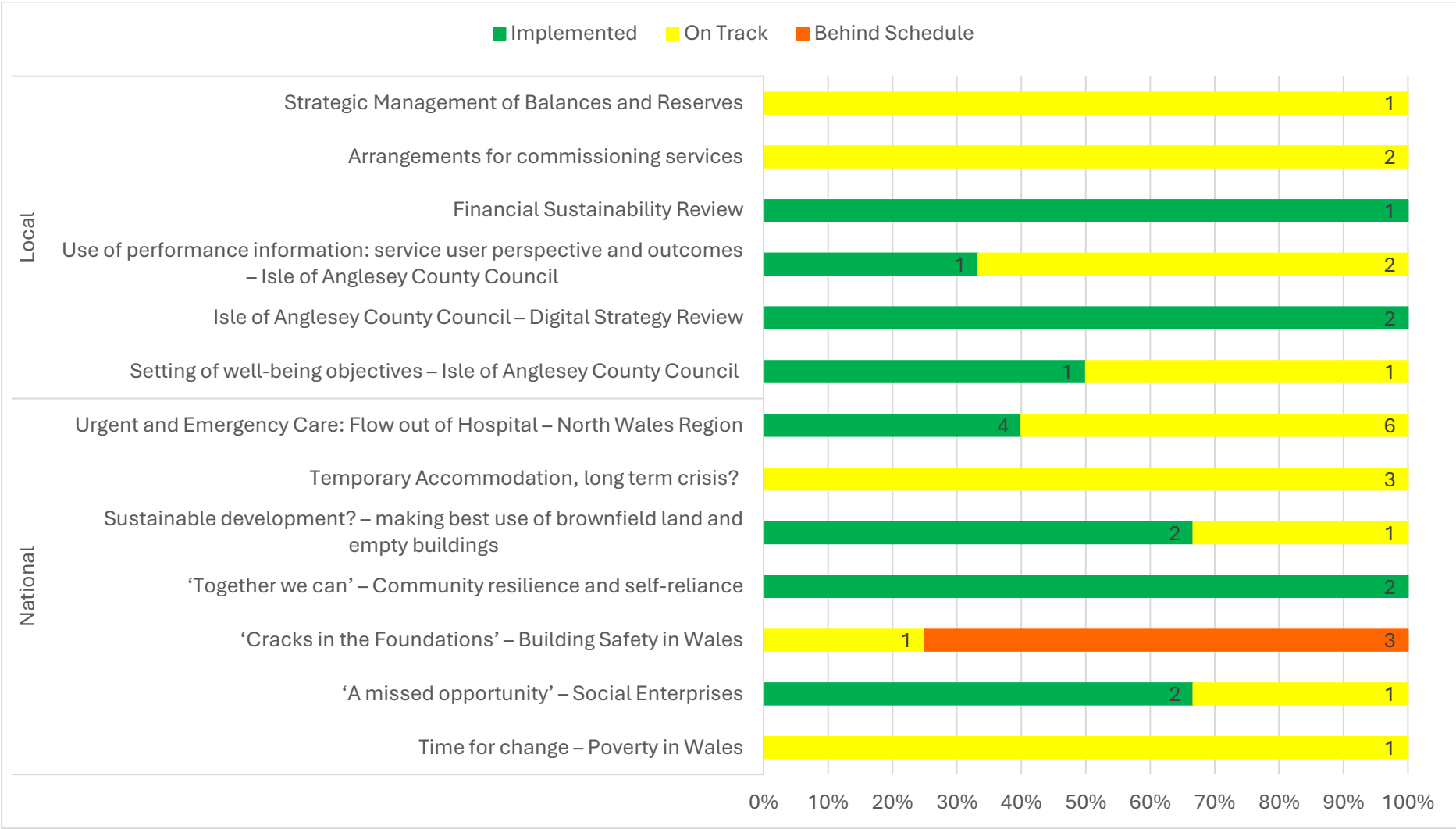
The numbers in the bar chart identify how many recommendations there are that are relevant to Local Authorities from each regulatory report.

Detailed Overview

Time for change – Poverty in Wales - National

Recommendations	Update	RAYG
R7 We recommend that councils • establish corporate data standards and coding that all services use for their core data; • undertake an audit to determine what data is held by services and identify any duplicated records and information requests; • create a central integrated customer account as a gateway to services; • undertake a data audit to provide refresher training to service managers to ensure they know when and what data they can and cannot share; and • review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities.	• The council completed a data maturity assessment in 2024/25 and has developed a set of recommendations to strengthen the council's data capabilities. An internal group of senior officers has been established to drive forward the objective to become a data informed council. A Business Case has been presented in November 2025 to seek additional resources to develop a long-term Data Strategic Plan. • The council have a CRM in place which is being developed in line with the Data Strategic Plan to improve customer focussed processes. The CRM forms already available on the system use personal details, inputted by the resident and stored on the CRM, to fill out common aspects of application forms. • Data sharing protocols are in place and are updated when improvements are identified	On Track

'A missed opportunity' – Social Enterprises - National

Recommendations	Update	RAYG
R1 To get the best from their work with and funding of Social Enterprises, local authorities need to ensure they have the right arrangements and systems in place. We recommend that local authority officers use the checklist in Appendix 2 to: • self-evaluate current Social Enterprise engagement, management, performance and practice;	Social enterprises are of significant importance on Anglesey and are key partners in delivery across services. This is highlighted within the Council Plan 2023-2028 and collaboration is recognised as one of the Council's values. 'Collaborate: We work as a team, with our communities and partners to deliver the best outcomes for the people of Anglesey.'	In Place

Recommendations	Update	RAYG
• identify opportunities to improve joint working; and • jointly draft and implement an action plan with timeframes and responsibilities clearly set out to address the gaps and weaknesses identified through the self-evaluation.	Key partners include Medrwn Môn, Menter Môn, Môn Communities Forward and Ynys Môn Citizens Advice. Place Shaping continues to progress across the Island and 9 alliances are now active. A booklet has been produced showcasing the work of the alliances across the Island. Supporting the launch of the Civil Society Covenant, a case study has been published to demonstrate practical ways of working between civil society and government. SPF grants continue to enhance and support social enterprise activity. The council has representation at the NW Social Enterprise Network which includes members from other NW Council's, Cwmpas, Menter Môn, Medrwn Môn to discuss issues facing and funding for social enterprises. The Council approved a Procurement Strategic Plan 2024-2029 in December 2024. This key publication supports the delivery of our Council Plan and sets out our ambitions for better procurement to support the creation of an Anglesey that is healthy and prosperous where people can thrive. It also builds upon the Wellbeing of Future Generations (Wales) Act, the Procurement Act 2023, Social Partnership and Public Procurement (Wales) Act 2023 and Health Service Procurement (Wales) Act 2024. It aims to support our communities and ensure compliant spending and value for money.	
R2 To drive improvement we recommend that the local authority:	The following key partners report annually to the Partnership and Regeneration Scrutiny Committee:	In Place

Recommendations	Update	RAYG
• formally approve the completed Action Plan; • regularly report, monitor and evaluate performance at relevant scrutiny committees; and • revise actions and targets in light of the authority's evaluation and assessment of its performance.	• Môn CF (September 2024) • Medrwn Môn (January 2025) • Menter Môn (October 2025) • Ynys Môn CAB (September 2024)	
R3 To ensure the local authority delivers its S.16 responsibilities to promote Social Enterprises we recommend that it reports on current activity and future priorities following the evaluation of its Action Plan including the Annual Report of the Director of Social Services.	The Annual director's report on the effectiveness of social services was accepted by the Council on 25 September 2025. Reporting on current activity and future priorities will be strengthened in the next Annual Report.	On Track

'Cracks in the Foundations' – Building Safety in Wales - National

Recommendations	Update	RAYG
R5 Local authorities should develop local action plans that articulate a clear vision for building control to be able to plan effectively to implement the requirements of the Act. The Plans should: • be based on an assessment of local risks and include mitigation actions; • set out how building control services will be resourced to deliver all their statutory responsibilities; • illustrate the key role of building control in ensuring safe buildings and be linked to well-being objectives and other corporate objectives; and	Following the serving of an Improvement Notice under Section 58Z4 of the Building Act 1984 by the Welsh Government, the Service has established an Operational Improvement Group to identify and implement improvements to ensure the Building Control Team undertakes its duties in an effective and efficient manner. It is anticipated that this will respond positively to the recommendations made A Building Control Response Group (chaired by the Chief Executive) has also been established to ensure appropriate measures are put in place to enable the Council to undertake its statutory duties in relation to the Building Act 1984. The Group	Behind Schedule

Recommendations	Update	RAYG
• include outcome measures that are focused on all building control services, not just dangerous structures.	provides strategic instruction, scrutiny, decision making and accountability. The Service also oversee the development and implementation of an action plan to improve the capacity, capability, competence and supervision of the Council's Building Control Team (with regard to Building Act 1984).	
R6 Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations. This should include: • establishing a timetable of regular fee reviews to ensure charges reflect the cost of services and comply with the Regulations; • annually reporting and publishing financial performance in line with the Regulations; • ensuring relevant staff are provided with training to ensure they apply the Regulations and interpret financial reporting correctly; and • revise fees to ensure services are charged for in accordance with the Regulations.	As above	Behind Schedule
R7 Local authorities should work with partners to make better use of limited resources by exploring the potential for collaboration and regionalisation to strengthen resilience through a cost benefit analysis of partnering with neighbouring authorities, establishing joint ventures and/or adopting a regional model where beneficial.	No discussions at a regional level regarding adopting a new delivery model.	Behind Schedule
R8 Local authorities should review risk management processes to ensure that risks are systematically identified, recorded, assessed, mitigated and subject to regular evaluation and scrutiny.	The Service Risk Register is updated every 6 months and this supports the strategic decision-making process. A new/specific	On Track

Recommendations	Update	RAYG
	Risk Register will also be developed (linked to the Improvement Plan).	

'Together we can' – Community resilience and self-reliance - National

Recommendations	Update	RAYG
R1 To strengthen community resilience and support people to be more self-reliant, local authorities need to ensure they have the right arrangements and systems in place. We recommend that local authorities use the evaluation tool in Appendix 2 to: • self-evaluate current engagement, management, performance and practice; • identify where improvement is needed; and • draft and implement an action plan with timeframes and responsibilities clearly set out to address the gaps and weaknesses identified in completing the evaluation tool.	Place Shaping continues to progress across the Island with 9 community alliances now established: • Caergybi • Bro'r Llynnoedd • Bro Aberffraw • Crigyll • Bodowyr • Aethwy • Seiriol • Lligwy • Talybolion Community alliances are collaborative partnerships that bring together diverse voices, including residents, community groups, town and community councils, local businesses, and more. Working together, they develop creative, community-led solutions to address local priorities and respond to consultations from organisations like the Health Board, Ynys Môn County Council, and North Wales Police.	In place

Recommendations	Update	RAYG
	A number of Shared Prosperity Fund grants are being delivered by the Council and partners to enhance and improve community resilience.	
R2 To help local authorities address the gaps they identify following their self-evaluation, we recommend that they: • formally approve the completed Action Plan arising from the evaluation exercise; • regularly report, monitor and evaluate performance at relevant scrutiny committees; and • revise actions and targets in light of the authority's evaluation and assessment of its performance	The checklist has been completed in order to self- evaluate engagement, management, performance and practice. The key partners noted above have all reported to the Council's Partnership and Regeneration Scrutiny Committee.	In place

Sustainable development? – making best use of brownfield land and empty buildings - National

Recommendations	Update	RAYG
R1 To enable stakeholders to assess potential sites councils should create a systematic process to find and publicise suitable sites for regeneration: • this should draw on data already held by councils, as well as external data sources to develop a composite and more complete picture of sites; and • where known, key barriers should be named to help efforts to overcome them	The Regulation and Economic Development Service has a Programme in place to tackle Brownfield sites, where possible, in partnership with stakeholders and partners. The Council is leading on the purchase and redevelopment of the former Peboc factory site in Llangefni and supporting our partners with the redevelopment other sites across Anglesey. These sites are, unfortunately by their very nature, difficult to progress quickly given the historical issues associated. Through the Freeport programme there is an opportunity to bring back into meaningful economic use over 200 acres of formerly redundant brownfield sites (Anglesey Aluminium, Peboc, 2 Sisters, Rhosgoch and Octel).	On Track

Recommendations	Update	RAYG
	Furthermore, a review of the employment land study as part of the development of a new Local Development Plan also references brownfield sites that can benefit from regeneration and be brought back into economic use.	
R2 To help ensure that regeneration activity and the shaping of the environment is informed by the needs of communities Councils should increase opportunities for community based involvement in regeneration, both in plan-making and actual development.	The Economic Development Function is currently in the process of preparing Place Making Plans for Amlwch, Holyhead and Llangefni and there will be meaningful engagement with our communities as these are further developed.	In Place
R3 To provide focus and impetus to developing brownfield sites Councils should review their current regeneration approaches and where appropriate set clearer, more ambitious regeneration policies and targets. Together these should: • set out the approach and expectations of the council; • set out how their approach will be resourced; and • set out how the approach aligns with national policy goals and regional planning priorities.	We believe, especially given the scale of our limited resources (people and funds), that our regeneration policies and targets are sufficiently ambitious. This is evidenced by how successful we have been in securing external funding support across a number of initiatives and interventions. Whilst we will always strive to do more, we must also be realistic and pragmatic. Our approach remains consistent – that we focus our collective efforts that arise and align with national interventions from both UK and Welsh Government (i.e. Freeports or Transforming Towns) and regional interventions i.e. Growth Deal funding.	In Place

Digital Strategy Review - Local

Recommendations	Update	RAYG
R2 Identifying resource implications To help ensure that its next digital strategy is deliverable, the Council should identify the short- and long- term resources implications of delivering it together with any intended efficiency savings.	The digital strategic plan has been developed with deliverables aligned to available resources. Examples of longer-term resource implications include the development of a Data Strategic Plan and the additional resource required for Cyber Security.	In Place
R3 Arrangements for monitoring value for money To be able to monitor the value for money of its next digital strategy, the Council should strengthen its arrangements for monitoring both its progress and impact over the short, medium and longer term.	The Digital team have put monitoring arrangements in place to track activity and progress and facilitate reporting both for the creation of the annual report to the Leadership Team and The Executive and quarterly reporting to the management team.	In Place

Use of performance information: service user perspective and outcomes - Local

Recommendations	Update	RAYG
R1 The Council should strengthen the information it provides to its senior leaders to enable them to understand how well services and policies are meeting the needs of service users.	• New Corporate Scorecard in place for 25-26. • Some Key Performance Indicators (KPIs) have been reviewed with more of a focus on outcome focused indicators • Resident Survey completed in 2024 and results have been reported in our Annual Self-assessment and Performance (Wellbeing) report - reported to Leadership Team, G&A committee, Scrutiny and Cabinet in November 2025. • PowerBI dashboards have been developed to monitor trends including a Population and Demographics Dashboard, Poverty Dashboard, Net Zero Dashboard and	On Track

Recommendations	Update	RAYG
	others in development. These are available to all staff and Members.	
R2 The Council should strengthen the information provided to senior leaders to help them evaluate whether the Council is delivering its objectives and the intended outcomes.	• Senior leaders are provided with updated information in respect to the completion of the Council Plan objectives and outcomes. Programme boards in place to facilitate discussions and improvements where needed. • PowerBI Dashboards in place • Resident Survey and staff survey results has been shared and published	In Place
R3 The Council needs to assure itself that it has robust arrangements to check the quality and accuracy of the data it provides to senior leaders relating to service user perspective and outcomes.	• The implementation of new PowerBI Dashboards and Scorecard has identified weaknesses with regards to the robustness and quality of some data sources. These have or are being improved. • The council has developed a vision to become a data informed council. • A business case has been presented to Leadership team for additional resources to realise this vision. The Council intends to develop a Data Strategic Plan by March 2027	On Track

Setting of well-being objectives - Local

Recommendations	Update	RAYG
R1 To deliver its well-being objectives in line with the sustainable development principle, the Council should ensure the future iterations of its Medium Term Financial Plan clearly show: • how the Council's resources will be prioritised to deliver its well-being objectives; and • how current and future savings targets or known future financial risks might impact the delivery of its well-being objectives.	MTFP for 26/27 was discussed by the Executive in September. It notes that by the end of the period of the plan, around £10m of permanent savings must be found, or the income generated by Council Tax will have to increase by £10m in addition to the assumed increases to resolve the current financial position.	On Track

Recommendations	Update	RAYG
R2 The Council should give more detailed consideration to relevant future trends, needs, risks and opportunities in order to build on the progress it has made in applying the sustainable development principle when setting future well-being objectives.	PowerBI dashboards have been developed to monitor trends including a Population and Demographics Dashboard, Poverty Dashboard, Net Zero Dashboard and others in development. Risks are monitored on a quarterly basis whilst opportunities are explored when identified.	In Place

New Audit Reports Since Last Update

Financial Sustainability Review – Local – December 2024

Recommendations	Update	RAYG
R1 The Council's Medium Term Financial Strategy is limited to two years and has not approved a financial strategy that identifies the long-term financial pressures and its strategic approach to meet these challenges. To address this, the Council should develop a longer term financial strategy that supports its understanding of its future financial position and informs its transformation and prioritisation of services.	MTFP for 26/27 was discussed by the Executive in September. It notes that by the end of the period of the plan, which now covers a 3 year period, around £10m of permanent savings must be found, or the income generated by Council Tax will have to increase by £10m in addition to the assumed increases to resolve the current financial position. Work continues to identify future savings before setting the budget. Some of which will be consulted upon in the new year.	In Place

Arrangements for commissioning services - Local – July 2025

Recommendations	Update	RAYG
R1 Establishing commissioning arrangements To enable the Council to assess and report on value for money of commissioned services, it should ensure it has an established and comprehensive options appraisal process to support decision making on commissioned services. The rationale for commissioning decisions should be: • fully documented; • informed by consideration of both short and long term factors; • informed by the views of those who would be affected by the commissioned service; and	The Council will establish a whole-Council governance group, and we will consider the group's objectives, which may include: • Supporting processes for making and documenting strategic decisions • Establishing Terms of Reference for this group. In 2024 the Council carried out a residents' survey in collaboration with the WLGA and Data Cymru. The Council will take the results of this survey into account when considering service commissioning arrangements. We will continue to	On Track

Recommendations	Update	RAYG
• risk assessed including considering the full costs and benefits of each option.	work with the WLGA and Data Cymru to conduct this survey in the future.	
R2 Embedding arrangements across the Council To ensure services across the Council learn from commissioning activity, the Council should embed commissioning arrangements by: • raising awareness of commissioning arrangements and expectations; • systematically evaluate the value for money of its approach to commissioning services; and • share learning from commissioning activity across departments and with external partners where relevant.	The Council has developed a Strategic Procurement Plan for 2024–2029, which demonstrates the Council's commitment to using its commercial arrangements to support local businesses as much as possible. It also sets out our intention to identify opportunities for efficiency and drive innovation, while ensuring that services remain cost-effective. We have prepared a new Procurement Manual for staff to accompany and comply with the new Procurement Act. There is a specific section of this guidance which addresses: • The current arrangements and a review of existing procedures within the Council with the purpose of challenging commissioning plans and considering whether what is being requested to purchase is genuinely necessary. Action: As part of our action plan to meet the requirements of the Act, the Council will establish a structure for sharing lessons learned from commissioning activities with other staff members.	On Track

Temporary Accommodation, long term crisis? – National - July 2025

Recommendations	Update	RAYG
Value for money **R1** We found that councils are not able to demonstrate that they are securing value for money in their temporary accommodation provision. To address this councils should:	An exercise was carried out to assess the different types of homelessness accommodation that we provide by scoring them against specific criteria. We are pleased that this module has been recognised as a positive step in the report.	On Track

Recommendations	Update	RAYG
- ensure the full range of approaches and options for temporary accommodation provision are considered; and - set out how they will assess and monitor the overall value for money of temporary accommodation provision, including: -the intended outcomes; and -the information they will use to assess the economy, efficiency and effectiveness of their temporary accommodation provision.	Financial information was provided to show evidence that we are underspending against our budget for the 2024–25 financial year. We regularly monitor expenditure and can evidence that costs continue to decrease. As an example of this evidence, a list of the units we lease was provided, which demonstrates value for money as they are a cheaper solution than paying for hotel accommodation, which incurs higher nightly costs. A list of those nightly costs was also provided. We continue to use the model for assessing the different types of homelessness accommodation, and it will formally form part of our Rapid Rehousing Plan. **Action: Update our Rapid Rehousing Plan**	
Planning for prevention **R2** We found that while all councils have Rapid Rehousing Transition Plans in place, these are of variable quality. To effectively plan to prevent homelessness councils should: - ensure they use relevant data to make the best possible estimate of future demand for homelessness services - include a range of primary, secondary and tertiary approaches in their plans, with the emphasis on primary prevention where possible - model the impact of policy changes on the skills and capacity needed in their workforce - identify the workforce they will need to address demand for temporary accommodation in the future; and	We acknowledge that we can improve our use of data. However, we believe we are working towards this. An example of this is that our Housing Support Grant referrals are now made electronically, with a live dashboard to display the data, alongside the collection of information for both the Housing Support Grant and Homelessness together. The WLGA has recently contacted us to learn how we have centralised our method of data collection from providers and to seek our views on what guidance the WLGA should issue to facilitate data collection and how this should be implemented. **Action:** Review the use of data and the Housing Support Grant outcomes framework in place. We believe that our structure and working arrangements respond well to this. A person can come to the service and receive a range of services/interventions relevant to their situation. To evidence this,	On Track

Recommendations	Update	RAYG
• set out how they will assess and monitor the economy, efficiency and effectiveness of their approach to preventing and reducing demand for temporary accommodation.	we have several access routes to support, such as for young people, care leavers, and people leaving prison, to name a few. Our Housing Support Grant providers offer services that align with these pathways and are regularly monitored against their contracts. We have repurposed our team to respond to homelessness prevention and assessment. The structure allows for a quicker response to cases. We have robust arrangements in place for assessing every person who comes into contact with us and requires either a homelessness prevention response or an emergency response to homelessness. Evidence has been provided of our triage process, homelessness prevention plan, and several of the access routes to housing and support as supporting evidence. We believe that members of the team are supported to address the demand for temporary accommodation now and in the future. Weekly meetings are held to monitor cases and the time clients spend in emergency accommodation, with the aim of moving them on to more suitable temporary accommodation. Each officer has a work plan for the year and holds regular meetings with their line manager. Members of the team are completing CIH courses to improve their qualifications, with two officers trained in "PIE trauma-informed" practice. The structure facilitates dealing with homelessness cases through defined processes and working methods, including a first point of contact officer who provides advice and options to clients as well as referrals for support through the Housing Support Grant at that initial stage.	

Recommendations	Update	RAYG
	Another example of being proactive is the role of the Complex Case Coordinator, who coordinates multi-agency meetings to ensure clients receive appropriate support from other agencies in addition to the Housing Support Grant. This prevents individuals' situations from deteriorating further. An example of this is that we can evidence several people leaving prison who have received support and positive outcomes as they have moved on. The Housing Support Grant Needs Assessment is a tool used to identify needs, with the Housing Support Grant (HSG) allocated according to the requirements within the client groups. This assessment informs our annual Housing Support Grant Delivery Plan as well as our grant expenditure. We operate a "move-on" form for both prevention and emergency cases to move people on to private sector housing. The process is also open to individuals within supported housing. Referrals are received from support officers as well as members of the prevention and emergency team. This is an example of preventative work in several ways – it can be used to move people from homes where they have received notice into Council-owned properties (thereby avoiding temporary accommodation and homelessness), and/or to move people from supported accommodation when they are ready. As a result, this then creates space for new people to move into supported accommodation who need that support before moving into a permanent home, potentially preventing homelessness in the future (by reducing the risk of tenancy failure).	

Recommendations	Update	RAYG
Partnership working **R3** We found that partnership working in preventing homelessness is often not effective. To improve this councils should: • work with their partners to: -identify existing respective roles and responsibilities; -agree how to address gaps in and/or duplication of services; • regularly evaluate the effectiveness of their partnership working for homelessness prevention.	Our Housing Support Grant Delivery Plan sets out which services are being provided. Robust monitoring and review arrangements are in place to ensure that providers support people who need help to prevent homelessness. Our monitoring and review template has been recognised and shared across North Wales as an example of good practice. We hold meetings every six weeks with providers to discuss operational matters in order to address any issues, duplication, or gaps in provision. A partnership and networking event was held in November 2024 to share information and experiences, including those with lived experience of homelessness. There are several access routes in place which involve collaboration with Health, the Probation Service, Teulu Môn, and our Housing Support Grant providers. Officers form part of the Social Services (Teulu Môn) first point of contact service, attend wards at Ysbyty Gwynedd, and we have held information-sharing events with the Probation Service. The links provided in the report to assess the impact of partnership work are useful. **Action:** Assess partnership working to align with the timetable for submitting the Housing Support Grant Strategy 2027–31, using the Homelessness Link tool.	On Track

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Strategic Management of Balances and Reserves – Local – September 2025

Recommendations	Update	RAYG
R1 To ensure its reserves are used strategically, the Council should 1.1. develop criteria to determine when and how reserves should be established; and 1.2 develop a corporate protocol for reviewing reserves.	Will be completed before the end of 25/26 financial year and all current reserves and requests for new reserves will be assessed in accordance with the new protocol.	On Track

Urgent and Emergency Care: Flow out of Hospital – North Wales Region – September 2024

Recommendations	Update	RAYG
Improving training and guidance **R1** The Health Board, working with local authorities, should develop jointly agreed guidance to provide clarity to all staff on how the discharge planning process should work across the region. This should be based on the national guidance issued in December 2023 and should set out clearly defined roles and responsibilities, and expectations, including when referrals for ongoing care should be made.	We have weekly meetings with health to discuss cases with more detailed follow up on arrangements and process to ensure we adhere to national guidance and develop good practice models	In Place
Improving training and guidance **R2** The Health Board and local authorities should ensure processes are in place to communicate discharge planning guidance to all relevant health and social services staff, including those working on a temporary basis, supported by an ongoing programme of refresher training and induction training for new staff	Staff across the organisation are informed of process during induction and staff are updated of process and any changes which occur.	In Place
Improving the quality and sharing of information **R7** The Health Board and local authorities should ensure that all relevant staff across each organisation has consistent access to up-to-date information on services	There has been an effort to develop a shared dashboard for Health and Social Care to ensure we have consistent information which is updated in real time. This will ensure that we are working off the same information and can adapt as circumstances change	On Track

Recommendations	Update	RAYG
available in the community that support hospital discharge. This will ensure that opportunities to discharge earlier with support from services beyond social care are not missed.		On Track
Improving the quality and sharing of information **R9** The Health Board and local authorities should implement ways in which information can be shared more effectively, including opportunities to provide wider access to organisational systems and ultimately joint IT solutions.	This has been something we have been keen to advance and is being implemented (see above)	On Track
Addressing key gaps in capacity **R10** The Health Board and local authorities need to work together to develop joint solutions to address key gaps in service capacity, in particular, domiciliary care and reablement services which would enable timelier discharge of patients to their own home.	The introduction of the Transformational Grant has enabled us to focus on priority areas and to remodel some provision and ensure that the 'Am Adra' initiative is funded on a permanent basis	On Track
Maximising the use of the Regional Integration Fund **R11** The Health Board and local authorities, through the Regional Partnership Board (RPB), should demonstrate how it is working to increasingly mainstream long-standing schemes funded through RIF which are considered core services.	There are ongoing discussions re how we support RIF projects moving forward and share good practice. Some initiatives are being remodelled and we are also informing recipients there is no guarantee of ongoing funding beyond March 2027. However it will be challenging to mainstream all initiatives	On Track
Maximising the use of the Regional Integration Fund **R12** The Health Board and local authorities, through the Regional Partnership Board, should agree a process for utilising any future RIF slippage monies, ensuring that appropriate value and benefit is obtained from such spending.	We have a pipeline of schemes which can be considered should there be any shortfalls in funding and to ensure we fully utilize our allocation.	In Place
Maximising the use of the Regional Integration Fund **R13** To help inform decision-making and discussions, the Health Board and local authorities should:	Information is monitored to ensure we have a record of all Clinically Optimized cases with a focus on length of stays and number of cases waiting. These are reviewed weekly and we check	On Track

Recommendations	Update	RAYG
13.1. ensure that the Regional Partnership Board has routine access to key performance indicators relevant to effective and timely flow out of hospital, including urgent and emergency care performance within the Health Board and waiting lists for social services and care packages; and 13.2. use the Regional Partnership Board working arrangement to develop a regional risk register which pulls together the risks associated with delayed discharges.	information every Friday to ensure we have a common understanding of all codes.	
Improving oversight and impact **R14** The Health Board and local authorities should ensure that information setting out progress with significant activities and initiatives being undertaken to support effective and timely discharge is routinely available at a corporate and partnership level. This should include activities and initiatives undertaken individually and jointly, both within and outside of the RPB structure, their impact and how they collectively contribute to addressing the challenges. This will help to provide assurance that resources are being invested to best effect.	Information is reviewed monthly by Service Managers and Team Leaders and difficult cases are discussed collectively to ensure all options have been considered.	On Track
Embedding learning from actions taken to address delayed discharges **R15** The Health Board and local authorities should ensure that mechanisms are in place to implement learning from actions taken to address delayed discharges, such as the Multi Agency Discharge Events (MADE), and to maintain regular oversight to ensure the learning is being implemented.	MADE events have been used. We have also held a development days to look at how we can improve service and the implementation of Am Adra has given added impetus to the process. Social service staff are now attending Ysbyty Gwynedd and we have deployed the reablement service to pull individuals out of the hospital.	In Place

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	4 December 2025
Subject:	Audit Wales Briefing Note: National Fraud Initiative 2024-25 update for Isle of Anglesey County Council
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales

Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales	Andrew Lewis Insurance and Counter Fraud Officer AndrewLewis@anglesey.gov.wales

Nature and Reason for Reporting:
The committee's terms of reference require it to have oversight of the council's arrangements for managing the risks from fraud and corruption, providing assurance that they are fit for purpose and will champion good counter fraud and anti-corruption practice to the wider organisation (3.4.8.9.2). This briefing note from Audit Wales provides an update on national and local progress of the National Fraud Initiative exercise which commenced in 2024-25.

1. INTRODUCTION

1.1 The National Fraud Initiative (NFI) is a UK-wide counter-fraud programme conducted biennially in conjunction with the Public Sector Fraud Authority, which operates under the authority of the Cabinet Office and HM Treasury, and focuses on managing and reducing the impact of fraud within the public sector. The exercise utilises data matching to detect and prevent fraud.

1.2 In Wales, the NFI is carried out under the statutory authority of the Auditor General, with mandatory participation from unitary local authorities, NHS bodies, police forces, and fire and rescue services.

1.3 This briefing from Audit Wales provides a national update as of 31 July 2025 and encourages those charged with governance to seek further local detail from lead officers.

1.4 The Governance and Audit Committee received an update on local detail at its meeting on 30 September 2025. Our report provided progress in relation to the review of the matches (Appendix 2 – NFI 2024-25 Outcomes Summary) and concluded that the low number of fraud/errors identified in relation to the match areas analysed provided assurance that there are robust systems of internal controls in place, i.e. in relation to Housing tenants / Waiting Lists, Payroll and Procurement.

1.5 While the Revenues and Benefits Service had not analysed the Council Tax Single Person Discount (CTSPD) matches, there is a plan to use an external provider to carry out a managed bulk review of their discounts and exemptions before the end of 2025-26.

1.6 Consequently, the council has not been able to maximize the benefit of their participation in the NFI by analysing the most valuable area of NFI data matches, as highlighted by Exhibits 3 and 6 in the Audit Wales briefing note. Audit Wales advocates that CTSPD data matches and matches in key reports should be treated as 'very high risk' in practice.

2. RECOMMENDATION

2.1 That the Governance and Audit Committee notes the Audit Wales briefing note and takes assurance that the council, taking account of the need to prioritise its resources, is seeking to actively embrace opportunities provided by the National Fraud Initiative to use data analytics to strengthen both the prevention and detection of fraud.

Briefing Note

National Fraud Initiative 2024-25: update for Isle of Anglesey County Council

About the National Fraud Initiative

1   The National Fraud Initiative (NFI) is a biennial UK-wide counter-fraud exercise. It helps prevent and detect fraud by electronically sharing and matching data sets. **Appendix 1** provides further information on how the NFI works.

2   In Wales, the NFI operates under the Auditor General's statutory powers. Participation is mandatory for unitary local authorities, NHS bodies, police forces, and fire and rescue authorities. Participating on a voluntary basis in the latest exercise are the Welsh Government, some Welsh Government arm's length bodies (Natural Resources Wales, Arts Council of Wales, Sport Wales, National Library of Wales, Transport for Wales), and South East Wales Corporate Joint Committee.

3   This briefing note provides an update on the latest NFI 2024-25 exercise at a national level and as at 31 July 2025. It also provides some local level data for your organisation, although we are encouraging those charged with governance to seek further local detail from lead officers.

Data submission for 2024-25

4   The NFI 2024-25 exercise is underway. Participants submitted data for the biennial batch data matching exercise in October 2024. This included data on housing benefits, housing tenants and waiting lists, blue badge parking permits, licences, and various payments such as creditor payments, payroll, and pensions.

5   The UK Public Sector Fraud Authority released most data match reports to participants by the end of December 2024. Council tax and electoral register data are submitted annually. The most recent deadline for submitting this data was February 2025.

6   Supplementary data runs take place during the exercise to process new, incomplete or missing data submissions. For example, progress is being made to amend the Public Audit (Wales) Act 2004 through a Legislative Reform Order which will enable the NFI to resume the matching of adult social care data during the NFI 2024-25 exercise.

National update

Data matches and investigation

7   To date, almost 440,000 data matches have been identified for the Welsh NFI 2024-25 exercise participants. **Exhibit 1** shows that most of these matches are for unitary authorities and health bodies.

Exhibit 1: NFI 2024-25 Welsh participant data matches by type of organisation, at end of July 2025

Type of organisation	Number of data matches	% of data matches
Unitary authority	373,114	84.9
Health	50,409	11.5
Police	2,641	0.6
Fire and rescue	740	0.2
Other	12,749	2.9
Total	**439,653**	**100.0**

Source: Audit Wales analysis of NFI web-application data

Note: % total does not match the sum of the parts due to rounding.

8   Data matching identifies potentially fraudulent or erroneous claims and payments. No assumption can be made about whether there is fraud, error, or another explanation until an investigation is carried out. There can, for example, be false positives around creditor payments if bodies are deliberately making staged payments of the same amount.

9   We recognise it is not practical to investigate all data matches, particularly for bodies with large numbers of matches. Bodies are encouraged to take a risk-based approach to assessing data match reports and deciding what type of, and how many, data matches they review.

10   By the end of July 2025, five participating bodies had not yet closed any data matches. Some participants are making good progress with reviewing NFI 2024-25 data matches, while others have made limited progress.

11   **Exhibit 2** shows the total number of data matches for each data match area. It also shows the number of data matches closed in a data match area, along with the number of participants that have matches in that area**.**

The absence of closed matches indicates that the participant has not reviewed any matches in that area.

Exhibit 2: NFI 2024-25 Welsh participant data matches processed and closed, at end of July 2025

Data match area	Data matches	Data matches closed	Participants with data matches	Participants with no closed statuses for their matches
Council tax single person discount	198,146	5,385	22	11
Creditors	187,228	19,791	48	16
Council tax reduction scheme	16,578	3,547	22	1
Blue badges	10,377	5,849	22	3
Payroll	8,150	1,705	46	6
Housing waiting lists	6,359	1,392	18	5
Housing tenants	4,636	879	11	2
Pensions	2,962	1,098	12	4
Resident parking	2,405	2,368	8	1
Procurement	1,985	400	42	28
Housing benefit	826	483	22	2
Taxi drivers	1	1	1	0
Total	**439,653**	**42,898**	**49**	**5**

Source: Audit Wales analysis of NFI web-application data

Note: After risk assessing data match reports and any subsequent investigations, each data match should be 'closed' and given a match status. There are a range of 'closed' statuses. Matches not investigated should be given the status 'Closed – Not selected for investigation'. Assigning match statuses to data matches can be done individually or by bulk selection.

Outcomes

12 Welsh participants recorded outcomes of £4.7 million for the period 1 April 2024 to 31 July 2025. **Exhibit 3** shows which matching process the outcomes relate to.

Exhibit 3: Welsh participant reported NFI outcomes, 1 April 2024 to 31 July 2025

NFI exercise	Outcomes (£s)
NFI 2024-25 biennial exercise	1,719,037
Late savings from the NFI 2022-23 biennial exercise	867,157
Annual council tax data matching exercises	2,080,831
Total	**4,667,025**

Source: Audit Wales analysis of NFI web-application data

Note: Outcomes are made up of (i) actual amounts participants have recorded as fraud or error; and (ii) estimated elements which seek to capture the value of loss from a fraud or error detected, and the value of any future losses that bodies may have incurred without intervention following an NFI match. Most datasets have a methodology to calculate estimated savings. All methodologies are reviewed by the Cabinet Office's NFI Governance Board and approved by the Cabinet Office's Fraud Prevention Panel.

Local update

13 Data matches are released in data match reports. Each report has a different purpose and compares data from two or more datasets. The reports are broken down into dataset types: for example, housing benefit, payroll, or creditors.

14 An organisation's risk assessment of the data match reports should determine the types and numbers of data matches to be investigated. To aid risk assessment, the NFI web application flags some data match reports as 'key reports' with historically high success rates in identifying fraud or error. Also, most individual data matches are assigned a fraud risk score.

15 **Exhibit 4** shows the total number of data matches identified for Isle of Anglesey County Council, along with those recorded in key reports. **Appendix 2** provides some further analysis of these data matches by fraud risk score.

Exhibit 4: Isle of Anglesey County Council's NFI 2024-25 data matches, at end of July 2025

Data match area	Data matches in all reports	Data matches in key reports with historically high success rates
Blue badges	270	243
Council tax single person discount	5,284	5,284
Council tax reduction scheme	506	452
Creditors	1,889	1,438
Housing benefit	7	6
Housing waiting lists	26	18
Housing tenants	194	129
Payroll	102	96
Procurement	40	40
Total	**8,318**	**7,706**

Source: Audit Wales analysis of NFI web-application data

Note: Council tax single person discount data match reports are not formally designated as 'key reports' but are treated as such in practice.

16   Various factors can influence which data match reports are reviewed and when this takes place. For example, an organisation may prioritise looking at data match reports linked to areas where it has concerns about internal controls or where there is a history of fraud or error. Also, local resourcing will dictate the pace of progress. For these reasons, this general update does not provide further detail on where processing work and outcomes are recorded by your organisation at this stage.

17   The NFI web application features a dashboard and provides various reports on outcomes and processing activity. We encourage those charged with governance to seek more detailed updates on processing work and outcomes recorded from their NFI Senior Responsible Officer and NFI Key Contact.

Future Audit Wales work

18 For this NFI exercise we will carry out a high-level assessment of participants' governance and follow-up arrangements. We will engage with bodies over the autumn/early winter to consider issues covered in our NFI self-appraisal checklist.[1] We will also analyse the risk assessment and data match processing work carried out, and the outcomes recorded by participants, as reflected in the NFI web application.

19 This work will help us understand the factors influencing the outcomes reported by individual bodies and the variations between them. Findings from this assessment will inform our next national report in autumn 2026.

[1] In December 2024, we shared the updated checklist with NFI senior responsible officers and key contacts. We encouraged all bodies to complete it and share it with those charged with governance.

Appendix 1 – The National Fraud Initiative

The NFI uses data matching to detect and prevent fraud. It electronically compares sets of data against other records held by the same and other bodies, to see to what extent they match.

The data matching flags anomalies or inconsistencies that indicate potential fraud or error. Indicators of potential fraud are reported to the participants, who are responsible for following up these matches.

The effectiveness of the NFI depends on the thoroughness of the assessment and investigation of matches and recording of outcomes.

Bodies record the outcomes in the NFI web application. Each participant body has a nominated Senior Responsible Owner and Key Contact for the NFI, who in some cases may be the same individual.

The UK Public Sector Fraud Authority, part of the UK Government's Cabinet Office and HM Treasury, oversees the NFI across the UK. Audit Wales leads the exercise in Wales under the Auditor General's powers in the Public Audit (Wales) Act 2004. The Auditor General's Code of Data Matching Practice summarises the key legislation, and controls, governing the exercise in Wales.

We published a report on the outcomes from the 2022-23 NFI exercise in October 2024. Reports on the NFI for other parts of the UK are produced by the Public Sector Fraud Authority, Audit Scotland, and the Northern Ireland Audit Office.

There is no direct cost to participants for taking part in the exercise. Audit Wales receives funding, through the Welsh Consolidated Fund, to pay for bodies to participate in the NFI. This covers the central data matching processing for the biennial exercise, as well as the annual exercise for council tax and electoral register datasets. This remained the case for the NFI 2024-25 exercise. The main costs to participants are, therefore, the resources used to submit data and conduct follow-up work once data matches are released.

Appendix 2 – Analysis of data matches by fraud risk score for Isle of Anglesey County Council

The NFI assigns a fraud risk score of very high risk, high risk, or medium risk to most, but not all, data matches. This risk score is based on a combination of two factors:

- Risk logic – a set of criteria for each dataset combination that, when met, indicates a fraudulent outcome is more likely to occur.

- Footprint score – the number of times an individual in a match appears at the address across all NFI data. It is an indicator of whether that person resides at that address.

Exhibit 5 and **Exhibit 6** provide further analysis of Isle of Anglesey County Council's data matches by risk score for data matches in all data match reports and those in key reports. This analysis builds on **Exhibit 4** in the main body of this briefing note. Not all data matches are formally assigned a risk score. Council tax single person discount data matches and matches in key reports that are not formally assigned a risk score should generally be treated as 'very high risk' in practice.

Exhibit 5: Isle of Anglesey County Council's NFI 2024-25 data matches by risk score for data matches in all reports, at end of July 2025

Data match area	All data matches	Very high risk	High risk	Medium risk	No risk score
Blue badges	270	244	26	0	0
Council tax single person discount	5,284	-	-	-	-
Council tax reduction scheme	506	16	132	51	307
Creditors	1,889	223	1,666	0	0
Housing benefit	7	4	1	0	2
Housing waiting lists	26	26	0	0	0
Housing tenants	194	38	1	19	136
Payroll	102	37	8	10	47
Procurement	40	0	0	0	40
Total	**8,318**	**588**	**1,834**	**80**	**532**

Source: Audit Wales analysis of NFI web-application data

Exhibit 6: Isle of Anglesey County Council's NFI 2024-25 data matches by risk score for data matches in key reports, at end of July 2025

Data match area	All data matches	Very high risk	High risk	Medium risk	No risk score
Blue badges	243	217	26	0	0
Council tax single person discount	5,284	-	-	-	-
Council tax reduction scheme	452	16	104	31	301
Creditors	1,438	201	1,237	0	0
Housing benefit	6	4	0	0	2
Housing waiting lists	18	18	0	0	0
Housing tenants	129	3	0	1	125
Payroll	96	37	4	9	46
Procurement	40	0	0	0	40
Total number of data matches	**7,706**	**496**	**1,371**	**41**	**514**

Source: Audit Wales analysis of NFI web-application data

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	4 December 2025
Subject	Strategic Management of Balances and Reserves
Head of Service	Carys Edwards
Report Author	Gwyndaf Parry

Reason for Reporting

- Paragraph 3.4.8.11.3 of the Committee's Terms of Reference states that "The committee will oversee external audit arrangements, comment on the scope and depth of external audit work and ensure it gives value for money. It will consider external audit reports and will monitor their recommendations.

- The G&AC should review the report and be assured that the council has provided an accurate reflection of how we will respond to the Audit Wales recommendation

1.0 Introduction

1.1 The objective of this audit was to:

- look at how the Council manages its reserves. It focused on governance, risk management, financial reporting, and how reserves are used strategically to make sure public money is well managed to support long-term stability.

2.0 Findings

2.1 Overall, Audit Wales found that **The Council effectively manages and reviews reserves regularly but would benefit from establishing formal protocols for their use and replenishment. Clearer criteria on establishing and holding reserves and forward planning their maintenance would improve long-term financial resilience.**

3.0 Recommendation

3.1 That the Governance and Audit Committee:

- Reviews the audit examination and the two recommendations.
- Gain assurance that the organisation response form should provide assurance to the committee of the steps taken by the council to address the recommendations.

Strategic Management of Balances and Reserves

Isle of Anglesey County Council

September 2025

About us

We have prepared and published this under section 17 of the Public Audit (Wales) Act 2004 and section 15 of the Well-being of Future Generations Act (Wales) 2015.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Contents

Audit snapshot

What we looked at

1 Isle of Anglesey County Council is responsible for looking after its financial reserves. This means making sure there is enough money set aside to deal with unexpected events, while also investing in services and infrastructure to support the community and maintain value for money.

2 This audit looked at how the Council manages its reserves. It focused on governance, risk management, financial reporting, and how reserves are used strategically to make sure public money is well managed to support long-term stability.

Why this is important

3 Strategic use of financial reserves helps councils deliver essential services, manage risks, and respond flexibly to changing local needs. By securing value for money, councils can support community priorities, maintain public trust and safeguard long-term financial stability, ensuring resources are used where they have the greatest social and economic impact.

4 By ensuring robust management of reserves, Cyngor Sir Ynys Môn can navigate financial uncertainties, support essential services, and achieve its strategic objectives.

What we have found

5 The Council effectively manages and reviews reserves regularly but would benefit from establishing formal protocols for their use and replenishment. Clearer criteria on establishing and holding reserves and forward planning their maintenance would improve long-term financial resilience.

What we recommend

6   We make one main recommendation to formalise how the Council establishes and uses its reserves. This should improve its arrangements on the use of reserves which help ensure value for money.

Key facts and figures

7   **Exhibit 1** shows what percentage of Isle of Anglesey County Council's expenditure was held in useable reserves between 2015-16 and 2023-24. This is shown alongside the maximum held, the minimum held and the average.
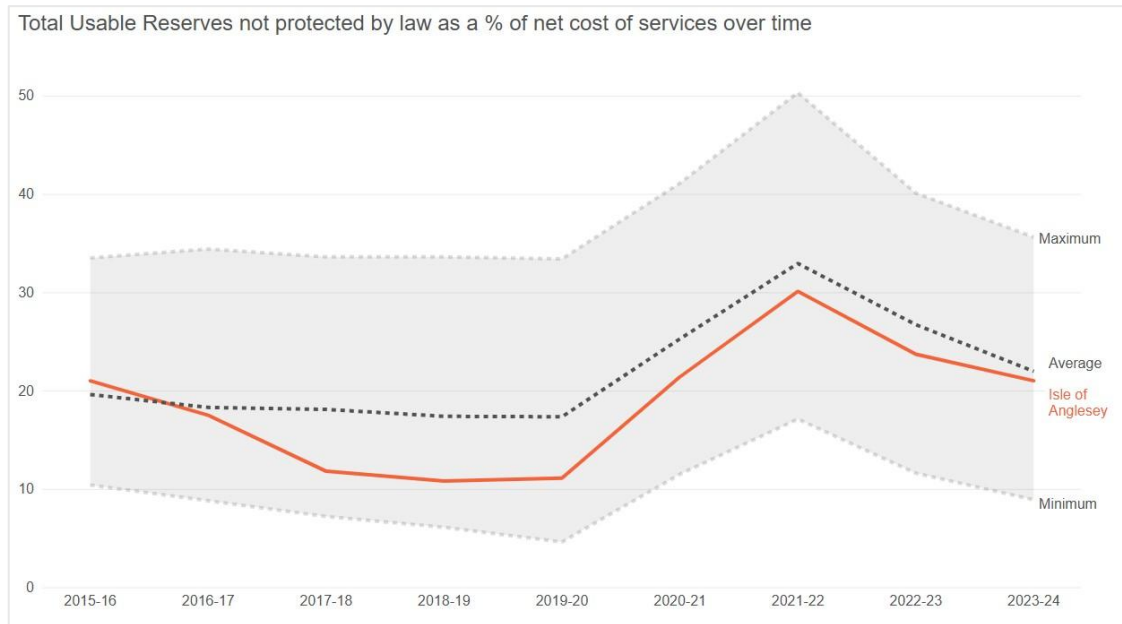
Total Usable Reserves not protected by law as a % of net cost of services over time

Source: Isle of Anglesey County Council via the Audit Wales Local Government Financial Sustainability Data Tool

8   **Exhibit 2** shows what the total useable revenue reserves (£ Million) not protected by law, held by Isle of Anglesey County Council side by side with the Wales average, between 2015-16 and 2023-24.
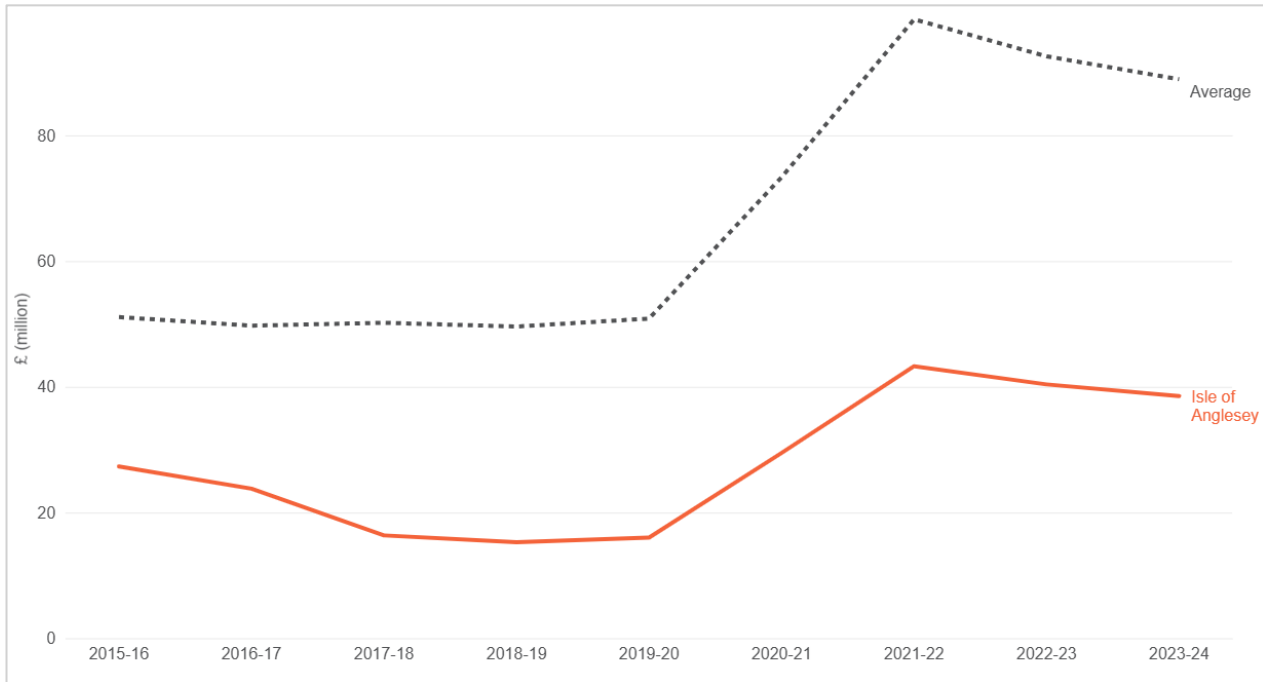
Source: Isle of Anglesey County Council via the Audit Wales Local Government Financial Sustainability Data Tool

9   Further data is available on the Audit Wales Local Government Financial Sustainability Data Tool. This tool compares financial data for each council, national park and fire and rescue authority in Wales from 2015-16 onwards. See: Local Government Financial Sustainability | Audit Wales

Our findings

Governance and oversight of reserves is effective

10   The Council's approach to reserves is clearly aligned with its overall financial strategy. Evidence of this alignment is seen in how the Council's financial resilience assessment is embedded within its Medium-Term Financial Plan, following a recommendation from internal auditors. As a result, the Council can plan more confidently for future financial pressures, supporting sustainable service delivery.

11   The Chief Finance Officer plays a key role in governance. Officers and members receive advice through frequent reports and presentations that outline reserve levels, planned usage, and potential risks. This ensures that decision-makers remain well-informed and is an indicator of robust accountability.

12   The Council's processes for reporting and scrutiny are clear and accessible. Its year-end Accounts include a Statement of Movement in Reserves and associated notes. The Statement is reviewed by senior officers and shared with key committees. This gives stakeholders confidence that reserves are being monitored, scrutinised, and used for their intended purpose.

Understanding of reserves is strong, but protocols are informal

13   The Council has a clear understanding of the types of reserves and balances it holds. This is evidenced by a comprehensive listing in its Statement of Accounts, which details both general and earmarked

9

reserves[1]. This clarity allows stakeholders to see how financial resources are categorised and supports transparent financial reporting.

14 The Council regularly assesses the adequacy of its reserves. For example, benchmarking against other North Wales authorities provides one source of assurance that reserve levels are proportionate. In addition, a 2024 internal audit confirmed the Council's commitment to maintaining at least 5% of its net revenue budget in general reserves; a target informed by past performance and designed to cushion against unexpected financial pressures. This approach helps maintain financial resilience and reassures members and the public that the Council operates in a similar manner to other local authorities.

15 However, there is no clear protocol guiding the establishment, use, and review of each reserve. The absence of formal protocols may lead to inconsistencies in how reserves are created or applied in future years. This creates a risk that reserves aren't set at the appropriate levels which make best use of the balances.

Risk management informs reserve strategy, but there is no clear plan for maintaining balances

16 The Council has reviewed how its risk management arrangements are integrated with its approach to reserves. Financial resilience appears as a key risk on the Strategic Risk Register, with governance and control judged as reasonably sound by a 2024 internal audit. This alignment enables the Council to identify and plan for emerging financial pressures.

17 The Council identifies risks such as optimism bias and fluctuating demand in its budget-setting process, accounting for these in both general and earmarked reserves. For example, the 2025-26 budget includes allocations

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[1] General reserves are funds held without any specific purpose, serving as a financial safety net for unforeseen expenses, emergencies, or fluctuations in revenue. Earmarked reserves are funds set aside for specific projects, initiatives, or expenditures.

to meet anticipated demand in social care and homelessness, helping to safeguard the continuity of a preventative service.

18　However, while the Council holds reserves to meet identified risks, including unexpected council tax appeals and arrears, there are no formal measures for restoring reserves once depleted. The Council takes out insurance against some risks, but its approach to replenishing spent reserves is unclear. The absence of a structured plan to resupply may undermine long-term financial resilience.

The Council is transparent in the use of its reserves, but could improve communication on use of reserves

19　The Council's financial reporting arrangements support transparency by clearly demonstrating the impact on reserves. Evidence is provided through detailed statements of movement in funds, in line with CIPFA guidance. This provides assurance to stakeholders that changes in reserves are consistently tracked and reported.

20　The Council communicates the purpose and use of reserves to stakeholders via committee reports and documents published on its website. This accessibility enables scrutiny and helps ensure accountability. However, while options for reserve use are presented during public budget consultations, the impact on reserve levels is not explicit. This can limit understanding of the long-term consequences, reducing the effectiveness of public engagement.

Reserves are used strategically, but lack formal approach to how they are established and maintained

21　Reserves have a clear strategic purpose and the Council aligns its reserves with strategic objectives, supporting the Council Plan and financial sustainability. For instance, the Capital Strategy 2024-29 and Capital

11
Programme show planned use of earmarked reserves; £1.5m set aside for Plas Arthur Leisure Centre and £0.46m for school IT infrastructure upgrades, with case-by-case assessments for matching grant funding. This approach ensures resources are directed towards priority projects, supporting service delivery.

22
However, the Council's arrangements for determining how reserves should be established and maintained don't have formal criteria. While decisions are grounded in annual planning and strategic alignment, absence of clear protocols means use of reserves relies on recurring practices rather than transparent, consistent and stated rules. This risks short term reactive decision making which doesn't provide assurance of long-term strategic use.

◀ Recommendations

R1 To ensure its reserves are used strategically, the Council should

    1.1 develop criteria to determine when and how reserves should be established; and

    1.2 develop a corporate protocol for reviewing reserves.

Appendices

1 About our work

Scope of the audit

This audit reviewed the Council's approach to strategic management of its reserves and balances. It focussed on:

- the governance and oversight of reserves;

- the types and adequacy of reserves;

- the relationship between risk management and the management of reserves;

- financial reporting and transparency; and

- strategic use of reserves.

Audit questions and criteria

Questions

- Does the Council have adequate governance and oversight arrangements for its reserves and balances?

- Does the Council have a clear understanding of the types and adequacies of its reserves and balances?

- Do the Council's service and risk management arrangements inform its strategic management of reserves and balances?

- Do the Council's Financial Reporting arrangements ensure transparency in the strategic management of its reserves and balances?

- Does the Council have arrangements to ensure that the use of its reserves is effective?

Criteria

The audit considered how the Council applied the CIPFA (Chartered Institute of Public Finance and Accountancy) guidelines, which emphasize the importance of clear protocols for the establishment, use, and review of reserves. It evaluated the role of the chief finance officer in advising on reserve levels, the adequacy of reserves, including the criteria used to determine when and how reserves should be utilised. Additionally, the audit examined how the Council plans for the strategic use of reserves in relation financial reporting.

Methods

This audit involved document reviews and interviews with officers and members.

About us

The Auditor General for Wales is independent of the Welsh Government and the Senedd. The Auditor General's role is to examine and report on the accounts of the Welsh Government, the NHS in Wales and other related public bodies, together with those of councils and other local government bodies. The Auditor General also reports on these organisations' use of resources and suggests ways they can improve.

The Auditor General carries out his work with the help of staff and other resources from the Wales Audit Office, which is a body set up to support, advise and monitor the Auditor General's work.

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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Management response form

Audit Wales use only	
Audited body	Isle of Anglesey County Council
Audit name	Strategic Management of Balances and Reserves
Issue date	September 2025

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R1	To ensure its reserves are used strategically, the Council should 1.1 develop criteria to determine when and how reserves should be established; and 1.2 develop a corporate protocol for reviewing reserves.	We will develop criteria and protocol with a form to authorise new funds and to review existing funds, so that existing reserves and any application for a new funds are assessed against new guidance. A draft has already been prepared and we will seek the approval of the TA in order to implement the above.	March 2026	Marc Jones, Section 151 officer	

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	4 December 2025
Subject	Arrangements for commissioning services
Head of Service	Carys Edwards
Report Author	Gwyndaf Parry

Reason for Reporting

- Paragraph 3.4.8.11.3 of the Committee's Terms of Reference states that "The committee will oversee external audit arrangements, comment on the scope and depth of external audit work and ensure it gives value for money. It will consider external audit reports and will monitor their recommendations.

- The Committee should review the report and be assured that the council has provided an accurate reflection of how we will respond to the Audit Wales recommendation

1.0 Introduction

1.1 The objective of this audit was to:

- provide assurance that councils have proper arrangements for commissioning services to secure value for money in the use of resources;

- provide assurance that councils are acting in accordance with the sustainable development principle in commissioning services; and

- explain how councils approach the commissioning of services and inspire and empower councils and other public sector bodies by identifying and sharing examples of notable practice/approaches where relevant.

2.0 Findings

2.1 Overall, Audit Wales found that **the Council is not able to demonstrate that it routinely secures value for money through its commissioned services**.

2.2 Page 6 of the report sets out why Audit Wales reached this conclusion.

3.0 Recommendation

3.1 That the Governance and Audit Committee:

- Reviews the audit examination and the two recommendations.
- Should gain assurance that the organisation response form should provide assurance to the committee of the steps taken by the council to address the recommendations.

Arrangements for commissioning services – Isle of Anglesey County Council

Audit year: 2023-24

Date issued: July 2025

Document reference: 5010A2025

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Summary report

❓ Why we did this audit

Our audit duties

1   We are carrying out this audit under the duties contained within:

- section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) to help enable the Auditor General to be satisfied (or not) that the Council has put in place proper arrangements to secure value for money in the use of its resources; and

- section 15 of the Well-being of Future Generations (Wales) Act 2015 to help enable the Auditor General to assess the extent to which the Council is acting in accordance with the sustainable development principle in taking steps to meet its well-being objectives.

2   This audit may also inform a study for improving value for money under section 41 of the 2004 Act.

Our objectives for this audit

3   Our objectives for this audit are to:

- provide assurance that councils have proper arrangements for commissioning services to secure value for money in the use of resources;

- provide assurance that councils are acting in accordance with the sustainable development principle in commissioning services; and

- explain how councils approach the commissioning of services and inspire and empower councils and other public sector bodies by identifying and sharing examples of notable practice/approaches where relevant.

4   We are undertaking this audit at each of the 22 principal councils in Wales.

⚡ Why commissioning is important

5   Commissioning is the process by which the Council designs services it intends to deliver. It starts with defining the service and the desired outputs and outcomes and ends when the Council organises its method of delivery. For example, by establishing a delivery team internally, or through procuring an external supplier.

6   Commissioning arrangements can help to ensure services are delivered economically, efficiently and effectively. Conversely, weaknesses in commissioning arrangements can reduce

both the impact and value for money of services, even if the processes which follow, such as procurement and contract management are robust.

What we looked at and what does good look like[1]

7   We reviewed Isle of Anglesey County Council's (the Council) arrangements for commissioning services and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council's resources.

8   This audit did not cover procurement arrangements or the Council's contract management arrangements.

9   The audit sought to answer the overall question: **In commissioning services does the Council put in place proper arrangements to secure value for money in the use of its resources?**

10   We used the audit criteria set out in **Appendix 1**, which also shows how the criteria relate to the audit questions. This has been informed by our cumulative knowledge as well as the question hierarchy and positive indicators we have developed to support our Sustainable Development Principle examinations.

Our audit methods and when we undertook the audit

11   Our findings are based on document reviews, and interviews with the senior officers responsible for the development of the Council's strategic approach to commissioning. We also interviewed senior officers with responsibility for services that the Council has commissioned externally.

12   Given the wide range of council services, we undertook sample testing of the arrangements the Council has put in place to commission services. To do this we selected three services where the Council has taken the decision to commission services externally and examined the commissioning arrangements the Council has put in place. The sample of service areas we reviewed in the Council were:

- Waste management and street cleansing;

[1] Defined as 'what should be' according to laws or regulations, 'what is expected' according to best practice, or 'what could be', given better conditions.

- Young people's homelessness service; and

- School transport (buses).

13   The evidence we have used to inform our findings is limited to these sources. We undertook this work during December 2024 to January 2025.

14   We are undertaking this work at each of the 22 principal councils in Wales and, as well as reporting locally to each council, we also intend to produce a national report.

What we found

15   Overall, we found that **the Council is not able to demonstrate that it routinely secures value for money through its commissioned services**. We set out below why we reached this conclusion.

16   The Council is aware of how individual service areas help meet its statutory duties and intended outcomes. However, the Council does not have arrangements to ensure its services routinely conduct options appraisals when commissioning services. As a result, it does not always have a clear rationale for why these specific services should be commissioned externally. For example, the Council had undertaken a comprehensive options appraisal for only one of the services we reviewed. This included a risk assessment of different options and consideration of financial and non-financial benefits.

17   We saw examples of the Council commissioning services to external providers based on following the previous delivery model for the service area rather than considering alternative options. This means that the Council is not necessarily considering all options to ensure it secures the best value for money. Having a clear understanding of why services are being commissioned, what they are intended to achieve, and the different options available are important elements of arrangements to secure value for money.

18   The sample of commissioned services we reviewed demonstrated that the Council considers what long-term means as part of commissioning arrangements and could explain the rationale for contract lengths. For example, individual service areas ensured commissioned contracts could be extended subject to whether performance targets were met by providers. However, these are not council-wide arrangements and there is no corporate oversight of the end dates for different commissioned services. Considering both the long and short-term implications of commissioning decisions reduces the risk of not achieving value for money over the longer-term.

19   The Council does not have arrangements to set out how it monitors value for money for its commissioned services over the short, medium and long-term. We did see examples of some service areas setting out how value for money would be monitored, however there is not a corporate arrangement to ensure that this happens consistently. A lack of monitoring arrangements limits the Council's ability to gain assurance that its commissioned services are achieving intended outcomes and delivering value for money over the short, medium and long term.

20   The Council has limited awareness of the wider impacts its commissioned services could have. There is limited evidence that the Council considered how the commissioned services we reviewed aligned to its previous well-being objectives. Also, in commissioning services, the Council has not considered how services can maximise their contribution to the well-being objectives of other public sector bodies, nor the national well-being goals for Wales. Considering the wider implications of commissioning decisions can help the Council avoid duplication and identify multiple benefits that secure improved outcomes and value for money.

21   The Council does not have arrangements to ensure it routinely involves those affected by commissioned services in their design and delivery. The Council understood who would be affected by the commissioned services we examined. However, we found limited evidence of the council engaging them in designing and delivering services, and there are no corporate arrangements to ensure that this happens consistently.

22   The Council does not consistently analyse the potential partners it could work with to deliver its commissioned services and improve value for money. For example, it was seen how one of the services we reviewed had considered the potential partners it can work with, but this was not a consistent arrangement across the Council. Working with the right people and partners can help the Council ensure that it commissions services that meet the needs of its communities, and that those services are delivered in a way that maximise value for money.

23   The Council does not have arrangements to consistently review the value for money of its commissioning arrangements. The Council reviews limited aspects of its approach to commissioning. This is carried out as part of a project management methodology adopted by the different service areas rather than a council-wide approach.

24   The Council does not share and apply lessons learnt from its approach to commissioning widely across the organisation nor with partners. Whilst service areas have identified lessons learnt from their commissioning activity these are not routinely shared across the council. Evaluating the cost and effectiveness of commissioning arrangements is important to help identify areas for improvement, and share learning, and therefore secure value for money.

◧ Our recommendations for the Council

Exhibit 1: our recommendations for the Council

Recommendations

R1   Establishing commissioning arrangements

To enable the Council to assess and report on value for money of commissioned services, it should ensure it has an established and comprehensive options appraisal process to support decision making on commissioned services. The rationale for commissioning decisions should be:

- fully documented;
- informed by consideration of both short and long term factors;
- informed by the views of those who would be affected by the commissioned service; and
- risk assessed including considering the full costs and benefits of each option.

R2   Embedding arrangements across the Council

To ensure services across the Council learn from commissioning activity, the Council should embed commissioning arrangements by:

- raising awareness of commissioning arrangements and expectations;
- systematically evaluate the value for money of its approach to commissioning services; and
- share learning from commissioning activity across departments and with external partners where relevant.

Appendix 1

Audit questions and criteria

Overall question: In commissioning services does the Council put in place proper arrangements to secure value for money in the use of its resources?

Level 2 questions	Level 3 questions	Criteria

Does the Council have a clear rationale for commissioning services?	Does the Council clearly define the services it intends to commission and why?	• The Council sets out a clear definition of the services it intends to commission
		• The Council sets out 'why' it needs to commission the services including:
		  – the intended outcomes/impact of delivering the service
		  – if/how the service helps the Council meet its statutory duties

	Does the Council conduct a comprehensive options appraisal of commissioning options before deciding to commission a service?	• The Council considers the full range of commissioning options for providing the service – options might include for example:
		  – in-house provision,
		  – partnership arrangements or approaches to commissioning within and across sectors
		  – externalising the service to another provider through a trust or other arrangement
		  – contracting the service through a tender process
		• The Council considers the cost-benefits of the options from the perspective of economy, efficiency and effectiveness – including over the short, medium and long-term
		• The Council includes the costs of contract management within its assessment of commissioning options
		• The Council includes an assessment of risk for each commissioning option as part of the assessment of cost-benefits
		• The Council uses a broad range of information from internal and external sources to develop an understanding of the current and long-term factors that are likely to impact on commissioned services

Is the Council planning over an appropriate timescale?	Does the Council consider what long-term means when commissioning services?	• The Council considers what long term means in planning its approach to commissioning services – i.e. how far ahead it can/should plan and why. • The Council considers how it will balance short and long-term needs when planning the commissioning of services

		including for example when determining the timeframe for contracts or other commissioning arrangements
	Does the Council understand long-term resource implications when commissioning services?	• The Council thinks about the resources it will need over the medium and longer term (whole life costs) to deliver commissioned services • The Council considers how a range of future budget reduction scenarios could be implemented to commissioned services.

	Does the Council set out how it will monitor the value for money of commissioned services over the short, medium and long-term?	• The Council sets out the monitoring arrangements it will follow for the commissioned service
		• The Council should set out how value for money of commissioned services will be assessed and monitored including:
		  – costs and benefits; and
		  – Progress towards short, medium and longer term milestones and measures

Has the Council thought about the wider impacts its commissioned service could have?	In commissioning services, does the Council consider how it can maximise their contribution to the Councils well-being objectives?	• The Council considers how commissioned services will impact on all of its own well-being objectives to secure multiple benefits, avoid duplication or any unintended consequences. E.g. consideration of longer-term objectives, local supply chain, market resilience and impact of contract length of time, bio-diversity, carbon reduction
	In commissioning services, does the Council consider how services can maximise their contribution to the well-being objectives of other public sector bodies?	• The Council considers how commissioned services will impact on the well-being objectives of other public sector bodies to secure multiple benefits and avoid duplication or any unintended consequences
	In commissioning services, does the Council consider how services can maximise their contribution to the National Well-being Goals?	• The Council considers how commissioned services will impact on the national well-being goals to secure multiple benefits and avoid duplication or any unintended consequences
Is the Council working with the right people and partners to design and deliver its	Has the Council identified who it needs to involve?	• The Council understands who will be directly and indirectly affected by commissioned services. This has been informed by a stakeholder analysis or similar.
	Is the Council involving the full diversity of people?	• The Council involves the full diversity of views in deciding how to commission services.

commissioned services?		• The Council uses the results of involvement activity to inform how it will commission services, including its impact on groups who share protected characteristics
	Is the Council collaborating with the right partners?	• The Council has a good understanding of which partners and potential partners it could work with to commission services to improve value for money. This has been informed by comprehensive analysis of potential partners and their priorities. • Where opportunities to improve value for money by commissioning of services in partnership are identified, the Council pursues them.
Does the Council have arrangements in place to evaluate the value for money of its approach to commissioning?	Does the Council routinely evaluate the effectiveness of commissioning arrangements?	• The Council regularly reviews the effectiveness of its approach to commissioning including: – The extent to which commissioned services meet the objectives the Council has set – The value for money of chosen commissioning models including consideration of inputs, outputs and outcomes.
	Does the Council routinely share any lessons learned to inform future commissioning exercises?	• The Council shares and applies any lessons learned from its approach to commissioning widely across the organisation, and with partners where relevant.

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Management response form

Archwilio Cymru
Audit Wales

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Audited body	ISLE OF ANGLESEY COUNTY COUNCIL
Audit name	Arrangements for Commissioning Services
Issue date	31/07/25

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R1	**Establishing commissioning arrangements** To enable the Council to assess and report on value for money of commissioned services, it should ensure it has an established and comprehensive options appraisal process to support decision making on commissioned services. The rationale for commissioning decisions should be: • fully documented;	The Council will establish a whole council governance group; We will consider the group's objectives, which may include: • Supporting strategic decision making and documenting	December 2026	Corporate Planning, Performance & Programme Manager Head of Audit	

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
	• informed by consideration of both short and long term factors; • informed by the views of those who would be affected by the commissioned service; and • risk assessed including considering the full costs and benefits of each option.	• Set up a Terms of Reference for this group. In 2024 the council carried out a resident survey working in collaboration with the WLGA and data Wales. The Council will take into account the results of this review when considering service commissioning arrangements. We will continue to work with the WLGA and Data Cymru to carry out this survey into the future.			

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R2	**Embedding arrangements across the Council** To ensure services across the Council learn from commissioning activity, the Council should embed commissioning arrangements by: • raising awareness of commissioning arrangements and expectations; • systematically evaluate the value for money of its approach to commissioning services; and • share learning from commissioning activity across departments and with external partners where relevant.	The Council has developed a Strategic Procurement Plan 2024 to 2029 the plan demonstrates the Council's commitment to using our commercial arrangements to support local businesses as much as possible. Also our intention is to identify the elements of effectiveness and drive innovation forward, while ensuring that services are cost efficient.			

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
		We have prepared a new Procurement Handbook for staff which is a guide to ensure compliance with the new Procurement Act. There is a specific part of this guide that states: 1. The current arrangement and the examination of the council's existing arrangements With the purpose of challenging commissioners to consider whether they			

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
		really need what they want to buy. Action: As part of our action plan to meet the requirements of the Act, the Council will establish a structure to share lessons learnt following commissioning arrangements with other staff.	September 2026	Procurement Manager	

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	4 December 2025
Subject	Review of Forward Work Programme for 2025-26 v5
Head of Service	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
Nature and Reason for Reporting A Forward Work Programme for 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 v5

Core Function	26 June 2025	16 July 2025	30 September 2025	23 October 2025[1]	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 v3 (3.4.8.3.2)	Action Log Review of Forward Work Programme 2025-26 v4 (3.4.8.3.2)		Action Log Review of Forward Work Programme 2025-26 v5 (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)			

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[1] Special meeting

Core Function	26 June 2025	16 July 2025	30 September 2025	23 October 2025[1]	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)	~~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)	*Annual Internal Audit Report 2024-25 (3.4.8.10.6/7/8/9/ 12/14/15) (3.4.8.6.3)*	*Draft Annual Governance Statement 2024-25 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3)* *Draft Statement of Accounts 2024-25 (3.4.8.12.1/2) (3.4.8.6.1/2/3)*		*Final Annual Governance Statement 2024-25 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3)* *Final Statement of Accounts 2024-25 (3.4.8.12.1/2) (3.4.8.6.1/2/3)* *Audit of Accounts Report (3.4.8.11.2/3) (3.4.8.6.3)*		*Annual Audit Summary 2025 (3.4.8.11.2/3) (3.4.8.6.3)*	
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 ICT Security 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)~~ **Annual Information Governance (SIRO) Report**	**Annual Information Governance in Schools Report 2024-25 (3.4.8.7.1/2/3)**	

Core Function	26 June 2025	16 July 2025	30 September 2025	23 October 2025[1]	4 December 2025	3 February 2026	April/May 2026
					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) (3.4.8.8.1)~~ ~~Strategic Risk Register Update (3.4.8.7.1/2) (3.4.8.8.1)~~		**Annual Review of Risk Management Framework (3.4.8.7.1/2) (3.4.8.8.1)** **Strategic Risk Register Update (3.4.8.7.1/2) (3.4.8.8.1)**		
Countering Fraud and Corruption (3.4.8.9)		~~*Annual Concerns, Complaints & Whistleblowing Report 2024-25 (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) ***Annual Concerns, Complaints & Whistleblowing Report 2024-25 (3.4.8.9.1) (3.4.8.14.2)***		***Audit Wales Briefing Note: National Fraud Initiative 2024-25 – update for Isle of Anglesey County Council (3.4.8.9.6) (3.4.8.11.1/2/3)***		

Core Function	26 June 2025	16 July 2025	30 September 2025	23 October 2025[1]	4 December 2025	3 February 2026	April/May 2026
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 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)	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)
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)	Work Programme and Timetable – Quarterly Update (Q4 2025) (3.4.8.11.2/3)

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Core Function	26 June 2025	16 July 2025	30 September 2025	23 October 2025[1]	4 December 2025	3 February 2026	April/May 2026
					Arrangements for commissioning services (3.4.8.11.1/2/3) Management of balances and reserves (3.4.8.11.1/2/3) **Audit Wales Briefing Note: National Fraud Initiative 2024-25 – update for Isle of Anglesey County Council (3.4.8.9.6) (3.4.8.11.1/2/3)**	Annual Audit Summary 2025 (3.4.8.11.1/2/3) (3.4.8.6.3)	
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)		
Complaints Handling (3.4.8.14)		~~Annual Concerns, Complaints & Whistleblowing~~	~~Annual Letter of the Public Services~~		**Annual Letter of the Public Services**		

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Core Function	26 June 2025	16 July 2025	30 September 2025	23 October 2025[1]	4 December 2025	3 February 2026	April/May 2026
		~~Report 2024-25 (3.4.8.14.1/2)~~	~~Ombudsman for Wales 2024-25 (3.4.8.14.1)~~ ~~Annual Concerns, Complaints & Whistleblowing Report 2024-25 (3.4.8.14.1/2)~~		**Ombudsman for Wales 2024-25 (3.4.8.14.1)** **Annual Concerns, Complaints & Whistleblowing Report 2024-25 (3.4.8.14.1/2)**		
Self-assessment (3.4.8.15)		~~Review of the Draft Annual Corporate Self-assessment report 2024-25 (3.4.8.15.1/2/3)~~	**Review of the Draft Annual Self-assessment report 2024-25 (3.4.8.15.1/2/3)**	~~Annual Self-assessment, Performance and Wellbeing report 2024-25 (3.4.8.15.1/2/3) (Provisional)~~			
Panel Performance Assessment (3.4.8.16)[2]		Themes for the Panel Performance Assessment to consider (3.4.8.16.1)				**Panel Assessment Report (3.4.8.16.1/2/3)**	
Auditor General Special Inspection (3.4.8.17)[3]							

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[2] 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.

[3] 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	11/02/2025	
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	Briefing Session	Zurich Resilience Solutions	10am 04/12/2025	

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 changes 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 pocket guide 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 Code of Practice 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'	Article 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 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.	Publication	CIPFA	20/05/25
CIPFA Public Finance Article – Tech rules: the importance of having an AI policy	Article on the importance of organisations having an Artificial Intelligence (AI) policy.	Professional Magazine Article	CIPFA	15/07/25

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