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CYNGOR SIR
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ISLE OF ANGLESEY
COUNTY COUNCIL

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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR LLYWODRAETHU AC ARCHWILIO	GOVERNANCE AND AUDIT COMMITTEE
DYDD IAU, 25 MEHEFIN 2026 am 2:00 y. p.	THURSDAY, 25 JUNE 2026 at 2.00 pm
YSTAFELL BWYLLGOR, SWYDDFEYDD Y CYNGOR AC YN RHITHIOL AR ZOOM	COMMITTEE ROOM, COUNCIL OFFICES AND VIRTUALLY ON 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

Adam Jones, Geraint Jones, William Maund, William Parry

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

A G E N D A

1 ELECTION OF CHAIRPERSON

To elect a Chairperson for the Governance and Audit Committee.

Members' attention is drawn to paragraph 3.4.8.2.2 of the Council's Constitution which states that "The Chair must be a lay member and the Deputy Chair will not be a member of the Executive or an assistant to its Executive."

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 - 8)

To present the minutes of the previous meeting of the Governance and Audit Committee held on 14 May 2026.

4 GOVERNANCE AND AUDIT COMMITTEE ACTION LOG (Pages 9 - 12)

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

5 INTERNAL AUDIT OF DISABLED FACILITIES GRANTS - PROGRESS UPDATE

Head of Housing Services to give an update on progress in implementing remaining actions.

6 ANNUAL REPORT OF THE GOVERNANCE AND AUDIT COMMITTEE 2025/26 (Pages 13 - 40)

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

7 INTERNAL AUDIT ANNUAL REPORT 2025/26 (Pages 41 - 60)

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

8 INTERNAL AUDIT CHARTER (Pages 61 - 78)

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

9 INTERNAL AUDIT STRATEGY AND PLAN 2026/27 (Pages 79 - 96)

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

10 PANEL PERFORMANCE ASSESSMENT (Pages 97 - 128)

To present the report of the Chief Executive.

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

11 **REVIEW OF FORWARD WORK PROGRAMME 2026/27** (Pages 129 - 136)

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 14 May, 2026

- PRESENT:** Mr Dilwyn Evans (Lay Member) (Chair)
Councillor Euryn Morris (Deputy Chair)
- Councillors Geraint Bebb, Kenneth Hughes, Gwilym O. Jones,
Keith Roberts, Margaret Roberts.
- Lay Members: Dr Geraint Jones, Mr William Parry.
- IN ATTENDANCE:** Director of Function (Resources)/Section 151 Officer
Head of Internal Audit & Risk (MP)
Head of Housing Services (for item 7)
Principal Auditor (NW)
Strategic Performance and Projects Manager (GP) (for items 9
& 10)
Housing Manager (Strategy, Commissioning & Policy (for item
7)
Committee Officer (ATH)
Webcasting Officer (FT)
- APOLOGIES:** Mr William Maund (Lay Member)
- ALSO PRESENT:** Councillor Robin Williams (Deputy Leader & Portfolio Member
for Finance, Corporate Business and Customer Experience),
Rachel Freitag (Financial Audit Manager - Audit Wales), Lora
Williams (Performance Audit Lead – Audit Wales), Cara Owen
(Audit Wales), Head of Highways, Waste & Property (HP)
(IoACC), Accountancy Services Manager (BHO) (IoACC)
Senior Auditor (AM)(IoACC)
-

1. ELECTION OF CHAIRPERSON

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

2. DEPUTY CHAIRPERSON

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

3. DECLARATION OF INTEREST

No declaration of interest was received.

4. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meetings of the Governance and Audit Committee held on 3 February, 2026 were presented and were confirmed as correct.

5. 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 confirmed that regarding action 24 on the log relating to AI policy development, the Leadership Team accepted the AI policy on 15 April, 2026 subject to minor amendments. Once final approval is confirmed, the policy will be launched via the Council's policy portal where staff are required to read and accept all mandatory policies. The IT team will launch the policy alongside guidance on using AI.

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.

6. ANNUAL REVIEW OF THE GOVERNANCE AND AUDIT COMMITTEE'S TERMS OF REFERENCE

The report of the Head of Audit and Risk providing the outcome of the annual review of the committee's terms of reference was presented for the committee's consideration. The report highlighted a required amendment to lay member terms of appointment.

The Head of Audit and Risk presented the report and explained that the committee's terms of reference currently state that lay members serve a fixed term aligned to the council term, i.e. five years, and may serve a maximum of two terms. However, neither the Local Government and Elections (Wales) Act 2021 nor the accompanying statutory guidance addresses the position of lay members appointed mid-term. The legislation only requires that a lay member should not be appointed for more than two full terms. She referred to CIPFA guidance, which recommends appointing co-opted members to supplement the knowledge and experience of elected representatives in specific areas and to provide continuity outside the political cycle, particularly where committee membership changes annually or following elections.

To ensure the principle of limiting tenure to two five year terms and to strengthen continuity outside the political cycle, it is recommended that the requirement that lay members' term of appointment coincide with the council term be removed from the committee's terms of reference. This change would mean that lay members are appointed for two consecutive five year terms, regardless of the council's electoral cycle. The advantages of this approach include improved continuity, a reduced recruitment burden and alignment with wider council practice for independent roles. The disadvantages noted were the need to amend the Council's Constitution, the creation of staggered terms not aligned with elected member cycles, and potential misalignment of training and induction arrangements for the committee. The revised terms of reference with tracked changes were provided for information.

It was resolved that the Governance and Audit Committee supports the proposed amendment to its terms of reference to remove the link to the council term for lay member appointments.

7. INTERNAL AUDIT UPDATE

The report of the Head of Audit and Risk providing an update as at 28 April 2026 on the audits completed since the previous update as at 21 January 2026 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 a copy of the five assurance reports finalised in the period in relation to Financial Systems – Treasury Management (Substantial Assurance),

Financial Systems – Payroll (Reasonable Assurance), Managing Strategic Risk – Safeguarding (YM10) – First Follow-Up (Reasonable Assurance), Disabled Facilities Grants – Second Follow Up (Limited Assurance), and Financial Management (Reasonable Assurance).

The Head of Audit and Risk presented the report and summarised the outcome of the audit reviews completed in the period. She highlighted the substantial assurance received for Treasury Management, noting that this level of assurance is uncommon and that only one moderate action had been identified.

She reported that the second follow up review of Disabled Facilities Grants (DFGs) had resulted in a Limited Assurance opinion. Some progress had been made in improving DFG arrangements; however, administrative weaknesses remained, particularly in relation to the central database which was incomplete and not reconciled with financial data. This had led to errors in information provided to Legal Services, creating risks of incorrect or unenforceable land charges. A further follow up review is planned for September, 2026.

The Head of Audit and Risk outlined the audits currently in progress and confirmed that work continues to support services in addressing outstanding issues and risks. A separate comprehensive report was submitted to the meeting on this matter. She also set out the short and medium term priorities, including finalising delivery of the 2025/26 Internal Audit Strategy, preparing the annual audit opinion for June 2026, consulting on the 2026/27 strategy and progressing the Counter Fraud, Bribery and Corruption Strategy. Longer term priorities include completing the full conformance assessment to ensure compliance with the new Global Internal Audit Standards during 2026/27.

The committee considered the Limited Assurance second follow up review of Disabled Facilities Grants and questioned the pace of progress in addressing the issues raised by Internal Audit. Members sought assurance that a plan is in place to ensure that the remaining outstanding issues are fully addressed and that improvements are implemented.

The Head of Housing Services acknowledged that progress had been slower than anticipated. Improvements had been made, including strengthening payment controls to prevent duplicate payments. However, administrative progress had been limited, with only one officer undertaking work that had previously been carried out by a team. He confirmed that administrative and supervisory support for the officer have now been strengthened. Although progress fell short of the level required, he emphasised that the focus is on ensuring that the administrative improvements take effect. He expressed hope that the follow up review scheduled for September would confirm this.

In response to further queries by the committee, the Head of Audit and Risk clarified that the Chief Internal Auditor for Denbighshire County Council had been consulted on the follow-up review of Safeguarding, as one of the issues raised was the lack of assurance regarding the effective operation of the North Wales Safeguarding Board. As Denbighshire County Council is the host authority for the Board the protocol for regional arrangements requires the host authority to audit regional matters. The Chief Internal Auditor for Denbighshire County Council has confirmed that they expect to provide this assurance in the next few months. The Head of Audit and Risk also confirmed that the IT Asset Management audit, which had been postponed at the request of the Chief Digital Officer, is expected to commence in June or July 2026. She advised that an update would be provided to the committee at the July 2026 meeting.

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

8. OUTSTANDING INTERNAL AUDIT ISSUES, RISKS AND OPPORTUNITIES

The report of the Head of Audit and Risk providing an update on the status of outstanding issues, risks and opportunities raised by Internal Audit was presented for the committee's consideration. A detailed status update of major rated issues, risks and opportunities was included at Appendix 1.

The Principal Auditor presented the report, noting that as of 31 March 2026, a total of 78 actions remained open. Of these, 6 are rated "major" (amber) and 72, "moderate" (yellow). None are rated "critical." Overall, management has completed 77% of their agreed actions and Internal Audit has verified 76%. The remaining 1% yet to be formally verified relates to action from two audits – IT Supplier Management and Secondary Schools ICT Security. Follow up audits of these areas will be undertaken in the first quarter of 2026/27.

Three actions relating to the audit of Disabled Facilities Grants are overdue and are covered in greater detail within the Internal Audit Update report. Actions from several recently completed audits, as detailed in paragraph 16 of the report, have not yet reached their implementation date. There are no major rated issues, risks, opportunities dating back earlier than 2024/25, demonstrating that management is prioritising the resolution of higher risk issues.

The Principal Auditor referred to Appendix 1 which summarises progress on the six major outstanding issues and risks and noted that follow up reviews for several of these are currently in progress and are expected to be reported to the committee at its July 2026 meeting.

In considering the report, the committee noted the importance of management taking full ownership of risks identified by Internal Audit. In this context, reference was made to the second follow up review of Disabled Facilities Grants (DFGs) discussed under the previous item which had received a limited assurance opinion due to slow progress in addressing the issues raised. Members asked whether Internal Audit considered that the Housing Service had sufficiently taken ownership of the actions arising from the audit, noting that it should not fall to Internal Audit to undertake a third follow-up. Members also queried what further steps the committee could take should progress remain insufficient at that stage.

The Head of Audit and Risk advised that the Head of Housing Service had acknowledged that progress had been slower than desired. She confirmed that, under the GIAS, Internal Audit is required to follow up and formally verify the completion of agreed actions. As the second follow up review resulted in a limited assurance opinion, the Head of Housing Services was required under the committee's terms of reference to provide assurance to the committee in person. Should the outcome of the planned further follow up review in September require the Head of Service to provide additional assurance at the committee's December meeting, it would be for the committee to determine any escalation it considers appropriate at that time.

Members also queried whether a lack of resources, particularly administrative support, was a wider or recurring issue and what tools were available to management to reprioritise workloads.

The Head of Audit and Risk confirmed that efficiency savings over many years had reduced administrative capacity, and that resources and services across the Council were required to do more with less. It is for each Head of Service to determine how their service budget is prioritised. While she did not consider this an increasing trend, she noted that as a smaller authority, the Council has several single point of failure posts where the absence of one officer can impact performance and outcomes.

Given that the prospective third follow up of DFGs in September would not likely report to the committee until December 2026, members requested an update on progress at the committee's September meeting. The committee was advised that the Internal Audit report on outstanding issues and risk is scheduled for September and could incorporate an update on DFG related actions if the formal follow up review has not concluded.

In light of the circumstances, members felt that a verbal update from the Head of Housing Service at the committee's June and July meetings would also be helpful to establish progress in addressing the remaining actions. They requested that the Head of Service be invited to attend for this purpose.

It was resolved that the Governance and Audit Committee accepts the overall progress made in addressing outstanding Internal Audit issues, risks and opportunities as satisfactory, while noting its concern regarding the Disabled Facilities Grants second follow up review. The committee wishes to avoid a third follow up review and notes that the Head of Housing Services has been asked to provide progress updates on the completion of the remaining actions.

Action – Head of Internal Audit to ask the Head of Housing Services to update the committee's June and July meetings on progress in completing the remaining DFG related actions.

9. EXTERNAL AUDIT: ISLE OF ANGLESEY COUNTY COUNCIL – AUDIT PLAN 2026

The report of Audit Wales which outlined its proposed programme of financial and performance audit work for the Council for the 2026/27 audit year was presented for the committee's consideration.

Rached Freitag, Audit Wales Financial Audit Lead presented an overview of the planned audit of the Council's financial statements for 2025/26. She confirmed the materiality level for the audit and outlined the key areas of audit risk along with the planned audit response. The financial audit will also cover the certification of grant claims and review of Whole of Government accounts return. She noted that work on the 2024/25 housing benefit subsidy claim is still ongoing due to the clearance of a historic backlog. As a result, the estimated £67,000 grants certification fee for 2025 is lower than previously forecasted in last year's audit plan and reflects a revised assessment of the cost of completing the work.

Details of the estimated audit fee for 2026 were presented, showing a total of £440k - a 4.7% increase on the previous year which is below the 5.3% average increase in the published Fee Scheme due to a revised skill mix for the financial statements audit. Members were also informed of the audit timetable which aims to certify the accounts by the end of September 2026, one month earlier than the previous year and returning the audit cycle to its pre-pandemic schedule. She confirmed that, working with the Council's Finance Team, more interim audit work had been completed this year to reduce the workload at the final audit stage.

Lora Williams, Audit Wales Performance Audit Lead outlined the performance audit programme for 2026/27 which includes three planned reviews – the Council's risk management arrangements, the effectiveness of project outcomes linked to the Council Plan, and the management and development of the Council's investment properties. The work will assess whether the Council is securing economy, efficiency and effectiveness in its use of resources and is expected to be substantially complete by June 2027.

It was resolved to note the planned audit work and related fees for 2026.

10. EXTERNAL AUDIT: ISLE OF ANGLESEY COUNTY COUNCIL – RECYCLING PERFORMANCE MANAGEMENT

The report of Audit Wales on the outcome of its review of how the Council manages the performance of its recycling service was presented for the committee's consideration.

Cara Owen, Audit Wales presented the report noting that the audit focused on the Council's arrangements for understanding recycling performance, strategic and operational planning and communication, and value for money. The review concluded that the Council currently has clear and robust arrangements in place to manage its recycling performance effectively. These include up to date strategic and operational plans to respond to recycling targets, periodic and detailed reports aiding the Council's understanding of its recycling service performance and benchmarking; involving island residents in its efforts to drive zero waste, and routine oversight of contract outcomes and spend.

She confirmed that the audit made no recommendations as the Council provided sufficient evidence that its arrangements are effective. However, the report notes that achieving value for money will depend on how effective future interventions are in improving recycling rates and reducing the risk of financial penalties for missing national targets.

It was resolved to confirm that the Governance and Audit Committee takes assurance from the findings of the audit examination of how the Council manages the performance of its recycling service.

11. ANNUAL INSURANCE REPORT 2025/26

The report of the Head of Audit and Risk incorporating the Annual Insurance Report for 2025/26 was presented for the committee's consideration. The annual report outlined the Council's current insurance arrangements, claims activity and key trends and challenges.

The Head of Audit and Risk presented the report noting that the Council uses a combination of self-insurance and external cover to address the financial consequences of risk. To meet the self-insured element of any claims, the Council maintains an Insurance Fund within an earmarked reserve and an Insurance Provision account. The fund is reviewed annually to ensure it is sufficient to meet the liabilities without being over resourced. Working with insurance broker, Marsh, a comprehensive tender exercise was undertaken in 2024 and a 3 year contract was awarded to Zurich Municipal, the incumbent provider. The tender process highlighted that elements of the sums insured were out of date, which led to a comprehensive revaluation of building sums insured during the first year of the policy to ensure accurate cover. Following policy renewal in October 2025, external premiums increased due to sector wide rate rises and claims performance, particularly in relation to property.

The Head of Audit and Risk confirmed that overall, claims volumes remain stable with strong repudiation rates, though pressures persist in specific areas. Public liability claims remain consistent with high repudiation rates and modest settlements, although 71% of 2025/26 claims have yet to be concluded. Motor claims have stabilised, with 53% of claims in 2025/26 attributable to errors by the Council's own drivers; these are being addressed through continued monitoring and driver assessment. Property claim numbers and costs have been highly volatile, representing the Council's largest financial exposure with storm damage and house fires a factor. Although the number of property claims in 2025/26 reduced significantly compared to the previous year, the damage suffered and therefore the total claims cost were significant.

She highlighted increasing risks and challenges, including climate change impacts, new WHQS 2023 requirements, inflation and the Council's past claims history, all of which are

expected to increase premiums in the coming years. Demonstrating that the Council has acted on lessons from significant claims and has controls in place to mitigate risk will be essential in minimising future premium rises.

The committee questioned how potential insurance claim excesses are accounted for when setting the annual budget. The Director of Function (Resources)/Section 151 Officer explained that the Council holds a budget to cover both insurance premiums and potential excesses which is supported by a provision on the balance sheet that is reviewed regularly. The provision increases or decreases depending on the value of outstanding claims and whether an adjustment to premiums is required. He noted that premiums form the main cost while movements in the provision fluctuate each year according to claims activity.

The committee was also informed that, as Anglesey is the only authority in the region that publishes a publicly available annual insurance report, no comparative benchmarking data is available.

It was resolved to note the trends identified and mitigations set out in the Annual Insurance Report for 2025/26.

12. REVIEW OF FORWARD WORK PROGRAMME 2026/27

The report of the Head of Audit and Risk incorporating the committee's Forward Work Programme for 2026/27 updated to reflect the most recent changes, was presented for the committee's consideration. A members' development programme was included at Appendix B.

The Head of Audit and Risk reminded members to contact her should they have any specific requests for training.

It was resolved to confirm the Forward Work Programme for 2026/27 as meeting the committee's responsibilities in accordance with its terms of reference.

**Mr Dilwyn Evans
(Chair)**

As this was Mr Dilwyn Evans's final meeting as Chair and lay member of the Governance and Audit Committee, he thanked members and officers for their support and assistance during his tenure, noting that it had been a rewarding experience. He wished the committee well for the future.

The formal committee meeting was followed by a private meeting between the committee's members and the auditors.

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	25 June 2026
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.

Governance and Audit Committee Action Log

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.	
	03/02/26	3			UPDATE: Director of Function (Resources) / Section 151 Officer explained that following comments received on the draft policy, it has been decided to divide the original document into two separate policies – one covering the general use of AI (e.g. for queries) and another addressing the use of AI within the council's formal systems and processes. The Interim Data Protection Officer and Information Governance Manager have reviewed both policies, which will be considered again by the Leadership Team at its meeting on 9 February 2026.	
	14/05/26	5			UPDATE: The Leadership Team accepted the AI policy on 15/04/26 subject to minor amendments. Once final approval is received, arrangements have been made for the policy to be launched via the council's policy portal, where staff are required to read and accept mandatory policies. The IT Team will launch along with guidance on using AI.	

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
	25/06/26				UPDATE: Leadership Team has granted final approval of the policy. An operational group has been established, consisting of representation from the Digital team, Performance and Modernisation team, Welsh Language and Policy team, Communications, and HR (including Training) in order to align the policy launch with relevant resources, communications and training. Currently awaiting alignment with the training elements, which are dependent on external factors.	
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	Planning to present to 16 July 2026 meeting.	

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
33	04/12/25	8	The committee agreed that the Secondary Schools ICT Security (Limited Assurance) report and action plan be considered in detail at the July 2026 meeting following Internal Audit's progress review and requested that the Council's Chief Digital Officer attend.	Head of Audit and Risk / Chief Digital Officer	Planning to present to 16 July 2026 meeting.	
34	14/05/26	8	Head of Internal Audit to ask the Head of Housing Services to update the committee's June and July meetings on progress in completing the remaining DFG related actions.	Head of Audit and Risk / Head of Housing		

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee / County Council
Date:	25 June 2026 / 24 September 2026
Subject:	Annual Report of the Governance & Audit Committee 2025-26 – Chair’s Report
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
<p>Nature and Reason for Reporting:</p> <p>The Governance and Audit Committee’s terms of reference require the committee to report to Full Council (<i>those charged with governance</i>) on an annual basis the committee’s findings, conclusions and recommendations concerning the adequacy and effectiveness of the council’s governance, risk management and internal control frameworks; financial reporting arrangements, complaints handling and internal and external audit functions. (3.4.8.3.1)</p> <p>The committee is also required to report the effectiveness of the committee in meeting its purpose and its agreed terms of reference, including a conclusion on the compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement¹. (3.4.8.3.2).</p> <p>This report fulfils these requirements and is a key output of the committee.</p>	

1. Introduction

- 1.1. A dedicated, effective Governance and Audit Committee is a key component of the council’s governance framework. Its function is to provide an independent and high-level resource to support good governance and strong public financial management and to provide ‘those charged with governance’ independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. It is also key to supporting effective internal and external audit.
- 1.2. The County Council can take assurance that during 2025-26 the council’s governance, risk management and internal control arrangements remained broadly effective, supported by an unqualified internal audit opinion, an unqualified external audit opinion on the 2024-25 financial statements and a positive letter from the Public Services Ombudsman for Wales on its complaints handling.

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

- 1.3. The committee discharged its core responsibilities through seven meetings, maintaining effective oversight of governance, financial reporting, treasury management, internal and external audit, risk management, counter-fraud activity and complaints handling.
- 1.4. Key strengths during the year included timely scrutiny of the Annual Governance Statement and Statement of Accounts, active monitoring of internal audit recommendations, strengthened committee responsibilities for approving the annual accounts and Annual Governance Statement, and positive assurance across several corporate control areas. The committee also maintained focus on emerging and developing risks, including cyber security, information governance capacity, procurement and commissioning, strategic risk management, and delivery of some delayed improvement actions.
- 1.5. Overall, the committee is satisfied that it has fulfilled its terms of reference effectively and provided independent assurance to the council, while recognising that continued management attention is needed in the specific areas identified to sustain and strengthen governance arrangements.

2. Recommendation

- 2.1. That the Governance and Audit Committee endorses the Annual Report of the Governance and Audit Committee for 2025-26 prior to its submission to the meeting of the County Council on 24 September 2026.

Annual Report of the Governance and Audit Committee 2025-26

June 2026



Chair's Report

Marion Pryor BA MA CMIIA CPFA ACFS

Head of Audit and Risk



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Introduction

1. The Governance and Audit Committee is a key component of the council's governance framework. Its function is to provide an independent and high-level resource to support good governance and strong public financial management (3.4.8.1.1).
2. Its purpose is to provide full Council (*those charged with governance*) independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes (3.4.8.1.2).
3. To discharge their responsibilities effectively, the Chartered Institute of Finance and Accountancy's (CIPFA) guidance¹ states that the audit committee should report annually on its work to 'those charged with governance', to provide assurance that it fulfils its purpose, has discharged its responsibilities and can demonstrate its impact.
4. This report meets that requirement by assessing the committee's activities during 2025-26 against its terms of reference, incorporated within the council's [Constitution](#), version 2.101 updated on 27 April 2026. The relevant sections of the [Constitution](#) are referenced in brackets.

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

Composition and arrangements

5. In accordance with its terms of reference, during the year the committee consisted of eight elected members and four lay members.
6. Movements during the year included Councillor Ieuan Williams leaving the committee to join the Executive in October 2025. Sadly, Councillor Trefor Lloyd Hughes passed away prior to the December 2025 meeting. New Lay Members, Dr Geraint Jones and Mr William Maund joined the committee in September 2025, and Councillor Gwilym O Jones rejoined in December 2025 to fill vacant positions. (3.4.8.2.2).
7. The Finance Portfolio Holder is required, as far as possible, to attend all meetings of the committee (3.4.8.2.2) and attended all seven meetings of the committee during 2025-26. ([Appendix A](#)).
8. As required by the Local Government and Elections (Wales) Act 2021, the Chair of the Governance and Audit Committee was a lay member and, therefore, not an elected councillor or a member of a group that formed part of the council's Executive (3.4.8.2.3).
9. Throughout the year, the committee conducted its business non-politically and abided by the rules of political balance (3.4.8.2.1).
10. All members declared interests during meetings where appropriate (3.4.8.2.2).
11. During the year, where officers were called to attend a committee meeting at the request of the Governance and Audit Committee members, they all did so (3.4.8.2.4).
12. The committee is required to meet a minimum of four times per year (3.4.8.2.5). The committee met formally (hybrid meetings) on seven occasions, which included one special meeting to consider only the draft Statement of Accounts 2024-25, the draft Annual

Governance Statement 2024-25 and the External Auditor's report on the audit of the 2024-25 financial statements (ISA 260 report).

13. The attendance at meetings during 2025-26 has been good, with average attendance at 75% ([Appendix A](#)).
14. Where necessary, the Director of Function (Resources) and Section 151 Officer has provided advice to the committee and has had direct and unfettered access to the committee (3.4.8.2.7).
15. Neither the external nor the internal auditors requested the Chair to consider any matter that the auditors believed should be brought to the attention of the council (3.4.8.2.9).
16. Existing members received ongoing training and briefings on new legislation, professional guidance, and research ([Appendix B](#)) (3.4.8.2.10).
17. The committee's terms of reference include all the core functions of the committee.
18. Changes to its terms of reference were considered and approved in:
 - December 2025 – transfer of final approval of the council's Annual Accounts by the Governance and Audit Committee, in place of the Council.
 - February 2026 – transfer of final approval of the council's Annual Governance Statement by the Governance and Audit Committee, in place of the Council.
 - May 2026 – changes in respect of lay members tenure, removing the link to the political term.

Accountability arrangements

19. The Governance and Audit Committee reports to full Council ('those charged with governance') and there is clear separation between its role and that of scrutiny committees. The Governance and Audit Committee role seeks assurance that internal control systems of the council are working, and risks are effectively managed, rather than the actual scrutiny of activities (3.4.8.1.4).
20. This report fulfils the requirement to report to full Council ('those charged with governance') annually the Governance and Audit Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the council's governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions (3.4.8.3.1). It also fulfils the requirement to report on the effectiveness of the committee in meeting its purpose and agreed terms of reference. (3.4.8.3.2).
21. The committee considered its business in public, with the exception of, where appropriate, when it met in private to consider items under Section 100 (A) (4) of the Local Government Act 1972²³.
22. During 2025-26, the committee considered one item in private:
 - Annual ICT Cyber Security Report 2024-25 (September 2025)
23. The appropriate Public Interest Tests were presented to, and accepted by, the committee.
24. Agendas and reports were published in accordance with statutory timeframes and were available for inspection (3.4.8.3.3).

25. The committee maintains an action log to monitor the progress and completion of the actions / decisions it has agreed upon. This is updated prior to and considered by the committee at each meeting.
26. Where it is deemed appropriate, the committee can refer key issues to other committees of the council or the Leadership Team. No issues were referred by the committee during the year.

Governance

27. The committee reviewed and assessed the council's corporate governance arrangements during its review of the draft Annual Governance Statement (AGS), which it discussed at its meeting in July 2025 (3.4.8.4.2/3). The discussion covered several factors including the evidence to support conclusions around performance management, RAG (Red/Amber/Green) status indicators for governance matters identified and staff retention rates across the council. The committee resolved to approve the draft AGS that would form part of the 2024-25 Statement of Accounts.
28. The committee received the final version of the AGS in November 2025 and following further discussion on completion targets for governance matters identified, resolved to recommend it to the full Council as a fair evaluation of the council's governance arrangements. (3.4.8.4.1).
29. At its meeting in February 2026, the committee received a report outlining progress against the identified improvement areas within the AGS and Self-Assessment and Performance (Wellbeing) reports for 2024-25. Following discussion, the committee resolved to accept the responses and updates as an accurate reflection of

² Items under Schedule 12A, Paragraph 14: Information relating to the financial or business affairs of any particular person (including the authority holding that information) and Paragraph 18: Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

the council's work against the identified improvement areas (3.4.8.4.2).

30. The Governance and Audit Committee's Terms of Reference require it to review the governance and assurance arrangements available for significant partnerships or collaborations (3.4.8.4.4) and review the assurance available for managing partnership risks, including the risk profile of the council as part of the partnership (3.4.8.8.1).
31. The committee was presented with the annual report of the Partnership and Regeneration Scrutiny Committee 2024-25 at its meeting in June 2025, to provide assurance that there is a dedicated body actively scrutinising and securing assurance for the governance of major partnerships and collaborations. (3.4.8.4.4).
32. In considering the report, the committee raised questions in respect of arrangements to fill co-opted member vacancies on the scrutiny committee and its ability to examine issues in sufficient depth, given heavy workloads and full agendas. Following assurances provided by the Head of Democratic Services on the matters discussed, the committee resolved to note the report.
33. Also, at its meeting in June 2025, the committee was asked to nominate a lay member, to serve on the North Wales Corporate Joint-Committee's Governance and Audit Committee. The committee resolved to nominate Mr William Parry to serve in this role.

Treasury management

34. Full Council has nominated the Governance and Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies (3.4.8.5.1). Accordingly, the committee undertakes a scrutiny role in accordance with the CIPFA Treasury Management Code of Practice, prior to approval by full Council (3.4.8.5.2).

35. The committee reviewed the Annual Treasury Management Report 2024-25 at its meeting in July 2025, which provided an overview of the council's borrowing and investment activities during the year and highlighted performance against the Prudential Indicators set by the council.
36. Following consideration of the report, the committee resolved to note and forward the report to the Executive, without additional comment (3.4.8.5.1/2/3/4).
37. The committee considered the mid-year review of treasury management activities and position at its meeting in December 2025. Discussions focussed on the likelihood of fully spending the capital budget by year end. The committee resolved to note and accept the mid-year review (3.4.8.5.1/2/3/4).
38. The committee also considered and noted the Treasury Management Strategy Statement for 2026-27 at its meeting in February 2026. Discussions centred on early repayment options for some existing loans, monitoring of the council's performance against prudential and treasury indicators, the minimum revenue provision (MRP) budget for 2026-27, base case capital expenditure and review of the treasury management advisory contract (3.8.4.5.1/4).

Value for money

39. The committee supports the development of robust arrangements to ensure that the council makes best use of its resources, and taxpayers and service users receive excellent value for money (3.4.8.6.1).
40. It reviewed the council's overall approach to value for money when reviewing the council's draft Annual Governance Statement (3.4.8.6.2) at its meeting in July 2025.
41. The committee considered Audit Wales's Annual Audit Summary 2025, and assurances and assessments on the effectiveness of the

council's arrangements for securing value for money (3.4.8.6.3) at its meeting in February 2026. The report informed the committee that Audit Wales had completed work during 2024-25 to meet the Auditor General's duty to examine whether the council had made proper arrangements for securing value for money in its use of resources and had acted in line with the sustainable development principle. To meet this duty, Audit Wales had completed specific projects; a review of the councils Strategic Management of Balances and Reserves, as well as its Arrangements for Commissioning Services.

42. In assessing whether the council had put in place arrangements to secure value for money, Audit Wales cited its work on the 2024-25 financial statements, in which the Auditor General had been able to give an unqualified true and fair opinion on the council's financial statements.
43. The Auditor General also certified that the council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Authority, and with the Auditor's knowledge of the Authority.
44. The committee resolved to note the Auditor General's Annual Audit Summary 2025 and assessment of whether the council had put in place arrangements to secure value for money.

Assurance framework

45. Having an overview of the council's assurance framework supports the committee in its approval of the internal audit risk-based strategy. It also helps to ensure clarity of what assurance is provided, and that there is a clear allocation of responsibility for providing assurance and duplication is avoided (3.4.8.7.1/2).
46. In addition to assurances about internal and external audit, and the Annual Governance Statement, the committee received reports

from first- and second-line assurance providers, as follows. (3.4.8.7.1).

47. The committee received the **Annual Corporate Health and Safety Report 2024-25** at its meeting in September 2025. Discussions covered a range of issues including underlying causes of health and safety incidents, use of incident data to identify training issues, refinements to the health and safety strategic action plan 2025-26, reasons for the reduction in RIDDOR reports, in-year performance monitoring, recording of mental health-related incidents and service specific safety planning. The committee resolved to accept the report, taking assurance that reasonable measures are in place to manage health and safety risks to an acceptable level. The committee also welcomed the council's intention to produce a three-year strategic Health and Safety plan and requested that the completed plan be presented at a future meeting (3.4.8.7.3).
48. At the same meeting, the committee received the **Annual ICT Cyber Security report 2024-25**, in a private session. The report provided an overview of the cyber security issues facing the council and the actions taken to overcome these challenges, the handling of security alerts and how these were resolved along with current cyber security projects (3.4.8.7.3).
49. The committee raised a range of points for discussion, including resource requirements and limitations impacting cyber security efforts, ongoing trends in cyber threats, outsourcing opportunities as a means to reduce long-term pressure on the council, correlation between cyber security investment and reduction in risk impact, cyber awareness training provision, PSN accreditation and password policies and approach. The committee resolved to note the report and accepted that the activities regarding cyber security adequately addressed the risk and priorities of the council.
50. The **Annual Report of the Senior Information Risk Owner (SIRO) 2024-25** was considered by the committee in December 2025 and provided the SIRO's statement and overview of the council's

compliance with legal requirements and relevant codes of practice in handling corporate information (3.4.8.7.3).

51. Discussions centred on Freedom of Information (FOI) response performance, targeted intervention and training for service FOI officers and proposed measures to more closely monitor service compliance with statutory obligations. The committee resolved to accept the report and note the SIRO's recommendations regarding training and guidance provision, performance monitoring and service publication scheme assessments.
52. The committee received the **Annual Information Governance in Schools report 2024-25** at its meeting in February 2026. The report outlined the key information governance issues in relation to Anglesey's schools for the period. Discussion centred on the long-term plan for ensuring capacity within the schools DPO role, limited data to evidence outputs creating challenges in measuring progress or improvement and the absence of quantified risks in the information presented. (3.4.8.7.3).
53. Members of the committee raised concerns regarding the robustness of current oversight due to the temporary arrangements for the schools DPO role. Following assurances on the matters discussed, the committee resolved to note the assurance provided by the report subject to the understanding that the assurance relates to a temporary period, and that additional support will be provided going forward.
54. The committee considered the **Annual Insurance Report 2025-26** at its meeting in May 2026, which outlined the council's current insurance arrangements, claims activity and key trends and challenges. Following discussions around accounting treatment for insurance claim excesses in budget setting, current insurance risks and challenges, including climate change impacts, and limited regional benchmarking information, the committee resolved to note the contents of the report (3.4.8.7.3)

Risk management

55. The Governance and Audit Committee is responsible for overseeing the development and operation of risk management in the council (3.4.8.8.1).
56. The revised Risk Management Policy Statement and supplementary Risk Management Guidance was considered by the committee in December 2025. The committee was also provided with an update on the ongoing work with Zurich Risk Solutions, who have been commissioned to work with the council on a wholesale review of its approach to managing risk. The committee resolved to note the work currently being undertaken as part of the wholesale review of the risk management framework and the strategic risk register (3.4.8.8.1).
57. In February 2026, the committee received an update incorporating the revised strategic risk register, following its comprehensive review in 2025. Following discussions around ongoing work in this area, as well as risk scoring and movements in likelihood and impact between inherent and residual risks, the committee resolved to note the work undertaken as part of the wholesale review of the strategic risk register. (3.4.8.8.3).

Countering fraud and corruption

58. At its meeting in September 2025, the committee considered the Head of Audit and Risk's **Annual Counter Fraud, Bribery and Corruption report for 2024-25** (3.4.8.9.4/5/6). The report outlined the activity carried out by Internal Audit during the year to minimise the risk of fraud, bribery and corruption occurring within and against the council.
59. The report highlighted activities to combat fraud, progress with the counter-fraud delivery plan, as well as the results from the council's Fraud Reporting Tool which went live in November 2024 (3.4.8.9.2/3).

60. At the same meeting, the committee reviewed the National Fraud Initiative (NFI) Outcomes – progress report 2024-26, which set out the latest outcomes from the NFI in relation to Council Tax Reduction, Housing Benefit, Housing waiting lists and tenancy, Blue Badge Parking Permits, Creditors and Payroll. In considering the report, the committee discussed issues around Council Tax premium avoidance as well as methods for prioritising review of NFI matches with higher reliability (3.4.8.9.3).
61. The committee noted the assurance provided by both reports regarding the effectiveness of the council's arrangements to minimise the risk of fraud.
62. The committee received a briefing note by Audit Wales on the latest NFI 2024-25 exercise at its meeting in December 2025. The report highlighted both national progress with the NFI 2024-25 exercise and local information regarding the number of data matches identified for the council. Following discussions around the classification of high-risk matches relating to Council Tax Single Person Discount claims, mechanisms to recover ineligible or fraudulent discounts and the ability of the report to quantify financial loss to the council in this area, the committee resolved to note the assurance provided (3.4.8.11.1/2/3 / 3.4.8.9.6).

Internal Audit

63. The Governance and Audit Committee has overseen the council's internal audit arrangements (3.4.8.10.1). By reviewing the Internal Audit Strategy, the Internal Audit Annual Report and the Internal Audit Charter, and regular updates from the Head of Audit and Risk, the committee has overseen internal audit's independence, objectivity, performance and professionalism, supported the effectiveness of the internal audit process and promoted the effective use of internal audit within the council's assurance framework (3.4.8.10.2).

64. The committee considered the **Annual Internal Audit Report 2024-25**, including the Head of Audit and Risk's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion, at its meeting in June 2025 (3.4.8.10.6/7/8/9/12/14/15 / 3.4.8.6.3). The Head of Audit and Risk confirmed that it was her opinion as the 'chief audit executive' for the Isle of Anglesey County Council, that, for the 12 months ended 31 March 2025, the organisation had an adequate and effective framework for risk management, governance and internal control.
65. Following discussion on a range of areas, including limitations to the Head of Audit and Risk's annual opinion and the overall responsibility for sound internal control sitting with management, proactive work in respect of Council Tax premium fraud and performance of delivering disabled facilities grants, the committee noted the report.
66. As part of her annual report, the Head of Audit and Risk also presented the outcome of the annual self-assessment to evaluate conformance with the Public Sector Internal Audit Standards (3.4.8.10.11/13) for the year ending 31 March 2025. The committee noted progress with addressing the improvement areas identified.
67. Following the introduction of the new Global Internal Audit Standards in the UK Public Sector from 1 April 2025, the Head of Audit and Risk undertook a self-assessment against the new standards in June 2025, to determine what needed to change to ensure the council conformed with the principles of the new framework. Overall, the assessment highlighted that due to its modern approach to internal audit, the council's internal audit function 'generally achieved' the new requirements. The outcome of this work, along with an action plan to address any gaps in

conformance was presented and approved by the committee at its meeting in July 2026 (3.4.8.10.1/2/8/ 11/13).

68. The committee has responsibility for reviewing and approving the **Internal Audit Charter**, which defines the internal audit's activity, purpose, authority, and responsibility (3.4.8.10.2) as well as outlining the safeguards put in place to limit impairments to independence and objectivity arising from the Head of Audit and Risk's additional roles or responsibilities outside of internal auditing (3.4.8.10.12).
69. The revised Charter was considered by the committee at its meeting in June 2025. In considering the document, the committee discussed current internal audit resources and whether these were sufficient to carry out the necessary work to provide an end of year opinion. Following assurances on the matters discussed, the committee approved the Internal Audit Charter.
70. The committee also has responsibility for approving the annual Internal Audit Strategy (3.4.8.10.1/3/4/5), which determines the priorities of internal audit activity, consistent with the organisation's goals.
71. The **Internal Audit Strategy and Plan for 2025-26** was also presented to the committee at its meeting in June 2025. The committee discussed a range of matters including internal audit's use of Artificial Intelligence (AI) to support its work, the council's procurement improvement programme and an initiative to pilot continuous monitoring audit work using data analytics. The committee subsequently resolved to approve the document.
72. Throughout the year, the committee received updates on the work of internal audit including key findings, issues of concern, management responses and action in hand as a result of internal audit work (July, September, December 2025, and February and May 2026). The committee considered summaries of specific internal audit reports as requested, including full copies of 'Limited

Assurance' reports, along with the action plan agreed with management (3.4.8.10.9/10).

73. The committee monitored the implementation of agreed actions through the receipt of two reports, in September 2025 and May 2026 respectively (3.4.8.10.9). The committee considered the council's performance and the status of all outstanding issues, risks and opportunities raised by internal audit, including detailed summaries of progress with addressing 'major/amber' rated issues, risks and opportunities.
74. The committee and the Head of Audit and Risk engage effectively (3.4.8.10.15). In particular, the Chair of the Governance and Audit Committee always made himself available for the Head of Audit and Risk, including providing the opportunity for a private meeting with the committee, if requested (3.4.8.10.15).

External Audit

75. The committee oversees the external audit arrangements and considers the scope and depth of external audit work.
76. The committee received Audit Wales's detailed plan for 2025, which set out the work proposed to be undertaken in relation to the financial audit, the performance audit programme for the year, along with the audit reporting timetable, at its meeting in June 2025 (3.4.8.11.1/3).
77. The report also provided details of the audit team and the proposed audit fee for the activities set out. (3.4.8.11.3).
78. The committee considered the external auditor's report on the audit of the Financial Statements for 2024-25 (**ISA 260 report**) to 'those charged with governance' (3.4.8.11.1/2), at its meeting in October 2025. Following discussions around corrections of misstatements considered immaterial and timescales for circulating the final accounts, requirements of IFRS 16 – Leases

and clarification on a note to the accounts regarding ongoing capital commitments, it was resolved to note the report.

79. The committee resolved to note **Audit Wales's Annual Audit Summary report for 2025**, which showed a summary of the outcome of each piece of work completed, at its meeting in February 2026. (3.4.8.11.3)
80. The committee monitored the implementation of external audit recommendations and received a report from the Head of Profession (HR) and Transformation in December 2025, setting out how the council had responded to external audit reports regarding the council and national reviews, and their related recommendations (3.4.8.11.3).
81. The committee received quarterly updates during the year (in September 2025 and February 2026) and external audit reports, including audits of the Council's Management of Balances and Reserves, its Arrangements for Commissioning Services (both December 2025) (3.4.8.12.5), its Arrangements for managing the performance of its recycling service (May 2026), as well as a briefing note providing an update on the National Fraud Initiative (December 2025) (see [Countering Fraud and Corruption](#) above) (3.4.8.9.6).
82. The committee was not compelled to make any recommendations on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies during the year (3.4.8.11.4).
83. The Governance and Audit Committee met privately and separately with external and internal audit without officers present, following its meeting in May 2026 (3.4.8.2.6 / 3.4.8.11.5).

Financial reporting

84. The committee reviews and scrutinises the council's financial affairs, making reports and recommendations in relation to them

(3.4.8.12.1). It monitors the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met (3.4.8.12.2).

85. Prior to approval by full Council, the committee reviewed the Authority's draft and final annual financial statements for 2024-25 (July and October 2025 respectively), including the explanatory foreword, key messages, trends, consistency with financial performance, suitability of and compliance with accounting policies and treatments and major judgmental areas (3.4.8.12.3 / 3.4.8.6.1/2/3).
86. In considering the draft financial statements in July 2025, the committee discussed several factors, including changes to accounting treatment of leased assets, provision in the accounts for potential maintenance costs at the Penhesgyn Waste Site, Additional Learning Needs joint agreement payments to Cyngor Gwynedd, increases in council tax income for 2024-25 and accounting arrangements for the Local Government Pension Scheme.
87. Following further discussion on the value of the Statement of Accounts in informing the public about council spending, due to its complexity and technical nature, the committee resolved to note the draft unaudited main financial statements for 2024-25.
88. The committee considered the external auditor's report to 'those charged with governance' on issues arising from the audit of the accounts, and whether they needed to be brought to the attention of the council (3.4.8.12.4/5) at its meeting in October 2025.
89. Following discussion (see [External Audit](#) above), the committee resolved to note external audit's report on the Financial Statements for 2024-25.
90. At its meeting in December 2025, the committee considered a report by the Director of Function (Council Business)/Monitoring Officer on the proposed amendment to the council's constitution

to provide for the final approval of the council's annual accounts by the Governance and Audit Committee in place of full Council.

91. Discussions centred on the rationale for the proposal, such as improving efficiency, supporting Audit Wales's proposed financial audit timetable for local government in 2025-26 and aligning with other councils in Wales. Following assurances regarding receipt of final accounts in sufficient time for adequate review, the committee resolved to support the proposed amendment.

Complaints handling

92. The committee has responsibility for reviewing and assessing the authority's ability to handle complaints effectively (3.4.8.14.1).
93. The committee considered the Director of Function (Council Business)/Monitoring Officer's **Annual Complaints and Whistleblowing report for 2024-25** which set out issues arising under the council's Concerns and Complaints Policy along with the number of whistleblowing disclosures made under the council's whistleblowing policy for the period 1 April 2024 to 31 March 2025, at its meeting in December 2025 (3.4.8.9.1).
94. The committee also received an update from the Head of Highways, Waste and Property whose service area had experienced an increase in complaints during the period. The committee resolved to accept the report and endorse its recommendations.
95. The above report also incorporated the **Public Services Ombudsman for Wales (PSOW) Annual Letter 2024-25**, which outlined the complaints standards work undertaken by the PSOW over a 12-month period as well as a summary of the council's performance in this area (3.4.8.13.1).
96. Following discussion, the committee resolved to note and accept the Annual Letter 2024-25 and authorised the Director of Function (Council Business)/Monitoring Officer to remind services

of the proposed actions to address PSOW's requirements in this area, as well as respond to the PSOW as required in the penultimate paragraph of the said Letter. (3.4.8.1.3 / 3.4.8.14.2).

Self-assessment report

97. Each financial year, the committee receives from Council a draft of its self-assessment report, drafted in accordance with Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (3.4.8.1.3 / 3.4.8.15.1).
98. The committee considered the **Annual Draft Self-Assessment Report 2024-25**, which provided an evidence-based assessment of how the council performed in the year using its available resources whilst managing and mitigating associated risks, at its meeting in September 2025 (3.4.8.1.3).
99. In reviewing the report, the committee discussed a range of areas including target completion dates for improvement actions, how improvement areas aligned with services rated as exceeding expectations or outstanding, and whether the scoring system and wellbeing alignment table were sufficiently clear and objective.
100. Further discussions centred on whether wider social outcomes, such as long-term child poverty, were adequately reflected in service self-assessments, and whether the self-assessment criteria would benefit from review to ensure clarity.
101. The committee resolved to note and accept the draft self-assessment report for 2024-25, asking that its comments and recommendations on definitions, scoring and evaluation criteria be taken into account (3.4.8.15.1/2/3/4).

Panel performance assessment

102. At least once during an electoral cycle a panel performance assessment (PPA) will take place in the period between ordinary elections of councillors to the council. The council may choose to

commission more than one panel assessment in an electoral cycle, but it is not a requirement of the legislation (The Local Government and Elections (Wales) Act 2021).

103. The council must make a draft of its response to the panel performance assessment available to its Governance and Audit Committee, which must then review the draft response and may make recommendations for changes to the response to the panel assessment (3.4.8.4.3 / 3.4.8.16.1/2/3/4).

104. As a panel performance assessment was scheduled during 2025-26, at its meeting in July 2025, the committee received a report providing an overview of the Panel Performance Assessment process and the themes for the Panel to consider. Following consideration, the committee resolved to note the report.

105. The panel performance assessment was conducted in October 2025. The committee will receive a report on the outcome of the PPA at its meeting in June 2026.

Auditor General inspection

106. The Auditor General may carry out a special inspection of the council (if it considers the council is not, or may not be, meeting its performance requirements).

107. Following the report being sent to the council, as soon as reasonably practicable after receiving such report, the council is required to make it available to the Governance and Audit Committee.

108. The council's draft response must be made available to, and be reviewed by, the Governance and Audit Committee. The committee may recommend changes to the response, including the action proposed by the council. If the committee's recommendations are not adopted by the council before publication, the recommendations must be included in the

response along with the reasons why the council has not made the changes recommended by the committee (3.4.8.17.1/2/3).

109. The Auditor General did not carry out any special inspections of the council during 2025-26.

Appendix A – Frequency of meetings and attendance

Members	26/06/25	16/07/25	30/09/25	23/10/25	04/12/25	03/02/26	14/05/26	Meetings attended (%)
Mr Dilwyn Evans (Lay Member) (Chair)	✓	✓	✓	✓	✓	✓	✓	100
Cllr Euryrn Morris (Deputy Chair)	✓	✓	Apologies	✓	✓	✓	✓	86
Cllr Geraint Bebb	✓	✓	✓	✓	Apologies	✓	✓	86
Mr William Parry (Lay Member)	✓	✓	✓	✓	✓	Apologies	✓	86
Cllr Keith Roberts	✓	Apologies	✓	Apologies	✓	✓	✓	71
Cllr Kenneth Hughes	✓	✓	✓	✓	✓	✓	✓	100
Cllr Margaret M. Roberts	Apologies	✓	✓	✓	✓	Apologies	✓	71
Cllr Trefor Lloyd Hughes ⁴	✓	Apologies	No	No	-	-	-	25
Cllr Ieuan Williams ⁵	✓	Apologies	✓	-	-	-	-	67
Cllr Paul Ellis	✓	✓	No	No	No	No	No	29
Dr Geraint Jones (Lay Member) ⁶	-	-	✓	✓	✓	✓	✓	100
Mr William Maund (Lay Member) ⁶	-	-	✓	✓	✓	✓	Apologies	80
Councillor Gwilym O Jones ⁷	-	-	-	-	Apologies	✓	✓	67
Cllr Robin Williams (Finance Portfolio Holder)	✓	✓	✓	✓	✓	✓	✓	100
Total for Committee⁸	9	7	9	8	8	8	9	75% (average)

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⁴ Councillor Trefor Lloyd Hughes passed away before the 4 December 2025 meeting

⁵ In October 2025 Councillor Ieuan Williams left the Governance and Audit Committee to join the Executive

⁶ New lay members Dr Geraint Jones and Mr William Maund joined the committee in September 2025

⁷ Councillor Gwilym O Jones joined the committee in December 2025

⁸ In accordance with the committee's Terms of Reference, the committee consists of eight elected members and four lay members. Elected members will not be members of the Executive, but the Finance Portfolio Holder is required, as far as possible, to attend all meetings of the committee.

Appendix B – Current Member Training 2022-26 and Briefings

		Mr Dilwyn Evans (LM) (Chair)	Cllr Euryrn Morris (Deputy Chair)	Cllr Geraint Bebb	Mr William Parry (LM)	Cllr Keith Roberts	Cllr Kenneth Hughes	Cllr Margaret M. Roberts	Cllr Paul Ellis	Dr Geraint Jones (LM)	Mr William Maund (LM)	Cllr Gwilym O Jones
Committee Specific	Induction	23/06/22	23/06/22	23/06/22	n/a	23/06/22		23/06/22		n/a	n/a	23/05/22
	Financial Statements	13/07/22	13/07/22	13/07/22	Absent	13/07/22		19/05/22		16/10/25	16/10/25	19/05/22
	Complaints	09/09/22	09/09/22	09/09/22	09/09/22	09/09/22		28/09/23				28/09/23
	Treasury Management	14/09/22 15/09/23	14/09/22 15/09/23	Apologies	Absent	14/09/22	(07/11/19)	15/09/23				(07/11/19)
	Understanding Local Authority Accounts for Councillors	22/06/23	19/05/22 13/07/22	24/08/23		13/07/22		19/05/22				19/05/22
	Effective Chairing Skills	17/10/23	13/10/23	11/10/23	17/10/23	23/03/23		17/11/22				23/03/23
	Countering Fraud and Corruption	04/12/23		04/12/23	04/12/23	04/12/23		04/12/23				04/12/23
	Risk Management	13/03/24 04/12/25			Apologies			04/12/25		Apologies	04/12/25	
	Introduction to AI and Risk Mitigation	11/02/25	11/02/25	11/02/25	11/02/25	11/02/25		11/02/25				
Mandatory	General Data Protection Regulations (GDPR)	05/09/22	19/11/24	16/11/23		07/09/22	19/11/24	15/11/23		30/10/25		06/09/22
	Cyber Awareness ⁹	12/05/22	18/05/22	12/05/22		11/05/22	29/01/25	06/03/25	12/05/22	30/10/25		11/05/22
	Basic Safeguarding Awareness		20/09/22	27/11/23		20/09/22		20/09/22	20/09/22	30/10/25		20/09/22
	Violence Against Women, Domestic Abuse and Sexual Violence*	Optional	12/06/22	29/09/22	Optional	Not started	Not started	Not started	Not started	Optional	Optional	Not started
	Prevent*	12/09/19	12/06/22	19/05/24	Optional	Not started	Not started	Not started	Not started	Optional	Optional	Not started
	Modern Slavery*	Optional	07/09/23	19/05/24	Optional	Not started	Not started	Not started	Not started	Optional	Optional	Not started

⁹ Cyber awareness formed part of introductory training for new Council cohort in May 2022

* Optional for lay members.

Committee-specific briefings

Title	Area	Medium	Provider	Date Provided
Audit Committee Update – Issue 40: New Internal Audit Standards	Forthcoming changes to the internal audit standards and how that will impact on audit committee members.	Newsletter	CIPFA	24/12/24
CIPFA Better Governance Newsletter	Information for audit committees regarding the publication of the CIPFA Code of Practice to support authorities in establishing and maintaining their internal audit arrangements, along with information about the consultation on the Addendum to the 2016 Governance Framework covering the annual review of governance and the annual governance statement.	Newsletter	CIPFA	07/02/25
Audit Committees: effective practices and a positive impact pocket guide	Audit Wales has published a 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.	Newsletter	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
North Wales Corporate Joint Committee - FAQs	Information about the role of the North Wales Corporate Joint Committee (NWCJC) and the Governance and Audit Committee sub-committee.	Frequently asked questions	NWCJC	02/12/25

Appendix C – Meeting Outcome Summary

Date	Outcome of meeting
26 June 2025	<p>The committee considered eight substantive items.</p> <p>The committee reviewed its Action Log, receiving an update regarding the Quod Anglesey socio-economic analysis and impact report (Action Item 10) which has been completed but remains unpublished, pending a decision by the Leadership Team on its communication and dissemination. Additionally, action items 21, 22, and 24 have been completed.</p> <p>The Director of Function (Council Business)/Monitoring Officer presented a report on nominating a lay member to the Governance and Audit Committee of the North Wales Corporate Joint Committee (CJC). Following the passing of Mrs Sharon Warnes, previously nominated by the council, the committee was invited to propose a replacement. If no nomination was made, other constituent councils would be approached. The committee resolved to nominate Mr William Parry as the new lay member.</p> <p>As part of the committee’s role in reviewing governance and assurance arrangements for the council’s key partnerships, it received the 2024-25 Annual Scrutiny and Overview Report. The Head of Democracy noted the report had also been submitted to Full Council and drew attention to key sections summarising the Scrutiny Committee’s work and partnership oversight. The Committee discussed co-opted member vacancies and the capacity of Scrutiny to address its workload. It was confirmed that both parent governor vacancies are being filled, with appointments to be confirmed in September. Efforts are ongoing to manage Scrutiny’s workload effectively, including limiting the number of partnerships reviewed per meeting and dedicating one annual session to the Health Board. The Committee resolved to note the report and confirmed it takes assurance from the current scrutiny arrangements for major partnerships and collaborations.</p> <p>The committee endorsed the Governance and Audit Committee’s Annual Report for 2024-25, which outlined its activities in line with its terms of reference. The chair described it as a comprehensive reflection of the committee’s work over the year and would submit it to the County Council on 25 September 2025.</p> <p>The committee considered the Head of Audit and Risk’s 2024-25 Internal Audit Annual Report, which provided her opinion that the council maintained an adequate and effective framework for governance, risk management, and internal control. No significant corporate concerns were identified, though some areas require control improvements, which are being monitored. Her opinion was unqualified. The report was based on audits covering 80% of red and amber strategic risks and 12 additional areas. Internal Audit met five of six performance targets and generally conformed to Public Sector Internal Audit Standards (PSIAS). From April 2025, the Global Internal Audit Standards (GIAS) will apply. Key issues raised by the Committee included:</p> <ul style="list-style-type: none"> • Confidence in the framework’s ability to detect weaknesses before failures occur. The Head of Audit and Risk confirmed reasonable assurance based on current monitoring. • Concerns over fraud related to second home council tax premiums. Internal Audit continues to monitor this in collaboration with the Revenues and Benefits Team. • Ongoing underperformance in Disabled Facilities Grants (DFGs). A second follow-up audit is scheduled for 2025-26. <p>The committee reviewed and approved the revised Internal Audit Charter following the introduction of the Global Internal Audit Standards (GIAS) on 1 April 2025. While the existing Charter was largely compliant, updates were made to explicitly reflect the new requirements, particularly regarding safeguards for independence and objectivity. The Committee noted a reduction in Internal Audit staffing to 2.8 FTE in 2024-25, down from a 4.0 FTE target, and queried the impact on capacity and objectivity. The Head of Audit and Risk confirmed that the retained budget is being used to commission external experts, which has proven cost-effective, and assured the committee that sufficient resources remain to fulfil audit responsibilities.</p>

The committee considered and approved the **2025-26 Internal Audit Strategy and Plan**, aligned with the new Global Internal Audit Standards (GIAS) and the Council Plan. The strategy prioritises red and amber strategic risks, includes 549 audit days, and confirms no scope or resource limitations. Key points discussed:

- Internal Audit will explore AI to enhance its own processes, pending council policy.
- Concerns about AI accuracy and accountability were addressed, with officers responsible for verifying AI-generated content.
- The procurement audit is deferred due to an ongoing improvement programme led by STAR Procurement.
- A pilot for continuous monitoring using data analytics will focus on payroll and creditors.
- A review of performance management will respond to an Audit Wales report on service user insights.

The committee considered the **2025 Audit Wales Audit Plan** which outlined the financial and performance audit approach, key risks, materiality levels, and a revised timetable aiming for completion by October 2025. Key points included:

- Financial audit will assess the council's 2024-25 accounts, with a focus on significant risks.
- Performance audit will review value for money and compliance with the Well-being of Future Generations (Wales) Act 2015.
- Audit fees were explained, covering both audit streams.

Committee concerns included:

- High audit fees and the lack of market competition. Audit Wales defended fee levels as benchmarked and overseen for value.
- Potential duplication between internal and external audit, particularly in IT. Audit Wales confirmed coordination with the council's IT team to avoid duplication.
- Timing of the Well-being Act review, given pending Welsh Government evaluation. Audit Wales clarified their statutory obligations under the Well-being Act.
- Penalties for narrowly missing recycling targets despite strong performance. Audit Wales noted that recycling review findings may be positive.
- Lack of productivity measures in value for money assessments. Audit Wales suggested productivity metrics may be better addressed through the council's balanced scorecard.

Finally, the committee considered and endorsed the **Forward Work Programme** planned for the remainder of 2025-26, subject to one change, as meeting its responsibilities in accordance with its terms of reference.

16 July
2025

The committee considered **six** substantive items.

The committee reviewed its **Action Log** and were satisfied that item 18 (revised annual treasury management report) was complete and items 16 (Annual Concerns, Complaints and Whistleblowing Report to include salient information regarding social services user concerns and complaints) and 19 (progress update regarding complaints process) were deferred to September 2025 at the Monitoring Officer's request.

The committee reviewed and approved the **Draft Annual Governance Statement 2024-25** which detailed the annual review of the Council's governance arrangements, actions taken to resolve prior issues, and strategies to address current challenges. Key committee considerations included a request for inclusion of RAG status indicators to strengthen monitoring effectiveness along with evidence to support the conclusion that the Council's performance management system is robust. A multi-tiered assurance framework—comprising quarterly scorecard reviews, business plan oversight, and a statutory self-assessment—was presented. Concern was also raised regarding the simultaneous scheduling of all actions by March 2026. Assurance was provided that improvements identified for 2024-25 are targeted for completion within the current financial year, with a mid-year progress report to follow requested in December 2025. The reported 82% staff retention rate prompted scrutiny of attrition data. Clarification on internal role transfers versus external exits was requested, with further data to be provided.

The committee reviewed and noted the unaudited **Draft Statement of Accounts 2024-25**. They had been signed by the Director of Function (Resources)/Section 151 Officer on 30 June and the external audit commenced 1 July. Hence the figures may be subject to change pending the audit, with final approval expected by 31 October 2025. Key updates included a change in lease accounting following revisions to the Code of Practice, resulting in leases being treated as borrowings, which affects the Balance Sheet. The Comprehensive Income and Expenditure Statement reported a net surplus of £45m. Notes of particular relevance were highlighted to assist the committee's review. Clarifications were provided on provisions, related party payments and a rise in Council Tax income driven by reclassification of self-catering properties. Further detail was shared on demographic and tax base data, as well as accounting treatment of pensions. Committee members noted concerns regarding public comprehension of the accounts and advocated for clearer, more accessible financial summaries. The Section 151 Officer acknowledged the technical nature of the accounts and highlighted the regular budget oversight reports provided to the Executive as more accessible and effective in helping the public monitor the Council's financial performance and service delivery.

The committee received the Director of Function (Resources)/Section 151 Officer's **Treasury Management Annual Review for 2024-25**, in a new format. The Council's revised capital expenditure budget totalled £78.3m, funded primarily through cash reserves to avoid external borrowing and minimise interest costs. Any future borrowing is expected late in 2025-26 and will be short-term, aiming to benefit from anticipated lower interest rates. Key activity during the year included receipt of the final £908k drawdown from a previously approved Salix loan, repayment of two fixed-term PWLB loans and total investment income of £1.55m, with £866k credited to the General Fund, £382k to the HRA, and £212k to schools, all exceeding budget expectations. All treasury indicators and limits within the approved strategy were fully complied with. The committee noted and endorsed the new style report, acknowledging its clear and simplified presentation, and resolved to forward it to the Executive without further comment.

The committee received the **Internal Audit update**, which detailed the outcome of four audits. Two received reasonable assurance (Council Tax Base and IT Service Desk Management), while two were rated limited assurance (Adult Social Care Finance and IT Supplier Management – Follow Up). Adult Social Care improvements are underway but hampered by backlogs and process inefficiencies. A follow-up is scheduled for August, with resolution aimed by March 2026. IT Supplier Management actions are progressing under the Procurement Improvement Programme, with further review by IA in December 2025. The committee discussed concerns around Adult Services' resources and delays in financial assessments. Measures including client visits and revised procedures are being implemented. IT procurement improvements are ongoing, with emphasis on early involvement and strategic prioritisation.

The committee received a report outlining progress in implementing the new **Global Internal Audit Standards (GIAS) in the UK public sector**. A gap analysis confirmed that the Council's internal audit function generally conforms to the new standards, though some areas require improvement and primarily focus on enhancing evidence to support current audit practices. Actions already completed were summarised and the committee were satisfied that the actions taken and planned will support full conformance with GIAS requirements.

The committee received an overview of the **Panel Performance Assessment** process and noted the themes the Panel would be asked to consider.

Finally, the committee considered and endorsed the **Forward Work Programme** planned for the remainder of 2025-26 as meeting its responsibilities in accordance with its terms of reference. As some reports had been deferred to the September meeting, and due to the volume of items scheduled, a proposal to move some items to the extraordinary meeting in October was agreed.

30
September
2025

The committee considered **10** substantive items.

The committee reviewed its **Action Log** and noted progress on previously agreed actions. Key updates included the deferral of the Public Services Ombudsman for Wales Letter 2024/25 and the Monitoring Officer's Annual Complaints, Concerns, and Whistleblowing Report to December 2025 due to a data issue. On staff attrition analysis (item 27), it was noted that internal staff movements are not easily tracked by the current HR system; further investigation is underway with an update expected at the next meeting. A committee member raised concerns about the absence of Audit Wales recommendations in the action log. The Head of Audit and Risk would obtain confirmation from the Corporate Planning and Performance Manager that they would be included in the next monitoring report.

The committee reviewed and accepted the council's **Annual Health and Safety Report 2024/25** which outlined incident data, key achievements, and future actions. The committee discussed training-related incidents, the need for SMART targets in the strategic plan, and the reasons behind reduced RIDDOR reports. It was confirmed that mental health-related absences and service-specific plans are tracked. A more detailed three-year strategic plan is in development, which the committee requested to be brought to a future meeting once completed.

The committee received an **Internal Audit update report** on current workload and priorities, along with the outcome of three assurance reports which all received a 'Reasonable Assurance' rating, including two continuous monitoring reports of Creditors and Payroll. On querying the rating assigned to the Managing the Poverty Risk audit, suggesting the issues were more significant, members were informed the rating was based on the Council's risk matrix. Limited staff engagement was noted, with the strategy lacking alignment with service delivery plans and insufficient cross-departmental ownership. Members also highlighted potential links between poverty, child poverty rates, and staff assaults in schools and asked for these concerns to be passed to the Director of Social Services.

The committee received an update on **outstanding internal audit issues** along with a detailed status report of outstanding major-rated issues. The committee noted the Council's progress as satisfactory but queried delays in automating direct debit processes for the payment of business rates and how actions were tracked and escalated.

The committee reviewed the **draft self-assessment report for 2024/25**. Members recommended structured project management, including critical path analysis, particularly for complex initiatives like the Data Strategic Plan and a request was made for the project initiation document once available. The committee queried the feasibility of all improvement actions scheduled for completion by March 2026, and were assured the timeline is achievable, with a mid-year update planned. Concerns were raised about the clarity and consistency of self-assessment ratings, especially where services rated themselves highly despite external challenges. Members suggested removing the "Exceeds Expectations" category and emphasising that "Meets Expectations" is a positive outcome. The committee highlighted a disconnect between service ratings and real-world outcomes, using the Children and Families Service as an example. Officers noted that broader impacts are addressed in the Performance and Wellbeing report. The committee requested that feedback on scoring clarity and evaluation criteria be considered in the 2025/26 review and recommended a more objective, data-driven approach, along with the removal of the "Exceeds Expectations" category to enhance transparency.

The committee noted the assurance provided by the **Annual Counter Fraud, Bribery and Corruption Report 2024/25**, detailing Internal Audit's efforts to reduce the risk of fraud, bribery, and corruption within and against the Council. The report included examples of attempted fraud during the year, a progress update on the delivery plan and initial results from the Fraud Reporting Tool launched in November 2024.

The committee noted the progress made and the assurance provided by the **National Fraud Initiative (NFI) Outcomes Report** and discussed concerns around Council Tax premium avoidance. The Director of Function (Resources)/Section 151 Officer explained the investigation process and confirmed that priority is given to high-reliability matches, such as those with national insurance numbers.

The committee received an **update from Audit Wales** on the progress of its local and national work programmes. Despite earlier delays due to the pandemic, the 2023/24 performance audit programme is now complete, and work on 2024/25 is well advanced, positioning the 2025/26 programme to return to schedule. The report also included updates on regulatory work by Estyn and CIW. In response to a query, Audit Wales confirmed the 2024/25 accounts audit is on track for completion by the end of October. The date for the committee to consider the audited accounts is yet to be confirmed.

The committee considered and endorsed the **Forward Work Programme** planned for the remainder of 2025-26 as meeting its responsibilities in accordance with its terms of reference. Two changes were advised: the deferral of the annual review of the risk management framework and strategic risk register update, and the inclusion of the Public Services Ombudsman's Annual Letter 2024/25 and the Annual Concerns, Complaints and Whistleblowing Report 2024/25—all now scheduled for the December 2025 meeting.

Finally, the committee considered the **Annual ICT Cyber Security Report 2024/25** in closed session. The Lead Security Engineer outlined key cyber threats faced by the council and the controls in place to mitigate them, including threat statistics, resource needs, and ongoing projects. Discussion focused on project status, budget adequacy, outsourcing potential, training frequency, and policy matters. Officers confirmed increased investment in IT services—from £1.6m in 2017/18 to £5.1m in 2024/25—and emphasised that cyber security is a continuous priority. The committee noted the challenges, accepted the adequacy of current cyber security measures, and took assurance that reasonable protections are in place.

23 October
2025

The committee considered **one** substantive item during this extraordinary meeting held to consider the **Final Statement of Accounts for 2024-25, Annual Governance Statement and External Auditor's report** on the audit of the 2024/25 financial statements (**ISA 260 report**).

The Chair 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 committee.

The Director of Function (Resources) and Section 151 Officer confirmed that the audited Statement of Accounts were submitted for audit on 30 June 2025 and the audit is now largely complete. The accounts would be due for approval by Full Council on 28 October 2025 ahead of the statutory deadline of 31 October. The Section 151 Officer guided the committee through the amendments, which included a reduction in the year end surplus by £500k due to technical adjustments and the impact of this on the balance sheet; a £2.46m increase in earmarked reserves, as a result of reclassifying provisions linked to Penhesgyn landfill risks; technical changes to the capital adjustment account and revaluation reserve with no impact on usable reserves or cash and an update regarding Note 41 – Contingent Liabilities – Electrical Installation Condition Report (EICR) Certificates. He expressed his thanks to both the council's Finance Service team and Audit Wales for their efforts. A proposal was made to amend the Constitution so the Governance and Audit Committee can approve future accounts, supporting an earlier deadline of 30 September from 2025-26 onwards.

The Annual Governance Statement had been amended to reflect the committee's input at its July meeting, including RAG ratings for governance issues previously identified to better track improvement progress as well as a revised timeframe for developing a Data Strategic Plan and related actions. Committee discussion focused on governance action timescales for completion and risk assessment as well as clarification on the remit of digital transformation work.

Audit Wales confirmed their intention was to issue an unqualified opinion, confirming the accounts are materially accurate. They confirmed that though two outstanding audit tasks remain and an uncorrected error of £1.561m was identified during the audit, both were expected to be classified as immaterial, and an update would be provided prior to the Full Council meeting. The committee noted capacity issues (e.g. property valuations, finance resources) contributing to delays and enquired about a previously undetected misstatement. Members raised various points on clarity and disclosures (e.g. requirements of IFRS 16 – Leases, EICR contingent liabilities and capital commitments), with explanations provided.

The committee accepted the audited 2024-25 Statement of Accounts and recommended signing by the Chair of the Council and Section 151 Officer. The committee also endorsed the Annual Governance Statement 2024-25 as a fair evaluation of governance arrangements. The Audit Wales ISA 260 Report was noted.

4
December
2025

The committee considered **13** substantive items.

The chair expressed the condolences of the committee to the family of Councillor Trefor Lloyd Hughes MBE. The chair welcomed Councillor Gwilyn O Jones who was rejoining the committee.

The committee reviewed its **Action Log** and noted the completion of eight actions.

The committee received the council's **Complaints and Whistleblowing Annual report for 2024/25** (incorporating the **Public Services Ombudsman for Wales (PSOW) Annual Letter**), which provided an overview of service complaints, whistleblowing disclosures, and Code of Conduct complaints for 2024/25, alongside key findings from the PSOW Annual Letter. The Head of Highways, Waste and Property was present to answer the committee's queries. Committee noted that the council has made progress in complaint handling and reduced PSOW referrals. However, consistent logging, clearer differentiation between complaints and routine enquiries, and reporting to PSOW remain critical priorities. Committee resolved to endorse the recommendations to resolve these issues in the report. The committee received the **Senior Information Risk Owner's (SIRO) Annual Report for 2024/25** and noted that figures reported for data breaches remain consistently low. However, FOIA compliance rates remain below the Information Commissioner's 90% target, continuing a 10-year trend and can be linked to an absence of publication schemes, along with the Corporate Data Protection Officer role vacant long-term. FOIA / data officers in services also manage complaints, further limiting capacity. The committee supported the recommendations in the report to strengthen training, update policies, monitor service-level performance, and improve publication schemes.

The committee supported a proposal to **transfer final approval of the council's Annual Accounts from Full Council to the Governance and Audit Committee**, with the rationale that it would improve efficiency and avoid the need to hold extraordinary Council meetings. It supports Audit Wales's revised timetable which brings the deadline forward to 30 September 2026) and aligns with practice across other Welsh councils. Director of Resources assured the committee that it would receive the draft accounts in July providing sufficient time for approval. Committee noted that the transfer did not include the Annual Governance Statement (AGS) and requires a separate process.

The committee received an **update on internal audit activity**, which included two assurance reviews; Performance Management (Reasonable Assurance) which concluded that the framework was effective overall but there were inconsistencies in data quality across services, and Secondary Schools ICT Security (Limited Assurance). The Head of Audit assured committee that an action plan had been agreed with management and schools with completion scheduled by July 2026. A follow-up review planned for April 2026 would be reported to the July 2026 committee meeting. Committee requested the Chief Digital Officer to attend. Committee also asked whether the number of issues in audits should be a cause for concern and the Head of Audit responded that the number of issues does not directly determine the assurance level, and limited assurance reports are rare, closely monitored, and followed up formally. The committee noted revisions to **the council's risk management framework and progress on the strategic risk register**. The council has commissioned Zurich Risk to conduct a wholesale review of the council's risk management approach. The updated strategic risk register is scheduled for presentation to the committee at its February 2026 meeting.

The committee noted the council's **treasury management performance at the mid-year point** (30 September 2025). The Director of Resources assured committee that treasury activity remains consistent with the council's minimal risk, low return investment strategy and borrowing managed on a planned basis to minimise interest charges. Regarding only 33% of annual capital budget spent at mid-year, Director of Resources assured committee that there is sufficient spend to meet grant conditions or he will seek approval to carry forward funding. Treasury indicators and limits remain within forecasted parameters, although a minor technical breach occurred when a call account briefly exceeded limits due to interest credited; the Director of Resources assured committee that it was corrected with no monetary loss. Committee agreed to send the report to the Executive without further comment. The council's response to **external audit reports and regulator recommendations** assured the committee that the council is making steady progress in addressing external audit recommendations, with most actions completed or underway, and delays clearly explained. The council continues to pragmatically apply national recommendations to suit local circumstances.

The committee noted the **Audit Wales National Fraud Initiative (NFI) 2024/25 Update** and acknowledged the council's efforts to use NFI data analytics for fraud prevention and detection. Committee raised concerns that the report highlighted as "high risk" over 5,000 Council Tax Single Person Discount (CTSPD) data matches but Audit Wales assured that not all matches indicate fraud. Director of Resources assured committee that the council has mechanisms to recover ineligible discounts and while many matches are genuine, a third-party review is underway, though delayed.

The committee received a positive **Audit Wales report on the council's management of reserves and balances**. The audit found that the council effectively manages and regularly reviews its reserves but recommended that the council formalise protocols for the use and replenishment of reserves, along with

establishing clear criteria for when reserves should be created. Director of Resources assured committee he had accepted this recommendation. Committee expressed confidence in the council's planned steps to address the recommendations.

The committee received **Audit Wales's report on the council's arrangements for commissioning services**. The report concluded that the council is not consistently securing value for money through its commissioned services. The audit focused on three services—waste management, young people's homelessness, and school transport—but the services involved disagreed with the findings, asserting that proper processes were in place to ensure value for money. Despite this, Audit Wales did not accept the feedback. The committee expressed concerns about the adequacy of the evidence base for the overall conclusion and felt that the sample size was too small to be representative of the council's broader contracting practices. Members also raised concerns about the lack of integration of the council's feedback into the final report. Audit Wales explained that the audit assessed corporate commissioning practices, and regardless of sample size, the conclusion was based on the absence of best practice in corporate commissioning. Management is progressing with an action plan to address the recommendations, despite disagreements about the findings. The Director of Resources outlined the current procurement strategy and confirmed the recruitment of a permanent procurement manager. The committee noted the actions but was unable to accept the audit's conclusions due to the perceived insufficiency of the evidence. The committee resolved that it could not take assurance from the Audit Wales report at this time.

Finally, the committee confirmed the **Forward Work Programme** for the rest of 2025-26 as meeting the committee's responsibilities.

3 February
2026

The committee considered **eight** substantive items.

The committee requested an amendment to the resolution under item 14 in the Minutes of the meeting held on 4 December 2025 regarding a report from Audit Wales.

The committee reviewed its **Action Log**. It noted the completion of four actions and an update on an action regarding the council's Artificial Intelligence policy.

The committee supported a proposal to **amend the Constitution** so that the Governance and Audit Committee, rather than full Council, approves the Annual Governance Statement (AGS). Aligning AGS approval with the already-delegated annual accounts would streamline the process and avoid scheduling pressures linked to the Welsh Government's 30 September 2026 deadline for approval. The AGS will remain publicly available, with the draft circulated to all Members in June.

The committee raised concerns regarding the **2024-25 annual report on information governance in maintained schools** including the limited DPO capacity due to long-term absence, which meant work focused on statutory duties and incident management rather than proactive assurance, the lack of detailed data, the basis for the assurance opinion, and whether temporary cover is sufficient. The Director confirmed the DPO post remains permanent, with plans to stabilise capacity, strengthen proactive work and provide fuller data in future reports. Additional support for schools will be explored. The committee recognised it reflects a temporary period and that further support will be provided.

The committee noted the **2026-27 Treasury Management Strategy Statement** and agreed to forward it to the Executive without comment. It set out the council's approach to borrowing, investments and cashflow. The Section 151 Officer confirmed that external borrowing will only occur when necessary, internal borrowing will continue where possible, and investment activity will remain low-risk. Borrowing needs rise under all Capital Strategy scenarios, though the base case remains manageable. Prudential indicators confirm the affordability of plans. Clarifications covered PWLB repayment penalties, ongoing monitoring through quarterly reports, the upcoming review of treasury advisory services, the basis of the MRP budget, capital commitments within the base case, and the advantages of PWLB borrowing.

The committee received an update on **Internal Audit** work, including a review of the Physical and Environmental Controls of Data Centres, which received Reasonable Assurance. The Head of Audit and Risk confirmed that assurance ratings follow CIPFA-aligned definitions and are subject to an internal quality

review to ensure consistency and limit subjectivity. In response to a question about the postponement of the IT Asset Management audit to 2026/27, this was due to ICT capacity pressures and not because of any identified risk and would be included in next year's plan.

The committee noted an update on the comprehensive review of the **Strategic Risk Register**. With support from Zurich Risk Solutions, further work continues with the Leadership Team alongside the review of the council's risk appetite. A fully updated register will be presented once this work is complete, but the register will also be constantly updated. In response to questions, she explained that both likelihood and impact can change between inherent and residual risk where controls reduce not only the probability but also the severity of an outcome.

The committee accepted an update on progress against the **2024-25 Annual Governance Statement and Self-Assessment improvement actions**. Of the six actions, some are behind schedule, with delays explained by resource pressures. For Improvement Action 2 (Procurement), a newly appointed Procurement Manager is expected to help bring delivery back on track. Green-rated actions remain on schedule; delayed actions will continue to be monitored, though timely completion cannot be fully assured at this stage.

The committee considered the **Audit Wales Annual Audit Summary 2025**. Members discussed value-for-money arrangements, the timeliness of Audit Wales's work, the presentation of the report, and progress on correcting an uncorrected misstatement from the 2024/25 accounts. Audit Wales confirmed that fees and efficiency are overseen by its Board and benchmarked nationally, timeliness has improved post-pandemic, and the presentation feedback would be relayed. The financial misstatement would be corrected in the 2025-26 draft accounts.

Finally, the committee confirmed the **Forward Work Programme** for the rest of 2025-26 as meeting the committee's responsibilities. Audit Wales agreed to circulate its Quarter 3 Programme and Timetable Update to members once finalised, given the gap until the next meeting in May. Members were invited to request training, and a refresher session on the council's annual accounts was requested.

14 May
2026

The committee considered **six** substantive items.

The committee elected Mr Dilwyn Evans as **Chairperson** and Councillor Euryrn Morris as **Deputy Chairperson** of the Governance and Audit Committee.

The committee reviewed its **Action Log**, receiving an update on the progress of the council's AI policy. Two further actions remained, pending completion later in the year.

The committee reviewed and endorsed revised **Terms of Reference** reflecting updates to lay members tenure, when appointed mid-term. The Head of Audit and Risk outlined the changes, which remove the requirement for lay members' terms to align with the council term. The committee noted both the benefits (greater continuity, reduced recruitment burden, and alignment with wider council practice for independent roles) as well as the disadvantages (need for constitutional changes, staggered terms, and possible training misalignment) of the changes.

The Head of Audit and Risk provided an **update** on completed audits, ongoing work, and priorities. Of the five audits reviewed, one received substantial assurance, three received reasonable assurance and one follow up audit—Disabled Facilities Grants (DFG) received limited assurance, indicating ongoing concerns. Members questioned the pace of progress in addressing the DFG-related issues raised and sought assurance that the remaining DFG related actions were implemented.

The Principal Auditor provided a report on **outstanding Internal Audit issues**. As of 31 March 2026, there were 78 outstanding Internal Audit actions, with 6 rated 'major' (amber) and 72 'moderate' (yellow); none were critical. Considering the discussions around the Disabled Facilities Grants (DFGs) follow up audit during the previous item, the committee emphasised the need for stronger management ownership of audit actions and questioned whether sufficient progress was being made to avoid a third follow-up review. Progress overall was accepted as satisfactory, but concerns remain regarding DFGs. The committee requested that the Head of Housing provide further updates to its June and July meetings on progress with the outstanding actions.

Audit Wales presented its **2026 Audit Plan** covering financial and performance audit work for 2026-27. The audit fee for 2026 was explained, with accounts expected to be certified by September 2026, restoring the pre-pandemic timetable. Performance work assessing value for money, consisting of three proposed reviews; risk management arrangements; effectiveness of project outcomes linked to the Council Plan; and management of investment properties, is expected to be largely complete by June 2027. The committee noted the planned audit work and associated fees.

The committee received **Audit Wales's report on the council's arrangements for managing the performance of its recycling service**. The report concluded that the council has effective and well-established arrangements for managing recycling performance, including robust planning, clear reporting and benchmarking, active public engagement, and regular oversight of contract outcomes and spending. No recommendations were made, though the report noted that future value for money will depend on successfully improving recycling rates and avoiding potential penalties for missing national targets. The committee accepted the findings and took assurance from the report.

The committee considered the **Annual Insurance Report 2025-26**. The Head of Audit and Risk outlined the council's insurance arrangements as well as claims activity and trends. The committee heard that overall claims levels were stable, with strong repudiation rates. However, risks such as climate change, new housing standards, inflation, and past claims are expected to increase future premiums. Members discussed accounting treatment for potential claim excesses when setting the annual budget and limited availability of regional benchmarking information. The committee resolved to note the report, including trends, risks, and mitigation measures.

The committee considered and endorsed the **Forward Work Programme** planned for 2026-27. Members were also invited to share any specific training needs.

As this was Mr Dilwyn Evans's final meeting as Chair and lay member of the Governance and Audit Committee, he thanked members and officers for their support and assistance during his tenure, noting that it has been a rewarding experience. He wished the committee well for the future.

The formal committee meeting was followed by a **private meeting** between the committee's members and the auditors.

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	25 June 2026
Subject:	Internal Audit Annual Report 2025-26
Head of Service:	Marc Jones, Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor, Head of Audit and Risk MarionPryor@anglesey.gov.wales
<p>Nature and Reason for Reporting: The Local Government (Wales) Measure 2011 mandates that the Governance and Audit Committee oversee the Council’s internal audit arrangements. The committee's terms of reference require it to:</p> <ul style="list-style-type: none"> Review an annual report from the Head of Audit and Risk on internal audit performance (3.4.8.10.6). Consider the evaluation of the overall adequacy and effectiveness of the council’s governance, risk management, and control framework, and the work supporting this assessment, and to consider this when reviewing the Annual Governance Statement (3.4.8.10.7). Assess the level of conformance with the relevant internal auditing standards and the results of the Quality Assurance and Improvement Programme, which support the reliability of internal audit conclusions (3.4.8.10.8). <p>Additionally, the ‘Global Internal Audit Standards in the UK Public Sector’¹ requires the chief audit executive to make a conclusion at the level of the organisation about the effectiveness of governance, risk management and/or control.</p>	

1. Introduction

- 1.1. This report provides the committee with the Internal Audit Annual Report for 2025-26, which provides the Head of Audit and Risk’s overall opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control during the year.
- 1.2. Based on the work carried out during the year and the assurances provided, for the 12 months ended 31 March 2026, the Isle of Anglesey County Council’s Head of Audit

¹ The ‘Global Internal Audit Standards in the UK Public Sector’ is a framework based on the [Global internal Audit Standards](#) (GIAS), issued by the Institute of Internal Auditors (IIA), an [Application Note – Global Internal Audit Standards in the UK Public Sector](#), issued by the Relevant Internal Audit Standards Setters (RIASS) and a [CIPFA Code on the Governance of Internal Audit](#), which provides specific requirements applicable to the local government sector.

and Risk's opinion is that the organisation has an adequate and effective framework for risk management, governance and internal control.

- 1.3. While I do not consider any areas of significant corporate concern, some areas require the introduction or improvement of internal controls to ensure the achievement of objectives, and these are the subject of monitoring. There are no qualifications to this opinion.
- 1.4. In addition, following an internal assessment, the internal audit function 'generally conforms' with the Global Internal Audit Standards in the UK Public Sector.

2. Recommendation

- 2.1. That the Committee considers and comments on the Head of Audit and Risk's annual report and overall 'opinion', in particular, to assist the committee when reviewing the Annual Governance Statement:
 - the summary of the work carried out during the year and the assurances provided.
 - the overall opinion.
 - the performance of the internal audit function, in particular, noting the level of conformance with the Global Internal Audit Standards in the UK Public Sector.

Internal Audit Annual Report 2025-26

June 2026



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



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Introduction

1. The [Global Internal Audit Standards](#) (GIAS), as applied in the UK public sector through the new [Application Note](#) effective from 1 April 2025, require the chief audit executive (Head of Audit) to provide an annual report that supports the organisation’s annual opinion and aligns with the governance expectations set out in the Standards.
2. In addition, the Application Note directs local government sector bodies to apply the [CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government](#) to support authorities in establishing their internal audit arrangements and providing oversight and support for internal audit.
3. Taken collectively, this includes:
 - A clear [annual internal audit opinion](#) on the adequacy and effectiveness of governance, risk management and control, aligned to the organisation’s financial year.
 - Any [issues](#) relevant to the preparation of the Annual Governance Statement
 - Any significant risk exposures, control issues, or [limitations](#) that could affect the annual opinion.
 - Evidence of how the internal audit mandate has been fulfilled, including the [scope of work](#), types of [services](#) delivered, and [assurance](#) provided.
 - A summary of [resources, capacity and skills](#), demonstrating that the internal audit function is appropriately staffed and competent to deliver its mandate.
 - Confirmation of [organisational independence](#), [reporting lines](#), and how the chief audit executive has maintained [objectivity](#).

- Results of the [Quality Assurance and Improvement Programme](#)
 - Reporting on the [delivery of the Internal Audit Strategy](#), including how internal audit activity has supported organisational objectives and stakeholder expectations.
4. Together, these elements ensure that the annual report provides a robust, evidence-based opinion and demonstrates compliance with the Global Internal Audit Standards in the UK Public Sector.

Head of Internal Audit Opinion 2025-26

For the 12 months ended 31 March 2026, the Isle of Anglesey County Council's Head of Audit and Risk's opinion is that the organisation has an adequate and effective framework for risk management, governance and internal control.

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

There are no qualifications to this opinion.

Issues relevant to the preparation of the Annual Governance Statement

5. There are no issues which are of a significantly high risk or impact that warrant inclusion in the Annual Governance Statement.
6. During 2025-26, we have found senior management at the council to be supportive and responsive to the issues we have raised. We have a good relationship with management; they openly share the areas where they perceive to be potential problems and take on board the results of our work as an opportunity for making improvements.
7. We have also been commissioned to undertake advisory work in the year at the request of management, which gives a strong indicator that managers are willing to engage with Internal Audit to establish good risk and control environments.

Basis of My Opinion

Scope

8. I have reached my opinion by considering the work and activities we have carried out during the year, further detailed within [Third Line Assurance](#) below.
9. The opinion does not imply that we have reviewed all risks and assurances relating to the council. It is substantially derived from the setting of a risk-based strategy, which management have fed into, and the Governance and Audit Committee approved in [June 2025](#). It should provide a reasonable level of assurance, subject to the inherent limitations below.

Limitations

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

Third Line Assurance – audits of strategic risks and other audit work

11. Key to being able to obtain sufficient assurance to inform the opinion was to take into account internal audit reviews of the strategic risks and other audit work, and the assurance ratings provided. Definitions of assurance ratings in place during 2025-26 can be found at [Appendix A](#).

Audits of strategic risks

12. We aim to audit 80% of red and amber residual risks over a two-year cycle.
13. During 2025-26, following a comprehensive review of the council's risks to achieving its corporate priorities, 11 risks were rated as having a red or amber residual risk rating and were recorded in the strategic risk register.
14. An external body provided assurance for one strategic risk; working in partnership, the council and WLGA commissioned Netherwood Sustainable Futures to undertake an independent review of the council's Towards Net Zero Strategic Plan 2022 – 2025. The review provided the council with assurance that it was moving in the right direction to achieve its Net Zero goals and made recommendations for improving its approach.
15. The review concluded that while the council had made rapid progress in establishing Net Zero as a corporate priority, achieving Net Zero by 2030 would not be possible, due to the scale of Scope 3 supply-chain emissions and the limited land available for carbon sequestration. Recommendations from the review were used to inform the development of the new Towards Net Zero Strategic Plan 2026 – 2031.

16. We reviewed 8 (80%) of the remaining 10 red and amber residual risks (8 / 80% in 2024-25) over a 24-month period. ([Appendix B](#) refers).
17. We were able to provide 'Reasonable' assurance that the council was effectively managing all but one of the strategic risks we reviewed.
18. We provided 'Limited' assurance for one audit – Secondary Schools ICT Security, issued in November 2025. The IT Audit Team at Salford Council conducted this piece of work on our behalf. They concluded that, in the main, secondary schools were not mitigating the key risks associated with ICT governance, infrastructure and security to an acceptable level. There were concerns surrounding key ICT security controls, as well as potential safeguarding risks.
19. The council launched several initiatives to enhance school ICT services to address the identified risks. However, as these projects were scheduled for medium-term completion, they would not offer immediate mitigation for the current challenges.
20. We are currently undertaking a follow up review in conjunction with the IT Audit team at Salford Council to assess progress in addressing the issues and risks raised.

Other audit work

21. We also reviewed other key areas of the council's activities, including areas where the Director of Function (Resources) and Section 151 officer and Leadership Team had raised concerns ([Appendix C](#) refers).
22. Of the nine audits (12 in 2024-25) of this type we undertook during 2025-26, we were able to provide:

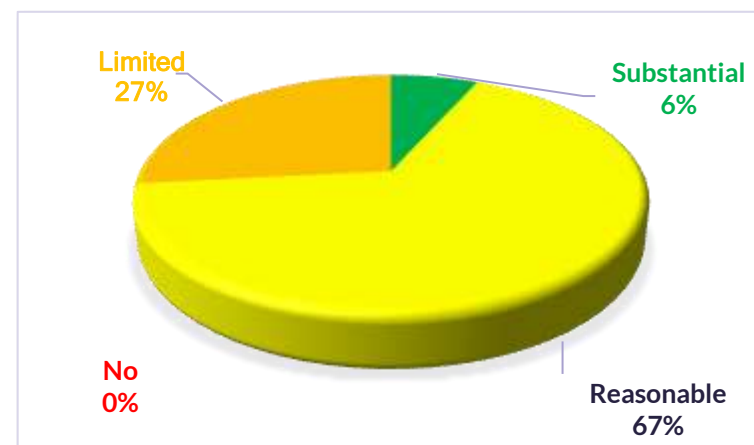
- One with 'Substantial' assurance (none in 2024-25),
- Five with 'Reasonable' assurance (eight in 2024-25),
- Three with 'Limited' assurance (three in 2024-25).

23. The three 'Limited' assurance reports relate to audits of:

- **The Administration of Disabled Facilities Grants.** Following the original audit in April 2024, we carried out a follow up in March 2025. We conducted a further follow up audit during 2025-26, but insufficient work had been completed to increase the assurance rating. The Head of Service has been asked to provide verbal update reports to the following two committee meetings in June and July 2026 respectively, with a third formal follow up review scheduled for September 2026.
- **IT Supplier Management.** Following the original audit in July 2024, we conducted a follow up review during 2025-26. The outstanding issues and risks raised related to council-wide procurement and due to the ongoing Corporate Procurement Manager vacancy, a further audit was postponed until 2026-27, following a successful appointment to the role.
- **Adult Social Care Finance: Financial Assessments – Residential and Nursing Care.** Our review concluded that while the council was taking steps to improve its arrangements for charging and recovering residential care home fees, the benefits from these changes were yet to be fully realised. The service recognised further improvements were needed, particularly to reduce the current case backlog to ensure the council recovered monies to which it was entitled. Given the root cause for the backlog was staff capacity, the service agreed to recruit a fixed term post to address this. A follow up review to determine progress with addressing the issues and risks raised is currently in progress.

Internal Audit Assurance ratings provided during 2025-26

24. Overall, we were able to provide 'Reasonable' assurance or above for 73% (72% in 2024-25) of all the audits we undertook during 2025-26.
25. Four audits (27%) received 'Limited' assurance during the year, compared to four (22%) in 2024-25.
26. Notably, no audits received 'No' assurance.

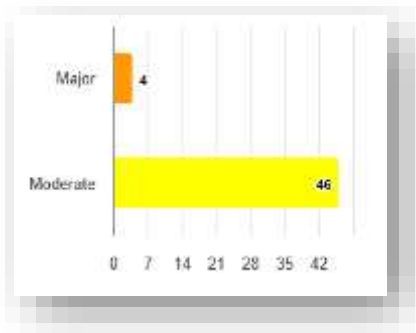


27. In accordance with our protocol, we formally revisit all the issues, risks and opportunities raised in reports with a 'Limited' assurance, when they become due, to ensure they are effectively addressed.
28. Where we identified issues, risks and opportunities, management accepted them all and they were monitored via our action tracking system, discussed in further detail in the following section.

Issues / Risks / Opportunities Raised

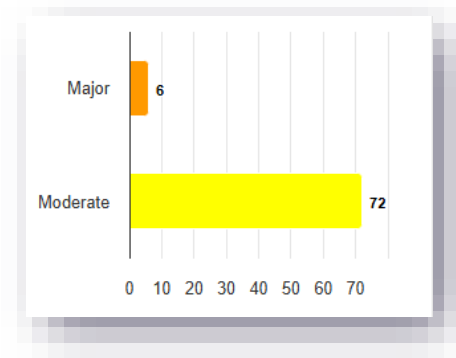
- 29. We actively monitor all actions proposed by management to address issues, risks and opportunities raised during our audits and pursue them with management when they become due to ensure they are addressed.
- 30. We use the council’s action tracking system 4action to monitor the ‘Issues’, ‘Risks’ and ‘Opportunities’ we raise during our work. We have developed and refined a user dashboard on 4action, which displays a real-time snapshot of current performance in addressing outstanding actions and enables effective tracking and reporting of this information. We continuously monitor ‘overdue’ actions and so are able to obtain updates from management as to progress with addressing them.

Issues / Risks / Opportunities raised in 2025-26



- 31. During 2025-26, we raised 50 (63 in 2024-25) ‘Issues / Risks / Opportunities’ that required management attention. Of these, we classified 4 (10 in 2024-25) as ‘major’ (amber) and 46 (53 in 2024-25) as ‘moderate’ (yellow).
- 32. It should be noted that no ‘Critical’ (red) issues / risks / opportunities were raised during the year and there are none currently outstanding.

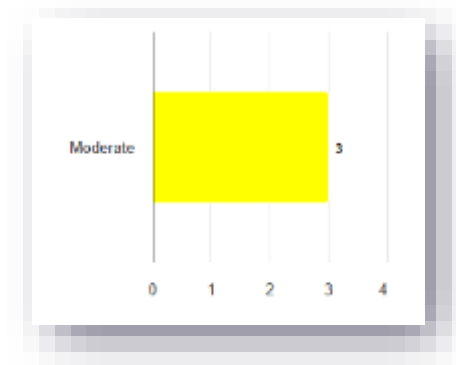
Current Actions



- 33. As at 31 March 2026, we are tracking 78 outstanding actions (52 as at 31 March 2025). Of these, six (eight in 2024-25) are assessed as ‘major’ (amber) and 72 (44 in 2024-25) ‘moderate’ (yellow) risks, as shown below.

Overdue Actions

- 34. At the 31 March 2026, there were currently three (nil in 2024-25) actions that had reached the date management were due to finish implementation and were classed as ‘overdue’. These actions relate to three ‘issue/risks’ assessed as ‘moderate’ which were raised during an audit of Disabled Facilities Grants.



Resources, capacity and skills

Resources

35. When delivering the risk-based audit strategy, the chief audit executive, supported by the Leadership Team, has made every effort to make best use of available internal audit resources during the year.
36. We continue to leave one vacancy unfilled so that we are able to utilise the budget to commission specialist internal audit expertise, which continues to work well. In addition to IT auditors at Salford Council, we utilised two internal audit specialists.
37. Despite losing one member of the internal audit team during 2025-26 to a new post within the team, which was established to look after insurance matters and counter fraud, we quickly managed to recruit into the vacancy, and we appointed a new Senior Auditor in December 2025. Despite having no formal internal audit experience or qualifications, they have a wealth of operational experience and transferrable skills, and they are being supported in their ongoing induction.

Skills

38. The senior members of the team have a variety of professional qualifications, with a good mix including CIPFA, CIIA¹, IRRV², ACFS and ACFTech³. The service ensures they continue their professional development and stay abreast of emerging risks and developments in the sector. We have also participated in all the mandatory corporate training, where required.

Confirmation of organisational independence, reporting lines and objectivity

39. The Standards require the chief audit executive to confirm, at least annually, the organisational independence of the internal audit activity.
40. The Internal Audit Charter is annually submitted to the Governance and Audit Committee for approval. It defines how internal audit independence is established and maintained, the chief audit executive's reporting lines and how objectivity is maintained. It was approved by the Committee on [26 June 2025](#).
41. Accordingly, the Head of Audit and Risk has taken no part in the undertaking and reporting of audits in areas where a conflict exists, and reporting lines and objectivity have been maintained throughout the year, in accordance with the Internal Audit Charter.

¹ The Chartered Institute of Internal Auditors (CIIA) is a professional association for internal auditors.

² The Institute of Revenues Rating and Valuation (IRRV) is the professional body for local taxation, benefits and valuation.

³ The ACFS and ACFTech are professional counter fraud qualifications accredited by the Counter Fraud Professional Awards Board.

Quality Assurance and Improvement Programme

42. The Standards require a Quality Assurance and Improvement Programme (QAIP) to be established by the chief audit executive to evaluate and ensure the internal audit function conforms with the relevant standards, achieves performance objectives, and pursues continuous improvement. It includes four core elements and must be reported at least annually to the Governance and Audit Committee and senior management:

- External quality assessment (Standard 8.4)
- Internal quality assessment (Standard 12.1)
- Performance measurement (Standard 12.2)
- Oversee and improve engagement performance (Standard 12.3)

External quality assessment

43. The former Public Sector Internal Audit Standards required internal audit services to have an external assessment to be conducted by a qualified, independent assessor or assessment team from outside the organisation once every five years.
44. An external assessment of the Isle of Anglesey County Council Internal Audit Service was last undertaken via peer review, by Flintshire County Council.
45. The assessment, concluded in May 2023, confirmed that:

“Following validation of the self-assessment by Flintshire County Council, the Internal Audit Service of the Isle of Anglesey County Council ‘Generally Conforms’ with the requirements. ‘Generally Conforms’ reflects the highest level of conformance following an external assessment.... Overall, the Ynys Môn County Council’s Internal Audit Service complies with the standards in all significant areas and operates independently and objectively.”

46. The Welsh Chief Auditors Group has established a peer review programme for the next round of assessments, and Pembrokeshire County Council will undertake an assessment of the Isle of Anglesey County Council in 2028.

Internal quality assessment

47. A self-assessment against the new standards was undertaken in June 2025 to determine what needed to change to ensure the council conformed with the principles of the new framework. Overall, the assessment highlighted that due to its modern approach to internal audit, the council’s internal audit function ‘generally achieved’ the new requirements.
48. The internal self-assessment was reported to the Governance and Audit Committee in [July 2025](#).
49. Some areas needed to be strengthened, and an operational action plan was drafted with timelines and responsibilities allocated. The majority of the actions related to strengthening evidence gathering to support working practices. Work continues and an update on progress will be submitted to the Governance and Audit Committee during 2026-27.

Performance measurement

50. In June 2025, the Governance and Audit Committee agreed a number of performance targets within the [Strategy for 2025-26](#), which can be seen below.

Performance Indicator	Target 2024-25	Actual 2024-25	Target 2025-26	Actual 2025-26
Red / Amber Residual Risks in the Strategic Risk Register audited (over a rolling 24-month period)	80%	80%	80%	80%
Audits completed within six months	85%	83%	85%	80%
Clients' responses at least 'satisfied'	100%	100%	100%	100%
Number of staff (Full Time Equivalent)	2.8 FTE	2.8 FTE	2.8 FTE	2.7 FTE
All fraud alerts received, considered, distributed.	100%	100%	100%	100%
Outcome of the internal (annually) and external (five-yearly) assessments of the quality assurance and improvement programme.	Generally Conforms	Generally Conforms	General Achievement	General Achievement

51. We have performed well against most of our targets, with four out of six indicators meeting their target.

52. Crucially, we have achieved our target of reviewing 80% of the red and amber residual risks in the Strategic Risk Register, which provides sufficient assurance to allow the chief audit executive to provide the Annual Audit Opinion.

Benchmarking

53. The Welsh Chief Auditors Group has recommended benchmarking from 2025-26 but at the time of writing, the results have not been published.

Overseeing and improving engagement (audit) performance

54. Methodologies for supervision and quality assurance exist, which are recorded in an operational plan and templates.

55. The chief audit executive is responsible for supervising engagements, whether the engagement work is performed by the internal audit staff or by other service providers. Supervisory responsibilities are delegated to appropriate and qualified individuals, but the chief audit executive retains ultimate responsibility.

56. To assure quality, the Principal Auditor verifies that audits are performed in conformance with the Standards and the internal audit function's methodologies and verifies that audit workpapers adequately support findings, conclusions, and any issues, risks or opportunities raised. The chief audit executive performs a final quality assurance review of every audit.

57. To develop competencies, internal auditors are provided with guidance throughout audits, regular 'pit stops' are held and review notes are provided following quality assurance reviews. The chief audit executive provides internal auditors with ongoing feedback about their performance and opportunities for improvement, which is formally recorded in an annual performance appraisal.

58. These standards ensure that the internal audit activity is continuously improving and conforming to the highest professional standards.

Delivering the Internal Audit Strategy

59. The Internal Audit mandate, vision and strategic objectives were approved by the Governance and Audit Committee at its meeting in [June 2025](#), which were included in the [Internal Audit Charter](#) and [Internal Audit Strategy and Plan 2025-26](#) respectively.

60. The Strategy detailed how the risk-based audit plan was developed, including how strategic risks, stakeholder expectations and organisational objectives informed coverage.

61. Throughout the year we strived to add value wherever possible, in support of organisational outcomes. We have continued to support managers across the council by providing training, advice and sourcing external resources to provide assurance.

62. In our Strategy, we set three Strategic Objectives:

Strategic Objective 1: Achieve a fully qualified internal audit function

63. The key initiative was to support the Senior Auditor to become fully qualified Certified Internal Auditor by 2028. The Senior Auditor moved post within the team during the year, to the post of Insurance and Counter Fraud Officer. Following completion of their induction, the new Senior Auditor will make a decision regarding their qualification path.

64. Where relevant, team members now evidence their continuing professional development.

Strategic Objective 2: Embed audit technology and analytics into audits

65. A key initiative was to pilot continuous monitoring in at least one additional new key risk area utilising data analytics. This was achieved by performing continuous monitoring exercise of payroll, a key financial risk area, in addition to creditors.

66. Another key initiative was to improve auditors' digital literacy, ensuring comfortable use of technology, including Artificial Intelligence, to improve risk assessment processes, enhance audit quality and improve reporting efficiencies. The Principal Auditor and Senior Auditor both attended a course on the use of Data Analytics during March 2026 and will be applying the learning during 2026-27.

Strategic Objective 3: Seek opportunities for collaborating regionally and nationally

67. A key initiative was to continue with membership of networking groups and a target metric was to collaborate on one key area.

68. We have continued to support peers regionally, nationally across Wales, and the North West of England, by sharing good practice and work programmes, along with areas of emerging risk.

69. The chief audit executive is chair of the North and Mid-Wales Audit Partnership, a regional network of chief audit executives in north and mid-Wales.

70. During the year, we requested to be involved in a pilot National Fraud Initiative exercise being run by the Cabinet Office and are the only local authority in Wales chosen to participate. The exercise is currently confidential so as not to alert fraudsters. We will report the outcome of the results during 2026-27.

71. Despite staff changes during the year, the strategy has remained on target, achieving our key performance metric of 80% of the council's strategic red and amber residual risks being reviewed over a 24-month rolling period, demonstrating that the strategy is deliverable with available skills, capacity and budget.

Challenges and opportunities going forward

72. We continue to play a key role in helping the council to ensure that its risks are identified and appropriately controlled. This is at the heart of what we do as we examine the effectiveness of the council's controls in managing its risks.
73. However, assurance requirements are fluid and constantly evolving, meaning internal audit must keep up with the pace of change to be able to stay relevant and provide assurance on areas such as climate change, cyber security and evolving financial risks.
74. Demonstrating stewardship of public funds, building and maintaining public trust and confidence in decision making and delivering a sustainable future for taxpayers and service users are fundamental expectations of all those working within the public services. Internal audit can contribute to this complex web of expectations, obligations, ambitions and challenges by providing support in a unique and independent way.
75. Achieving this requires trained internal auditors supported by modern approaches and professional standards. It needs both capacity and capability.
76. An enthusiastic and dedicated team, along with trusted collaborators, places internal audit in a good position to ensure delivery of its strategy and continue to support the council as a key component of its governance structure.

Appendix A: Definition of Assurance Ratings 2025-26

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

Appendix B: Assurance Map (Third Line) – Review of Red and Amber Residual Risks in the Strategic Risk Register 2025-26

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Audit Year 2020/21	Audit Year 2021/22	Audit Year 2022/23	Audit Year 2023/24	Audit Year 2024/25	Audit Year 2025/26
YM1	The risk that a real term reduction in council funding will lead to a reduction in statutory services	5:5 25	4:5 20			Financial Resilience (November 2022)		Robustness of estimates and adequacy of reserves assessment (Section 25 Local Government Act 2003) (July 2024)	Financial Management (March 2026)
YM2	The risk that the council is unable to recruit, retain and develop suitable staff, or that the staffing structure is not suitable	4:5 20	4:4 16			Recruitment & Retention (June 2022)		Recruitment & Retention (December 2024)	
YM3	The risk that IT failure significantly disrupts service delivery	5:5 25	4:4 16	IT Audit - IT Resilience (Follow Up) (May 2021)	IT Audit - Software Licence Management (January 2022)	IT Audit - Cloud Computing (March 2023)	Corporate Access Management (Key Risks) (March 2024)	IT Supplier Management (July 2024)	IT Audit: Service Desk Management (June 2025)
				IT Audit - IT Service Continuity (Phishing) (April 2021)		IT Audit - IT Service Continuity (Phishing) (Follow Up) (September 2022)		IT Audit - Cyber Security - NCSC CAF Gap Analysis (November 2024)	IT Audit: Cyber Security in Schools (November 2025)
						IT Vulnerability Management (September 2022)			IT Audit - Physical and Environmental Security of Data Centres (December 2025)
					IT Vulnerability Management (January 2023)				

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Audit Year 2020/21	Audit Year 2021/22	Audit Year 2022/23	Audit Year 2023/24	Audit Year 2024/25	Audit Year 2025/26
YM5	The risk of failing to implement national changes to the education system and meet the educational challenges of the future	4:5 20	4:4 16				Modernising Learning Communities Programme (August 2023)		
YM7	The risk that the council is not resilient enough to be able to provide services in light of external changes	4:4 16	3:4 12	Review of COVID-19 Emergency Response (April 2020)	COVID-19 Emergency Management Assurance (May 2021)		Organisational Resilience (November 2023)		
YM9	The risk of a lack of suitable housing that local residents can afford in their communities	4:5 20	4:5 20			The council's arrangements for the provision of suitable housing (June 2022)		Housing Development (December 2024)	
YM10	The risk that a serious safeguarding error leads or contributes to serious harm to the vulnerable individuals the council is responsible for	5:4 20	4:2 8	Corporate Parenting Panel (January 2021)			Managing Strategic Risk - Safeguarding (YM10) (January 2024)		Managing Strategic Risk - Safeguarding (ISROs) (YM10) - First Follow Up (March 2026)
YM11	The risk that an increase in poverty increases demand on council services	4:5 20	4:5 20			Poverty (March 2023)			Poverty (August 2025)
YM13	The risk that climate change affects the Island and that the council is not a net zero organisation by 2030	4:4 16	4:3 12			Climate Change Health Check (ZM) (September 2022)			Net Zero Review (External Assessment)

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Audit Year 2020/21	Audit Year 2021/22	Audit Year 2022/23	Audit Year 2023/24	Audit Year 2024/25	Audit Year 2025/26
YM14	The risk that the council's physical assets will not be suitable or meet the future needs of residents, businesses and visitors	5:5 25	4:4 16		Investment In Assets (November 2021)			Management of the council's Physical Assets (March 2025)	
YM16	The risk that the council is unable to manage change effectively which limits its ability to modernise and deliver sustainable, effective and efficient services	4:5 20	3:4 12						IT Audit – Service Desk Management (June 2025)

Appendix C: Other Internal Audit Work in 2025-26

Title of Audit	Date of Final Report	Assurance Level	Critical	Major	Moderate
Adult Social Care Finance: Financial Assessments – Residential and Nursing Care	25/06/25	Limited	0	2	5
Council Tax Base	27/06/25	Reasonable	0	0	3
IT Audit: IT Supplier Management (First Follow Up)	02/07/25	Limited	0	0	7
Continuous Monitoring - Payroll	02/09/25	Reasonable	0	0	0
Continuous Monitoring - Duplicate Invoice Testing	03/09/25	Reasonable	0	0	0
Performance Management	20/10/25	Reasonable	0	2	5
Financial Systems - Payroll	24/03/26	Reasonable	0	0	5
Financial Systems - Treasury Management	24/03/26	Substantial	0	0	1
Disabled Facilities Grants (Second Follow Up)	20/04/26	Limited	0	0	3
	Total 2025-26	9	0	4	29

Total 2024-25	12	0	10	43
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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	25 June 2026
Subject:	Internal Audit Charter
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
<p>Nature and Reason for Reporting:</p> <p>The Governance and Audit Committee’s Terms of Reference require the committee to oversee the council’s internal audit arrangements as part of its legislative duties under the Local Government (Wales) Measure 2011. (3.4.8.10.1)</p> <p>In addition, there is an explicit requirement in the terms of reference for the committee to review and approve the internal audit charter, which defines the internal audit’s activity purpose, authority and responsibility. (3.4.8.10.2)</p> <p>The Global Internal Audit Standards in the UK Public Sector also provides for a periodic review of the Internal Audit Charter, with final approval of the Charter residing with the Governance and Audit Committee.</p>	

1. Introduction

1.1. The Governance and Audit Committee last reviewed and approved the Internal Audit Charter in [June 2025](#), following the introduction of a new framework for the practice of internal audit in the UK public sector, which became effective from 1 April 2025 consisting of:

- the [Global Internal Audit Standards](#) (GIAS) issued by the Institute of Internal Auditors (IIA).
- an [Application Note – Global Internal Audit Standards in the UK Public Sector](#), issued by the Relevant Internal Audit Standards Setters (RIASS) which provides the UK public sector-specific context, interpretations of GIAS requirements in the specific circumstances expected to apply across the UK public sector and some additional requirements which the RIASS consider essential for the practice of internal audit in the UK public sector.
- a [CIPFA Code on the Governance of Internal Audit](#), which provides specific requirements applicable to the local government sector.

- 1.2. Taken collectively, the new framework introduces a requirement for the chief audit executive to develop and maintain an internal audit charter that conforms with the Global Internal Audit Standards in the UK Public Sector (GIAS in UK PS).
- 1.3. The revised Charter approved in May 2025 ensured the requirements of the new standards were explicitly made.
- 1.4. Work on implementing the further requirements of GIAS in UK PS has identified that a methodology is required for confirming the 'implementation of recommendations or action plans' (Standard 15.2), which includes:
 - enquiring about progress on the implementation.
 - performing follow-up assessments using a risk-based approach.
 - updating the status of management's actions in a tracking system.
- 1.5. The new standards require the methodology to include criteria for determining when to perform follow-up assessments. The standards allow follow-up assessments to be performed for completed action plans selectively, depending on the risk's significance.
- 1.6. Although referred to in our bi-annual report to the committee on outstanding issues, risks and opportunities, for completeness and evidential purposes, our follow up protocol has been documented and is now included in the Charter at Appendix B.
- 1.7. The follow-up protocol has been strengthened following discussion with Members during the committee's private session on 14 May 2026. Under the revised arrangements, where an internal audit report is presented to the Governance and Audit Committee and the assurance level remains 'Limited' after the first follow-up review by Internal Audit, the relevant Portfolio Holder will now be formally requested to attend the committee meeting at which the report is considered.
- 1.8. This enhancement is intended to reinforce accountability, support timely progress on agreed actions, and ensure that the committee has direct oversight of the response from the service area concerned.
- 1.9. This is the only revision to the Charter approved in June 2025.

2. Recommendation

- 2.1. The Governance and Audit Committee is required to approve the Charter (as per the [Constitution](#) 3.4.8.10.3) and so it is recommend that:
 - the Governance and Audit Committee approves the revised Internal Audit Charter.

Internal Audit Charter

June 2026



Marion Pryor BA MA CMIIA CPFA ACFS

Head of Audit and Risk



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Introduction

1. A new framework for the practice of internal audit in the UK public sector is effective from 1 April 2025. It consists of:
 - the [Global Internal Audit Standards](#) (GIAS) issued by the Institute of Internal Auditors (IIA)
 - an [Application Note – Global Internal Audit Standards in the UK Public Sector](#), issued by the Relevant Internal Audit Standards Setters (RIASS¹) which provides the UK public sector-specific context, interpretations of GIAS requirements in the specific circumstances expected to apply across the UK public sector and some additional requirements which the RIASS consider essential for the practice of internal audit in the UK public sector
 - a [CIPFA Code on the Governance of Internal Audit](#), which provides specific requirements applicable to the local government sector.
2. Taken collectively, the new framework introduces a requirement for the chief audit executive to develop and maintain an internal audit charter.
3. The Isle of Anglesey County Council's Internal Audit Charter has met the majority of the requirements of the new framework for some years and serves to ensure internal audit remains relevant, adaptive, and aligned with the council's overarching objectives.
4. The Governance and Audit Committee is required to approve the Charter (as per the [Constitution](#) 3.4.8.10.2).

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

Internal audit's purpose

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

Internal audit's mandate

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

Internal audit

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

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

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

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

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

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

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

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

Independence, Organisational Position, and Reporting Relationships

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

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

Governance and Audit Committee oversight

24. GIAS in the UK Public Sector requires the Governance and Audit Committee to establish, maintain, and ensure that the Isle of Anglesey County Council's internal audit function has sufficient authority to fulfil its duties.
25. The Governance and Audit Committee's responsibilities with regards the internal audit function are set out in its Terms of Reference, which are part of the council's [Constitution](#) (3.4.8.10). An extract of the relevant section with regards the Committee's responsibilities for internal audit oversight is reproduced at [Appendix A](#).
26. The Governance and Audit Committee reviewed and approved changes to its Terms of Reference to ensure conformance with the requirements of GIAS in the UK Public Sector at its meeting of 8 May 2025 and 14 May 2026.

Responsibilities of senior management

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

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

Role and responsibilities of the Head of Audit and Risk

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

Ethics and Professionalism

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

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

Objectivity

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

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

Managing the Internal Audit Function

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

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

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

Communication with the Governance and Audit Committee and Senior Management

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

Quality Assurance and Improvement Programme

37. The Head of Audit and Risk will develop, implement, and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function.
38. The programme will include external and internal assessments of the internal audit function's conformance with GIAS in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement.
39. The programme also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.
40. Annually, the Head of Audit and Risk will communicate with the Governance and Audit Committee and senior management about the internal audit function's quality assurance and improvement programme, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments.
41. External assessments will be conducted at least once every five years by a qualified², independent assessor or assessment team from outside council.

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

Scope and types of internal audit services

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

- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

46. The overall approach is determined by the Head of Audit and Risk and will take into account the level of assurance required, the council's strategic objectives, the degree of change within the council, the prevailing risk appetite and culture, previous audits and implementation of agreed management actions.
47. Our strategy takes account of the strategic risk register, discussions with senior management and the Governance and Audit Committee and other assurances that the council may receive, internal or external, to prevent duplication and co-ordinate regulatory work. In particular, it takes account of the council's assurance framework ([Appendix C](#)).

Advisory services

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

Internal audit's role in fraud-related work

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

Safeguards to limit impairments of independence or objectivity

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

Changes to the Mandate and Charter

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

Appendix A – Governance and Audit Committee Terms of Reference extract

3.4.8.10 Internal audit

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

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

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

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

3.4.8.10.5 The Committee will make appropriate enquiries of both management and the Head of Audit and Risk to determine if there are any inappropriate scope or resource limitations. Where there are concerns about internal audit's ability to fulfil its mandate or deliver an annual conclusion, concerns will be formally recorded and reported to those charged with governance and referred for inclusion in the Annual Governance Statement.

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

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

3.4.8.10.8 The Committee will consider the statement contained in the annual report of the level of conformance with the relevant internal auditing standards and the results of the Quality Assurance and Improvement Programme that support the statement – these will indicate the reliability of the conclusions of internal audit.

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

3.4.8.10.10 The Committee will receive reports outlining the action taken where the Head of Audit and Risk has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

3.4.8.10.11 The Committee will consider reports on instances where the internal audit function does not conform to relevant internal auditing standards, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.

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

3.4.8.10.13 The Committee will receive regular reports on and contribute to the Quality Assurance and Improvement Programme and, in particular, to the external quality assessment of internal audit that takes place at least once every five years. It will receive a report regarding options, timing, scope, method of assessment and qualifications and independence of the assessor, for approval.

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

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

Appendix B – Confirming the Implementation of Actions

Internal Audit does not make recommendations; internal auditors report 'Issues', 'Risks' and 'Opportunities' which are aligned to the council's risk management strategy and are scored using the accompanying assessment matrix.

To encourage management to have ownership for these issues, risks and opportunities, it is their responsibility to develop actions to address them and Internal Audit monitors how these have been addressed.

To this end, we have a formal methodology for confirming that management has implemented their actions, which includes:

- enquiring about progress on the implementation.
- performing follow-up assessments using a risk-based approach.
- updating the status of management's actions in a tracking system.

The extent of these procedures will consider the significance of the issue, risk or opportunity raised, based on the risk assessment.

Internal Audit reports which have received 'Limited' or 'No' Assurance are subject to a formal follow up review by Internal Audit, with an audit report produced and an assurance rating given.

We monitor all other issues, risks and opportunities using the council's corporate action tracking system (4action) to track whether management's actions are implemented according to the agreed timelines.

The tracking system indicates whether actions remain open or are past due and we continuously monitor the overdue actions to enable us to promptly obtain progress updates from management.

We have developed and refined a user dashboard, which displays a real-time snapshot of current performance in addressing outstanding actions and enables effective tracking and reporting of this information.

If management has not implemented the actions according to the agreed completion dates, internal auditors will obtain an explanation from management and discuss the issue with the chief audit executive. The chief audit executive will determine whether senior management, by delay or inaction, has accepted a risk that exceeds the council's risk tolerance.

If management decides on an alternative action and internal auditors agree that the alternative action is satisfactory or better than the original action, then progress on the alternative action will be tracked until completion.

We will extend completion dates for some actions, but only if the service can demonstrate a legitimate reason for the extension, e.g., it becomes clear that the original target date is unachievable, as significantly more work is needed to address the issue, risk or opportunity.

The Governance and Audit Committee's terms of reference include a responsibility for it to monitor the implementation of actions taken by management to address the issues, risks and opportunities raised by Internal Audit during the course of our work.

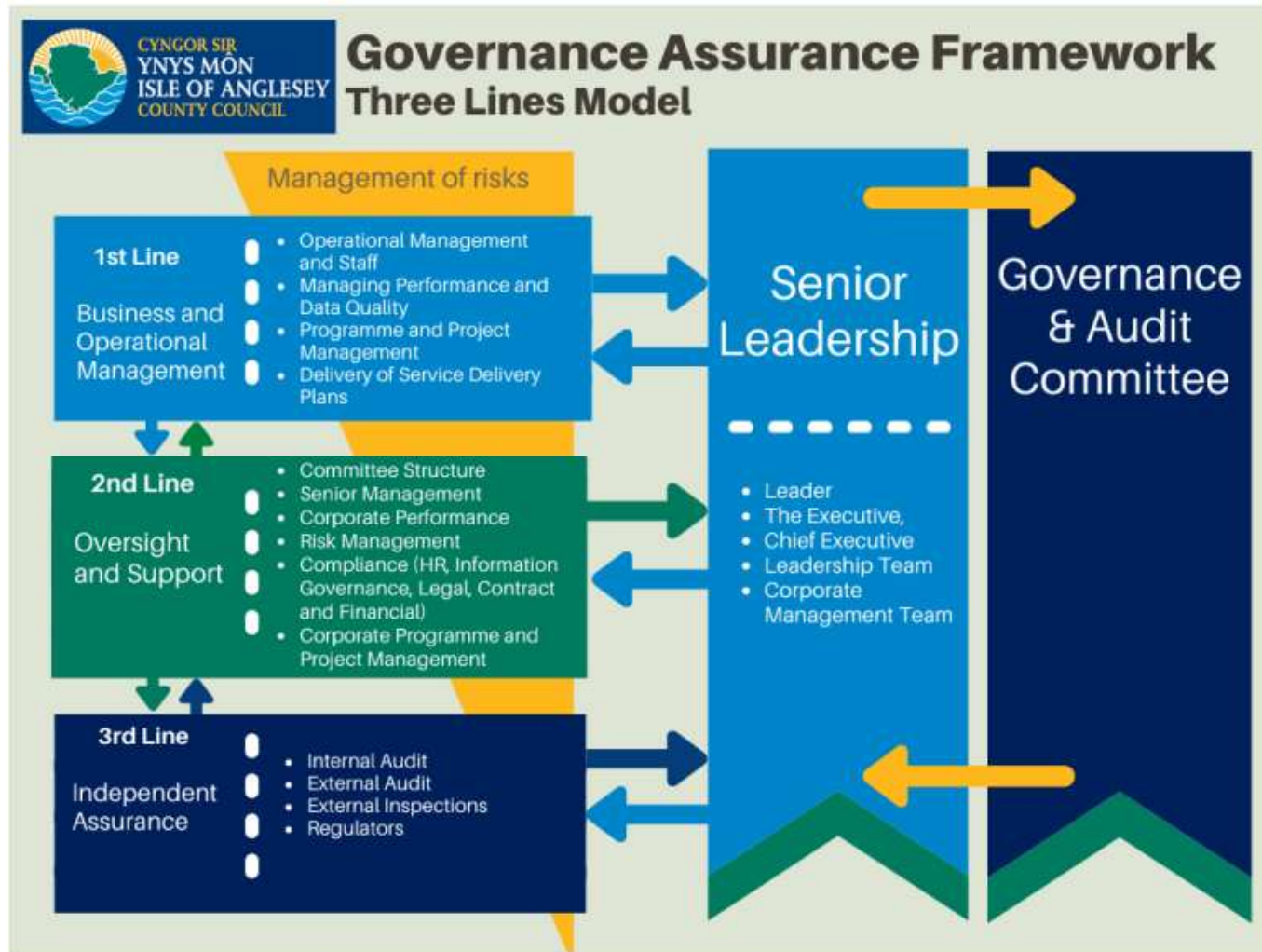
To discharge this duty, the committee requested that it receives a detailed report showing the council's performance in addressing outstanding actions twice a year, at its meetings in April and September.

In addition, to ensure that management are successfully addressing their issues, risks and opportunities promptly, where rated as 'critical' or 'major' and still not resolved 12 months after the original completion date has passed, action owners are asked to provide an update to the committee, in person, on the reasons for the delay in it being addressed.

Where an internal audit report is presented to the Governance and Audit Committee and the assurance level remains 'Limited' after the first follow-up review by Internal Audit, the relevant Portfolio Holder will be formally requested to attend the committee meeting at which the report is considered.

Appendix C – Assurance Framework

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



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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	25 June 2026
Subject:	Internal Audit Strategy and Plan 2026-27
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
<p>Nature and Reason for Reporting:</p> <p>The Governance and Audit Committee’s Terms of Reference has an explicit requirement for the committee to oversee the council’s internal audit arrangements as part of its legislative duties under the Local Government (Wales) Measure 2011. (3.4.8.10.1)</p> <p>Specifically, the committee is required to approve (but not direct) the risk-based internal audit strategy, including internal audit’s resource requirements and the use of other sources of assurance (3.4.8.10.5). As part of its consideration of the proposed strategy, the committee is required to make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations. (3.4.8.10.6)</p> <p>In addition, this report fulfils the requirements of CIPFA’s Position Statement: Audit Committees in Local Authorities and Police 2022, specifically, in relation to the authority’s internal audit function and the Global Internal Audit Standards in the UK Public Sector.</p>	

1. Introduction

- 1.1 The Internal Audit Strategy and Plan for 2026–27 sets out how the Internal Audit function will provide independent, risk-based assurance to support the council in achieving its strategic objectives. The strategy reflects the requirements of the Global Internal Audit Standards in the UK Public Sector and is aligned with the council’s wider governance, risk management and control framework.

- 1.2 The strategy recognises the challenging environment in which the council continues to operate, including sustained financial pressures, workforce capacity issues, cyber and information security risks, fraud risk, and wider organisational and service delivery challenges. In response, Internal Audit will continue to apply an agile and risk-based approach, ensuring that assurance activity is focused on the areas of greatest strategic importance and risk.

- 1.3 The strategy is underpinned by a vision to maintain a mature, innovative and collaborative Internal Audit function, supported by three key strategic objectives: developing a fully skilled and qualified team, embedding technology and data analytics into audit work, and strengthening regional and national collaboration.
- 1.4 The Plan for 2026–27 prioritises reviews of the council’s most significant strategic risks, alongside targeted work in other high-risk operational areas, in order to provide timely and relevant assurance to management and the Governance and Audit Committee.
- 1.5 Overall, the Strategy and Plan are intended to ensure that Internal Audit remains responsive, effective and well positioned to support good governance, robust decision-making and the long-term resilience of the council.
- 1.6 The Internal Audit Strategy and Plan 2026-27 is therefore submitted to the committee for review and consideration to determine if it meets the council’s assurance requirements.

2. Consultation

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

3. Changes

- 3.1 I will keep the priorities under review, as necessary, adjusting them in response to changes in the council’s business, risks, operations, and programmes to ensure that they remain relevant.
- 3.2 I will report significant changes to the Director of Function (Resources) and Section 151 Officer and the Governance and Audit Committee.

4. Recommendation

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

Internal Audit Strategy and Plan 2026-27

June 2026



Marion Pryor BA MA CMIIA CPFA ACFS

Head of Audit and Risk



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Introduction

1. The framework for the practice of internal audit in the UK public sector, effective from 1 April 2025, consists of:
 - the [Global Internal Audit Standards](#) (GIAS) issued by the Institute of Internal Auditors (IIA)
 - an [Application Note – Global Internal Audit Standards in the UK Public Sector](#), issued by the Relevant Internal Audit Standards Setters (RIASS¹) which provides the UK public sector-specific context, interpretations of GIAS requirements in the specific circumstances expected to apply across the UK public sector and some additional requirements which the RIASS consider essential for the practice of internal audit in the UK public sector
 - a [CIPFA Code on the Governance of Internal Audit](#), which provides specific requirements applicable to the local government sector.
2. Taken collectively, the new framework introduces a requirement for the chief audit executive to develop and implement a strategy for the internal audit function that supports the strategic objectives of the council and aligns with the expectations of the Governance and Audit Committee, senior management, and other key stakeholders.
3. The Isle of Anglesey County Council’s annual Internal Audit Strategy has met this requirement for some years and serves to ensure internal audit remains relevant, adaptive, and aligned with the council’s overarching objectives.

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

Current context

4. The 2026-27 Internal Audit Strategy and Plan is set against an increasingly fractured global landscape, where escalating geopolitical, environmental and technological challenges threaten stability and progress. Societal risks such as inequality continue to rank highly among today's leading concerns.^{2 3}
5. Many risks are becoming more prevalent, such as shortages in people skills and experience, targeted cyber-attacks and the impacts of artificial intelligence (AI). Climate change also features prominently, highlighting the complex and interconnected challenges organisations face.⁴
6. However, the overwhelming challenge for local government is financial resilience. Local government has been dealing with austerity for almost 16 years, and this, along with the other pressures, has led to failure in the full range of local authority bodies⁵.
7. All councils face financial pressures but the impact and their responses to those pressures have varied, with some catastrophic failures seen in England⁶. External audit firms warn that a quarter of English councils could deplete their reserves to levels that threaten their financial sustainability amid a growing sector-wide gap between expenditure and income, driven by rising inflation, higher employee costs and spiralling service demand.⁷

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

² [The Global Risks Report 2026, World Economic Forum](#)

³ [Risk in Focus 2026 – Hot Topics for Internal Auditors, ECIIA](#)

⁴ [Emerging Risk Radar, RSM, Autumn 2025](#)

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

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

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

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

Purpose of internal auditing

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

Vision, Mission and Strategic Objectives

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

Internal Audit Vision

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

Internal Audit Mission

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

Strategic Objectives

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

Strategic Objective 1: Achieve a fully skilled and qualified internal audit function		
Key Initiatives	Current Metric	Target Metric
Support team members to evidence their continuing professional development (CPD) targets	100%	100%
Support team members to self-assess against the IIA Competency Framework	Nil	100%

Strategic Objective 2: Embed audit technology and analytics into audits		
Key Initiatives	Current Metric	Target Metric
Utilisation of data analytics within audits	53%	60%
Improve auditors' digital literacy, ensuring comfortable use of technology, including Artificial Intelligence, to improve risk assessment processes, enhance audit quality and improve reporting efficiencies	1 learning event per annum	1 learning event per annum

Strategic Objective 3: Seek opportunities for collaborating regionally and nationally		
Key Initiatives	Current Metric	Target Metric
Continue with membership of networking groups	Collaborate on one key area per annum	Collaborate on one key area per annum

Strategic Plan Priorities

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

Strategic risks

31. To ensure we are concentrating on what matters most to the council, most of our work focuses on reviewing the strategic risk register over a 24-month cycle.
32. We focus on the inherent risks rated as 'red', and where the residual risk is rated as 'red' or 'amber'.
33. Currently, the council has rated seven of its strategic risks as inherently 'red'. Two of these have the residual risk assessed as 'red' and four as 'amber'.
34. Consequently, as we review the strategic risks over a two-year cycle, the risks last reviewed during 2024-25 and any new risks will be prioritised for review. In addition, although only a 'yellow' residual risk, at the request of the Service Manager (Safeguarding and Practice Quality), we will be undertaking a review of safeguarding in school transport.
35. See [Appendix B](#) for details of the proposed strategic risk audits.

IT audit

36. Cyber security is without a doubt the perennial risk of the 21st century. Along with data security, it continues to be perceived to be one of the top threats in a survey⁹ of European chief audit executives – with 83% saying it was a top five risk (84% in 2024).
37. Hackers have also moved into the more ominous area of so-called 'killware' to put pressure on organisations to pay up - those attacks target critical infrastructure. Ransomware risk continues

⁹ [Risk in Focus 2025, Chartered Institute of Internal Auditors](#)

to be difficult to mitigate and poses a potential existential threat to organisations.

38. A major breach can impact on the quality of the council's services, trust and reputation, fines in relation to GDPR breaches and its financial situation, but more critically on the council's ability to continue delivering its services to its vulnerable clients.
39. Having exhausted our technical capabilities in this area, we commission the IT auditors of Salford Council to undertake a programme of work to provide the council with the assurance that its IT vulnerabilities are being effectively managed.
40. During 2026-27, we propose to seek assurance that the council has properly risk assessed and established effective mitigation in the areas of:
- Implementation of Artificial Intelligence (AI) (in progress – delayed from 2025-26)
 - Strategic IT asset management (postponed from 2025-26 at the request of the Chief Digital Officer)
 - IT Disaster recovery (postponed from 2025-26 at the request of the Chief Digital Officer)
 - Financial systems integration

Other audit work

'Unofficial' school funds

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

Continuous monitoring – Creditors and Payroll

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

Managing the risk of council-owned trees

44. Along with litigation, recent regulatory action has imposed significant fines on councils due to their failure to inspect and maintain council-owned trees. Although the council has a legal duty of care to ensure that trees on its land do not pose an unreasonable risk to people or property, there is currently no mandatory requirement for councils to have a tree strategy for their maintenance. However, a failure to effectively manage the risk from council-owned trees could lead to expensive insurance claims, compensation payouts and legal costs, harm to the public and reputational damage.

Homelessness and the use of temporary accommodation

45. Increasing demand is leading to increased financial strain on many homelessness support and prevention services. Our review of the council's homelessness arrangements will provide assurance that resources in this area are utilised effectively, efficiently and innovatively.

New recovery process for sundry debts

46. Following an audit in March 2025, a new debt recovery process has been implemented. Following time to embed, we will review the effectiveness of the new system.

Corporate purchasing cards

47. We are currently undertaking an audit of creditor payment processes. To ensure a complete review of all payment options utilised by the council, a further review of corporate purchasing cards will be undertaken, with a focus on identifying duplicate and aggregate spend.

Construction Industry Tax Scheme

48. In response to concerns raised by the Creditors function, a review of the council's compliance with the Construction Industry Tax Scheme will be undertaken.

Appointeeship

49. A recent fraud case in a north west England local authority has highlighted the vulnerability of this function to fraud. This review will provide assurance that counter fraud controls, in particular, are robust.

Due diligence

50. The 'failure to prevent fraud offence' has highlighted that the council must ensure that it has robust and effective due diligence processes. Our review will assess the effectiveness of controls in this area.

Housing Rents

51. A recent fraud case involving a local authority has highlighted the vulnerability of this function to fraud. Our review will provide assurance that counter fraud controls, in particular, are robust.

Outstanding work from 2025-26

52. The following reviews were identified in our 2025-26 strategic audit plan. This lower priority work was set aside to focus on higher-risk audits. This flexibility is key to our agile approach, where we prioritise audits based on risk and the organisation's needs.

Core Financial Systems

53. It has been some years since audits of the council's core financial systems have been undertaken and Audit Wales has expressed its inclination to see more work conducted in this area. Therefore, phased audits to provide assurance of the financial governance, accuracy and efficiency across key financial areas will be conducted on a risk-basis. Payroll and treasury management were conducted during 2025-26, and creditors, income, bank reconciliation and main accounting functions will be conducted during 2026-27. The creditors audit is currently in progress.

Financial management in schools

54. The work to quality assure audit certificates of school unofficial funds, and the audits of some funds highlighted that financial management processes within schools may benefit from closer review. This audit is currently in progress.

Contract management

55. An investigation into a duplicate payment highlighted vulnerabilities within contract management processes within the council. This review was postponed due to the ongoing procurement improvement programme to ensure the council is compliant with new procurement legislation. Following completion of the programme in 2026, a review of contract management will be undertaken.

Legal charges

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

School meals – allergens

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

Countering fraud, bribery and corruption

58. When people commit fraud against the public sector and public services, they take money away from the services on which the public depend, and damage citizens trust in the government.

59. Fraud and corruption are evolving issues and, as such, the council's response needs to be agile and adapt to its changing nature. We will therefore continue to keep under review the council's approach to counter fraud, anti-bribery and corruption, anti-money laundering and terrorism financing through the Counter Fraud, Bribery and Corruption Strategy 2025-28.

Performance measures

60. Risk-based and agile internal audit is a dynamic process and therefore more difficult to manage than traditional methodologies. Monitoring progress against a plan that is constantly changing is a challenge and we have reviewed our performance measures to ensure they reflect the service we strive to provide.
61. We have in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit service. We have also adopted a reduced and streamlined suite of performance measures to determine the effectiveness of our work.
62. During 2025-26, we performed well against most of our targets, with four out of six indicators meeting their target.
63. Crucially, we have achieved our target of reviewing 80% of the red and amber residual risks in the strategic risk register, which provides sufficient assurance to allow the Head of Audit and Risk to provide the Annual Audit Opinion.
64. Two areas failed to fully achieve their target performance level:
 - 'Audits completed within six months'. Shorter timescales for audits are critical for assurance to be impactful, so we will continue to strive for audits to be completed quickly.
 - 'Number of staff' – there was a slight reduction in the number of staff due to staff turnover during the year. However, this was minimal, due to the vacancy for the Senior Auditor being filled promptly.

Benchmarking

65. The Welsh Chief Auditor Group, a network of all the chief audit executives in Wales, has recommenced its benchmarking initiative, although results for 2025-26 were not available at the time of writing. A new suite of measures has been formulated based on the new GIAS in the UK Public Sector requirements.
66. Consequently, two of these measures have been included in the Strategy for 2026-27, added below.

Performance Indicator	Actual 2024-25	Target 2025-26	Actual 2025-26	Target 2026-27
Red / Amber Residual Risks in the Strategic Risk Register audited (over a rolling 24-month period)	80%	80%	80%	80%
Audits completed within six months	83%	85%	80%	85%
Clients' responses at least 'satisfied'	100%	100%	100%	100%
Number of staff (Full Time Equivalent)	2.8 FTE	2.8 FTE	2.7 FTE	3.0 FTE
All fraud alerts received, considered, distributed.	100%	100%	100%	100%
Outcome of the internal (annually) and external (five-yearly) assessments of the quality assurance and improvement programme.	Generally Conforms	General Achievement	General Achievement	General Achievement
Proportion of strategic objectives from Corporate Plan subject to a level of targeted assurance work in year	n/a	n/a	50%	66%
Proportion of staff who have self-assessed against the IIA Competency Framework	n/a	n/a	0%	100%

Monitoring and acceptance of risk

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

Appendix A – Internal audit maturity analysis

Structure



73. The Internal Audit function has undergone significant change in recent years. Adopting a fully risk-based and ‘agile audit’ approach over the last few years has improved the assurance the council receives. The new team responded well; staff continue to develop their skill sets, deliver complex and strategic-level audits, and manage higher workloads.

74. However, the integration of the Internal Audit and Risk Management teams in 2017, although improving the integration between internal audit and risk management, was not as successful. Due to capacity issues of the officer, fully embedding risk management into the council was not as successful as anticipated.

75. Changes have been made to resolve this, with the responsibility for the delivery of risk management moving to an officer located within the Leadership Team. The Head of Audit and Risk will continue overseeing the risk management policy and strategy and continue reporting to the Governance and Audit Committee.

Capacity

76. We continue to retain one vacancy at senior auditor level, which we are utilising to fund the commissioning of specialist auditors and subject matter experts to provide the technical and complex assurance needs of some of the strategic risks.

77. We created a new post within the team during 2025-26 – Insurance and Counter Fraud Officer. This officer’s prime responsibility is dealing with insurance matters but is also responsible for dealing with fraud reports made via the fraud reporting tool on the website, administering the National Fraud Initiative and distributing fraud alerts received from the National Anti Fraud Network (NAFN).

78. Insurance is demand-led and also cyclical, and when time allows, the Insurance and Counter Fraud Officer will undertake proactive counter fraud initiatives in addition to the primary responsibilities detailed above.

79. In addition to this, with a productivity level of 80%, we have around 625 days of audit resource available to undertake the remaining internal audit activity, including investigations, to provide the annual assurance opinion.

Training and development

80. Internal audit's ability to support the organisation in achieving its strategic objectives and priorities is dependent on the quality of the internal audit team. Therefore, continuing to increase the capability of internal audit is a priority for improving its impact and effectiveness and to build a highly competent and relevant team that can tackle shifting assurance needs with confidence.
81. The team includes a wealth of internal and external audit experience, along with an excellent mix of professional qualifications, including CIPFA¹⁰, CIIA¹¹, IRRV¹², ACFS and ACFTech¹³, along with academic qualifications in Change Management, Business and Accountancy.
82. However, there are challenges in ensuring there are sufficiently experienced auditors to complete more complex work as well as providing coaching and support to inexperienced staff.
83. In addition to outsourcing audits to specialists, the service will continue to invest in training and development to ensure the team continue their professional development, stay abreast of emerging risks and developments in the sector, and are retained. Following the end of the new Senior Auditor's probation period, we will discuss their preferred qualification route.
84. We will also participate in the mandatory corporate training, where required.

¹⁰ The Chartered Institute of Public Finance and Accountancy (CIPFA) is the professional body for people working in public services,

¹¹ The Chartered Institute of Internal Auditors (CIIA) is a professional association for internal auditors.

¹² The Institute of Revenues Rating and Valuation (IRRV) is the professional body for local taxation, benefits and valuation.

¹³ The ACFS (Accredited Counter Fraud Specialist) and ACFTech (Accredited Counter Fraud Technician) are professional counter fraud qualifications accredited by the Counter Fraud Professional Awards Board.

Appendix B – Assurance Map (Third Line) – Strategic Risks

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Audit Year 2022-23	Audit Year 2023-24	Audit Year 2024-25	Audit Year 2025-26	Audit Year 2026-27
STR0001 (YM1)	Finances and financial management risk Funding that is necessary to provide statutory services and deliver strategic objectives is reduced or not sufficient.	5:3 15	4:3 12	Financial Resilience (November 2022)		Robustness of estimates and adequacy of reserves assessment (Section 25 Local Government Act 2003) (July 2024)	Financial Management (March 2026)	IT Audit: Financial systems integration
STR0002 (YM3)	IT and cyber-attacks risk IT failure significantly disrupts business continuity.	5:5 25	4:4 16	IT Audit - Cloud Computing (March 2023)	Corporate Access Management (Key Risks) (March 2024)	IT Supplier Management (July 2024)	IT Audit: Service Desk Management (June 2025)	IT Audit: IT Disaster Recovery
				IT Audit - IT Service Continuity (Phishing) (Follow Up) (September 2022)		IT Audit - Cyber Security - NCSC CAF Gap Analysis (November 2024)	IT Audit: Cyber Security in Schools (November 2025)	
				IT Vulnerability Management (September 2022)			IT Audit - Physical and Environmental Security of Data Centres (December 2025)	
				IT Vulnerability Management (January 2023)			IT Audit: Financial systems integration	

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Audit Year 2022-23	Audit Year 2023-24	Audit Year 2024-25	Audit Year 2025-26	Audit Year 2026-27
STR0003 (YM10)	Safeguarding Missed safeguarding due to ineffective processes.	4:5 20	3:3 9		Managing Strategic Risk - Safeguarding (YM10) (January 2024)		Managing Strategic Risk - Safeguarding (ISROs) (YM10) - First Follow Up (March 2026)	Safeguarding in school transport
STR0004 (YM2)	Recruitment, retention and leadership continuity Inability to recruit promptly and a limited talent pipeline may reduce workforce capacity, weaken leadership continuity, and disrupt service delivery.	4:5 20	3:4 12	Recruitment & Retention (June 2022)		Recruitment & Retention (December 2024)		Managing the risk of recruitment, retention and leadership continuity
STR0006 (New risk)	Supply chain Dependence on a limited number of key suppliers within the council's supply chain may result in delays to service delivery and reduced resilience.	4:4 16	4:2 8					Managing the supply chain risk
STR0008 (YM7)	Future service planning Uncertainty in national policy and external investment impacting future service planning.	4:4 16	3:4 12		Organisational Resilience (November 2023)			Managing the risk of future service planning
STR0010 (YM14)	Physical assets Council buildings and other assets becoming unusable due to poor condition.	5:5 25	4:4 16			Management of the council's physical assets (March 2025)		Managing the council's physical assets

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	Thursday, 25th June 2026
Subject:	Panel Performance Assessment (PPA)
Head of Service:	Dylan Williams Chief Executive dylanwilliams@ynysmon.llyw.cymru
Report Authors:	Gwyndaf Parry Strategic Performance and Projects Manager gyndafparry@ynysmon.llyw.cymru
<p>Nature and Reason for Reporting: In response to the PPA Final Report (Appendix 1), under the Local Government and Elections Act (Wales) the Council is required to state in its response the steps the Council intends to take to improve its compliance with the performance requirements.</p> <p>This report is being presented to the Committee as part of its duties in accordance with the Terms of Reference:</p> <p>3.4.8.16.3 The Council must make a draft of its response to the panel performance assessment available to its Governance and Audit Committee, which must then review the draft response and may make recommendations for changes to the response to the panel assessment.</p>	

1. Introduction

1.1 In November 2025, the Council took part in a Panel Performance Assessment in accordance with the Local Government and Elections (Wales) Act 2021. The assessment was facilitated by the Welsh Local Government Association (WLGA), to assess how effectively the Council exercises its functions, uses resources and governs itself.

1.2 The Council took a proactive approach to ensure the assessment focused on the following issues:

- **Our arrangements for achieving the Council Plan’s strategic objectives – do our arrangements provide assurance that we are delivering the Council Plan efficiently?**

- **Is the Council working effectively with our communities and partners to achieve the Council Plan’s strategic objectives?**

1.3 The Assessment provides high level external assurance that Anglesey is performing well, in a challenging economic climate, and the Panel concluded that the Council is delivering its functions in accordance with the performance duties.

1.4 The Report includes 8 recommendations, and the implementation plan (Appendix 2) specifies how each recommendation will be implemented.

1.5 This will help us to achieve the Council Plan’s six strategic aims.

2. Recommendation

2.1 That the Governance and Audit Committee reviews and provides feedback to the Executive on the action plan (Appendix 2).



Panel Performance Assessment Report Isle of Anglesey County Council: November 2025

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1.0 Introduction

- 1.1 In accordance with the performance duties under the Local Government & Elections (Wales) Act 2021, Isle of Anglesey County Council (IACC) commissioned a Panel Performance Assessment (PPA) via the Welsh Local Government Association (WLGA).
- 1.2 The onsite assessment was completed over a four-day period concluding on 13th November 2025 with a feedback presentation provided to the council outlining the key recommendations detailed within this report. The report was issued to the council in February 2026.
- 1.3 The assessment was undertaken based on the council's agreed scoping document and the WLGA's PPA methodology, which was developed with the sector. The WLGA PPA methodology provides the panel with an overarching framework: the lines of enquiry are not prescriptive but provide guidance to the panel on the areas that could be explored to meet the statutory duty. However, the extent to which the panel explores those areas should be proportionate to the council's scope but sufficient to enable the panel to form a conclusion.
- 1.4 In accordance with the statutory guidance the PPA is not an audit or an inspection and does not seek to duplicate work undertaken by regulators and other bodies. Whilst the panel has undertaken a corporate assessment, this assessment was not in-depth and should be considered alongside other sources of assurance such as the council's own self-assessment, internal audit reviews, external audit and regulatory reviews.
- 1.5 In preparing for the PPA, the council scoped their requirements to maximise the value and impact of the assessment to the council. The specific areas of focus identified by the council are reflected in paragraph 4.2.
- 1.6 This report provides a summary overview of the conclusions of the panel reported by exception.

Executive Summary

2.0 Overall Conclusion

- 2.1 Overall, against a challenging economic backdrop, the panel concluded that the Council is exercising its functions in line with the performance duties outlined within the Local Government and Elections Act 2021. The Council demonstrates sound governance, constructive member–officer relationships, and a clear trajectory of improvement since 2018. This trajectory enables the Council not only to champion its good work but also articulate its role as a trusted place-based leader for the island.
- 2.2 However, the council faces tightening financial pressures and persistent workforce challenges, underscoring the need for accelerated organisational transformation. The panel recommends broadening the impact of the Improvement and Modernisation Programme Board through a high-level, cross-cutting modernisation plan aligned to the Medium-Term Financial Plan. This will strengthen resilience and enable the council to adapt to financial constraints while seizing opportunities for sustainable growth.
- 2.3 Economic development emerged as a critical priority. The council should articulate a compelling economic narrative and develop an aspirational economic strategy that leverages nationally significant opportunities such as the Wylfa SMR nuclear plant, Anglesey Freeport, and the proposed AI Data Centre. Linking this narrative to performance monitoring and KPIs will reinforce accountability and demonstrate progress on strategic priorities.
- 2.4 Partnership working, particularly with the voluntary sector, is a notable strength of the council. To maximise impact, the council should now deepen regional collaboration to influence and shape the conditions necessary for long-term economic renewal. With major opportunities emerging, including Wylfa’s SMR development, the Anglesey Freeport and wider North Wales growth initiatives, the council will need to assert its priorities confidently within regional plans. Strengthening these partnerships will help ensure Anglesey’s needs are recognised, sustain momentum behind its economic ambitions, and reinforce the council’s role as an influential place-based leader.
- 2.5 Taken together, the panel concluded that Anglesey is in a strong position to build on its progress and respond effectively to the challenges ahead. The council benefits from solid governance, an engaged workforce, respected partnerships, and a clear sense of place-based identity. However, financial pressures, demographic change, workforce scarcity and the scale of emerging economic opportunities mean that the next phase of the council’s journey will require confident leadership, accelerated modernisation, and a clearer articulation of its long-term ambitions.
- 2.6 By implementing the recommendations set out in this report—strengthening organisational confidence, developing a high-level modernisation plan, articulating an aspirational economic strategy, refining performance monitoring, and deepening

regional collaboration—the council can enhance its resilience and maximise its impact. This will enable the organisation to champion its achievements more confidently, lead economic renewal, and deliver sustainable, long-term outcomes for the residents and communities of Anglesey.

3.0 Panel

3.1 The following peers were commissioned by the WLGA to undertake the assessment. Selection of the peers was agreed and at the discretion of the council, based on suitability of skills and experience:

- Independent Chair: Emlyn Dole (Former Council Leader: Carmarthenshire County Council)
- Senior Member Peer: Catrin M S Davies (Cabinet Member: Ceredigion County Council)
- Senior Officer Peer: Rob Thomas, (Chief Executive, Vale of Glamorgan County Council)
- Wider Public, Private, or Voluntary Sector Peer: Sara Powys (Consultant)

The panel were supported by Joseph Lewis (Senior Policy Officer: Improvement).

4.0 Scope and Approach

4.1 The panel were required to assess the extent to which the council:

- Is exercising its functions effectively;
- Is using its resources economically, efficiently and effectively; and
- Has effective governance in place for securing the above.

4.2 The council identified the following questions, for the panel to consider as part of the assessment:

- a. Arrangements for achieving the Council Plan's strategic objectives – do our arrangements provide assurance that we are delivering the Council Plan efficiently**
- b. Is the Council working effectively with our communities and partners to achieve the Council Plan's strategic objectives**

4.3 In undertaking the assessment the panel conducted a desktop review of the council's documents, data, external reports and other relevant intelligence. The onsite stage of the review involved a series of individual meetings and focus groups with the following stakeholders:

- Council Leader and Cabinet
- Chief Executive Officer and Leadership Team including Monitoring Officer and S151 Officer
- Heads of Service and Key Officers of the Council
- Opposition Members
- Staff Representatives
- Trade Unions
- Business Forum
- Public Services Board (PSB)
- Regional CEOs
- Chair/Vice Chair: Governance & Audit Committee

- Chair/Vice Chair: Scrutiny Committees
- Residents
- Town and Community Council representatives

5.0 Political Organisation

5.1 At the time of the Panel Performance Assessment, the makeup of the council was as follows:

Group Name	Number
Plaid Cymru	20
Labour	3
The Independent Group	4
Anglesey Independents	8
Total	35

5.2 At the time of the Panel Performance Assessment, the makeup of the council's Executive was as follows:

Role	Name	Political Affiliation
Leader and Economic Development Portfolio Holder	Councillor Gary Pritchard	Plaid Cymru - The Party of Wales
Deputy Leader, Finance, Corporate Business and Customer Experience Portfolio Holder	Councillor Robin Wyn Williams	Plaid Cymru - The Party of Wales
Children, Young People and Families Portfolio Holder	Councillor Dyfed Wyn Jones	Plaid Cymru - The Party of Wales
Planning and Public Protection Portfolio Holder	Councillor Nicola Roberts	Plaid Cymru - The Party of Wales
Adult Services Portfolio Holder	Councillor Neville Evans	Plaid Cymru - The Party of Wales
Highways, Waste and Climate Change Portfolio Holder	Councillor Ieuan Williams	Y Grŵp Annibynnol (The Independent Group)
Housing and Community Safety Portfolio Holder	Councillor Carwyn Elias Jones	Plaid Cymru - The Party of Wales

Leisure, Tourism and Maritime Portfolio Holder	Councillor Alun Roberts	Plaid Cymru - The Party of Wales
Education and the Welsh Language Portfolio Holder	Councillor Dafydd Roberts	Y Grŵp Annibynnol (The Independent Group)

5.3 The council has the following Scrutiny Committees;

- Corporate Scrutiny Committee
- Partnership and Regeneration Committee

These are supported by three thematic panels covering Education, Social Services, and Resources.

6.0 Corporate Organisation

6.1 The council's Chief Executive is Dylan Williams.

6.2 The CE leads a Leadership Team consisting of:

- Chief Executive
- Deputy Chief Executive
- Director of Function (Council Business) and Monitoring Officer
- Director of Function (Resources) and Section 151 Officer
- Director for Education, Young People and Skills
- Director for Social Services

6.3 The council has set out its vision as "Creating an Anglesey that is healthy and prosperous where people can thrive".

7.0 National and Local Challenges

7.1 The council operates within a complex and evolving environment shaped by both national and local pressures. At a national level, the continuing financial constraints across Welsh local government present significant challenges to long-term sustainability. The Local Government Settlement remains a critical determinant of the council's financial position, yet the sector-wide outlook is characterised by tightening budgets, rising demand for services, and inflationary pressures that impact core costs. These factors underscore the need for proactive transformation and robust financial planning to maintain service quality and resilience.

7.2 Locally, demographic trends exert additional pressure on services. An ageing population is increasing demand for adult social care, while recruitment challenges affect the council's ability to secure and retain skilled staff in key roles. Economic conditions also present a mixed picture: while strategic opportunities such as the

Wylfa nuclear development and the Anglesey Freeport offer potential for growth, they require coordinated planning, investment, and partnership engagement to realise their benefits fully.

- 7.3 Transport and connectivity remain recurring themes raised by the council and stakeholders alike. Limited infrastructure and connectivity constraints risk impeding economic development and access to services, reinforcing the importance of regional collaboration to secure investment in transport improvements.
- 7.4 In this context, the council must balance immediate operational pressures with the need to position itself for long-term success. Strengthening organisational resilience, accelerating modernisation, and leveraging strategic opportunities will be essential to mitigate risks and deliver sustainable outcomes for the residents of Anglesey.

8.0 Strengths and Areas of Innovation

- 8.1 The panel noted areas of strength across the council, including a clear evidence of organisational improvement and development which the panel felt contributed to the organisation's robustness and ability to meet future changes. A strong and impassioned workforce, which shares the council's sense of identity, and which is committed to the delivery of high-quality services for the island's residents.
- 8.2 The panel also impressed by the council's strong local partnerships, particularly with the voluntary sector, which the council has demonstrated in its Placeshaping Plan, co-developed with Medrwn Môn, enabling a bottom-up framework for the identification local and county-wide priorities.

Case Study: Trauma Informed Practice

Anglesey County Council has been involved in Adverse Childhood Experiences (ACE) awareness and trauma-informed projects and programmes for many years. These include the Police and Partners Early Action Together Programme and participation in a multi-site pilot of ACE enquiry in General Practices in 2018 led by Public Health Wales and Betsi Cadwaladr Health Board. The Gwynedd and Anglesey Public Service Board (PSB) Wellbeing Plan for 2023-28 commits to the PSB being trauma-informed and raising awareness in the system about the impacts of ACEs and trauma on children and young people, and the opportunities to prevent exposure, mitigate risks and address harms.

Overview of Findings

9.0 Performance Requirement: Is exercising its functions effectively

- 9.1 The panel's review of the regulatory reports from the past four years, and interviews onsite, concluded that there was evidence to demonstrate that the council is exercising its statutory functions effectively. The panel have put forward a number of recommendations which focus on non-statutory areas, specifically the council's modernisation and economic development efforts, which it believes will support the council in meeting its corporate objectives.
- 9.2 The panel saw clear evidence of the improvement journey the council has been on since 2018, and felt that the council should be more confident in highlighting its good practice work, reinforcing its corporate value of championing the council and the island. The panel recognised that the council's historic experience of being placed under a Recovery Board by Welsh Ministers has understandably contributed to a cautious organisational culture, with officers and members sometimes hesitant to promote their achievements. However, the progress demonstrated through recent regulatory findings and stakeholder feedback indicates that the council is now well-placed to communicate its strengths more proactively and confidently.
- 9.3 The panel considered that the council has an opportunity to articulate a clearer and more compelling narrative, that addresses demographic challenges and sets out an ambitious vision for the future, underpinned by a defined future operating model. This narrative should capitalise on the island's economic opportunities, which the council has been involved in developing, and the island's strong sense of identity, whilst building trust, demonstrating accountability, and deepening community engagement. By communicating achievements, challenges, and future ambitions effectively, the council can help residents understand the value of its work and the impact of its decisions. A strong narrative will also reinforce the council's role as a place-based leader and serve as a beacon for investment and partnership

Modernisation

- 9.4 As is noted in 10.4, the council has drawn on £10.7 million from reserves over the past three years to balance its budget. This underscores the sustainability challenges faced by the council, and local government more broadly, without significant organisational transformation. As is also noted in 10.2, the council's position in regards to its reserves remains healthy compared to the wider sector position. While any reliance on reserves is clearly unsustainable in the medium to long-term, it represents to the panel a time-sensitive opportunity to invest in the strategic areas that will support the council to realise its target operating model.
- 9.5 The panel noted that the council's Improvement and Modernisation Programme Board is driving a range of positive initiatives, signalling a proactive approach to modernisation. Building on this progress will be critical to shaping a future operating model that supports resilience, financial sustainability, and the delivery of strategic objectives.

- 9.6 The council has an opportunity to strengthen this programme by explicitly linking its future operating model to its long-term vision. By mapping the council's modernisation ambitions against future ways of working it can ensure it remains well-positioned to deliver high-quality public services for future generations.
- 9.7 This Modernisation Plan should be closely aligned with the council's evolving Medium-Term Financial Plan (MTFP), which sets out key themes and priorities for change. The plan should be high-level, cross-cutting, and place the council's future operating model at its core.
- 9.8 Although recruitment into key strategic roles was underway during the panel's assessment, the council should nonetheless ensure it has the corporate capacity to seize new opportunities and progress its Modernisation agenda with urgency and confidence,

Economy

- 9.9 The panel identified a council with a clear sense of its challenges, with those relating to the budget and demography coming through most clearly. Interviewees consistently highlighted the sense that the council was at demographic and economic 'cross-roads', felt across the island, but most acutely in the north. The panel identified a clear recognition from its senior leadership, corporate and political, that the economic development of the county would be instrumental in shaping its future, and meeting the council's vision and strategic objectives.
- 9.10 The panel recognised the work the council is undertaking on the economy through its key strategic plans and programmes. However, it felt the council now has an opportunity to use recent nationally significant developments to strengthen its economic vision and ensure a clearer economic 'golden thread' runs through its strategic plans and informs the KPIs within the Corporate Scorecard.
- 9.11 For example, the council's Destination Management Strategic Plan articulates a strong vision for "a visitor economy that is empathetic to the island's sense of place." While this ambition is clear, the panel were unsure whether this vision was shared across the council and noted that the absence of relevant Key Performance Indicators within the corporate scorecard linked to the delivery of the Destination Management Strategic Plan.
- 9.12 As the council recognises, Local Government acts as convenors of place, shaping the conditions for growth through their planning functions and supporting the development of transport, energy and digital infrastructure that enables businesses to thrive. However, as is also clear, the ability of councils to drive inclusive growth is shaped by interdependent systemic factors that are out of any single body's control. Councils therefore operate in dynamic and context-specific environments, which require them to balance local priorities with regional strategies, resource constraints, and the expectations of both Welsh and UK Governments.
- 9.13 Recognising these wider influences will support the council in ensuring that its KPIs not only reflect internal organisational priorities but also position the council to respond to external opportunities and constraints. By aligning performance

measures with the broader conditions that enable local growth, such as effective regional collaboration, streamlined funding arrangements and strong place-based leadership, the council can reinforce its strategic narrative and better demonstrate how its Corporate Scorecard contributes to long-term economic resilience and inclusive growth for the island.

9.14 Recommendations

1	The council should seek opportunities to reinforce and further develop its role as a place-based leader, further promoting and championing its long-term vision for the island by looking to strengthen its approach to communication and engagement, with a particular focus on promoting its good work.
2	The Council should develop a clear, coherent modernisation plan that sets out its key themes and priorities for change. The Plan should: <ul style="list-style-type: none"> • Be high level and cross-cutting across the organisation, and, • Be aligned to and resourced through the Medium-Term Financial Plan, and in turn, • Ensure the long-term financial sustainability of the organisation.
3	To support place-based leadership and the council's strategic objective relating to the economy, the Council should develop a clear and aspirational economic development strategic plan that highlights the area's strengths, opportunities, and priorities for growth. The Council should reflect risks and opportunities associated with the island's economy in its Strategic Risk Register.
4	The Council should accelerate its capacity and resilience in delivering projects and transforming the way services are delivered, fully aligned with the Council Plan, Strategic Risks and the Modernisation agenda, by embedding proven internal good practices such as the social care capacity-building initiatives.

10.0 Performance Requirement: The extent to which the council is using its resources economically, efficiently, and effectively

- 10.1 Overall, the panel concluded that the council is effectively managing its economic resources despite confronting the significant challenges that are common across councils in Wales. While governance and understanding of the medium-term position are robust, the absence of an agreed longer-term framework risks undermining the future resilience and the council's efforts in this area should be accelerated at pace.
- 10.2 Ynys Môn County Council entered 2025/26 in a relatively strong, but tightening financial position. The Council's general balances at the start of 2025/26 stood at £18.166 million, which equates to 9.77% of the council's net budget.

- 10.3 The panel noted that the council closed the 2024/25 financial year with a £3.873 million underspend, further strengthening reserves.
- 10.4 However, the panel also noted that the council has used £10.7 million from reserves over the past three years to balance budgets, highlighting the council's sustainability challenge and the need for a comprehensive strategy for service Modernisation.
- 10.5 For 2025/26, the Council set a net revenue budget of £195.443 million, funded by Aggregate External Finance (AEF) of £135.881 million, Council Tax (including premium) of £57.102 million and using £2.460 million of General Reserves.
- 10.6 Budget monitoring for Quarter 1 (April to June) of 2025/26 suggests a projected underspend of £1.551 million (0.79%), reflecting continued strength in corporate budgets due to higher investment returns and lower borrowing costs.
- 10.7 The Medium Term Financial Plan projects a funding gap of £7.3m in 2026/27 and £1.3m in 2027/28, assuming an increase of 2% and 0.6% in AEF in 2026/27 and 2027/28 and a 5% increase in Council Tax in both years. This suggests to the panel that continued reliance on reserves or above-inflation tax rises are unlikely to be sustainable without Modernisation or service redesign

Staff

- 10.8 The panel noted a strong and consistent recognition across the Council's Leadership Team and Cabinet of the vital role staff play in enabling the organisation to deliver its strategic objectives.
- 10.9 The panel recognised the council as facing many of the same recruitment challenges being experienced across the sector. The panel also noted that the council faces additional challenges owing to its geographical location, a well-recognised demographical challenge of outward migration of the island's young people, and the need for Welsh Language requirements in both frontline and key strategic roles.
- 10.10 The panel noted a clear recognition of these recruitment challenges from the council's leadership team, and noted the positive work the council is engaged in to establish clear pathways of training and development into key roles, via initiatives like Dyfodol Môn.
- 10.11 The panel noted that the council has processes in place to engage its staff, including staff surveys, service meetings and cross-service groups, such as Fforwm Mon, which facilitate knowledge and good-practice sharing and enabling individuals to raise concerns and propose solutions.
- 10.12 The panel met with a range of staff members, via focus groups arranged by the council. Overall, the panel felt the council staff shared a clear sense of pride relating to working for the council, and an understanding of the council's core mission.
- 10.13 Staff suggested that the council benefits from a relatively visible and accessible Leadership Team. But also felt that the organisation could benefit from more frequent internal communication methods, such as newsletters, intranet

updates, and targeted briefings, all of which would provide a more consistent flow of information and reduce uncertainty.

- 10.14 Staff feedback also indicated that recruitment challenges identified at a strategic level were evident in the delivery of frontline services. This was recognised by staff as a further risk to the sustainability of council services, and a potential area of misalignment between organisational capacity and the council’s strategic ambitions.

Trade Unions

- 10.15 The panel also met with representatives of the Trade Unions recognised by the council. Overall representatives felt that the council could be doing more to meet the principles of Social Partnership and felt the council could do more to engage trade unions on policy issues, particularly pertaining to schools, the workforce, and more meaningful and timely engagement around the budget.

5	The Council should strengthen its internal communication and engagement by building on areas of good practice.
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Residents

- 10.16 During its site visit, the panel engaged with residents through a council-organised focus group. Residents highlighted demographic change as a critical challenge, particularly the need to retain young people on the island. This was seen as essential for sustaining important local services (such as youth clubs), the local economy and building a future workforce. Residents noted that limited employment opportunities and transport connectivity influence outward migration.
- 10.17 Residents emphasised the importance of the Welsh language and opportunities for learning, recognising the council’s role in promoting language use and its link to economic participation and employment barriers. The panel noted a strong sense of community pride and belonging, which it regarded as a significant asset for the council.
- 10.18 Residents expressed clear recognition of the council’s work and its partnerships, particularly with the third sector. However, they suggested that communication and engagement could be strengthened through a more proactive and targeted approach. While the council’s online consultation portal was acknowledged as useful, residents felt that additional methods—such as face-to-face engagement and greater use of social media—would enhance inclusivity and impact, particularly in reaching younger audiences.
- 10.19 Residents also raised concerns about short-termism in decision-making, noting that a stronger emphasis on long-term planning and sustainability would help the council address future challenges more effectively.

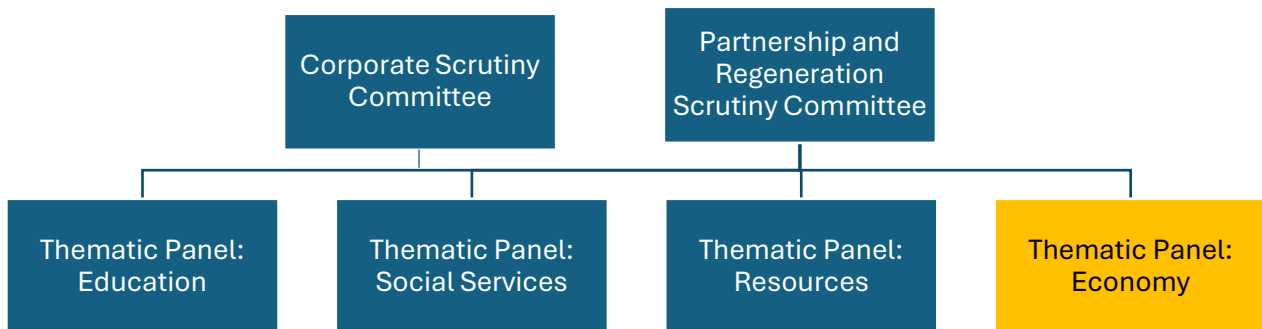
Business Forum

- 10.20 The panel had the opportunity to meet with local businesses, in a focus group organised by the council. It should be noted that the panel met with the Business Forum before the public announcement of the opening of the SMR site in Wylfa. The panel concluded that the strong alignment of priorities between the council and the business community, and that the council's accessibility and emerging economic initiatives, provides a solid foundation for further partnership work to deliver sustainable growth for the island.
- 10.21 The panel noted that the business community echoed many of the challenges identified by the council and its residents, reinforcing the shared understanding of the island's priorities. Businesses highlighted concerns around economic pressures, recruitment and retention and the importance of improving transport connectivity to support trade and investment. They also emphasised the need for a skilled workforce aligned with emerging sectors, recognising that skills development and youth retention are critical to sustaining local enterprises and driving long-term economic growth.
- 10.22 Forum Representatives who met with the panel also indicated that the council could do more to define and communicate a clear economic vision for the island. They emphasised that a well-articulated vision is essential for providing confidence to investors, businesses, and communities. Representatives also suggested that the council's approach to key areas of the local economy —particularly its destination management offer—appeared fragmented at times. They stressed that this needs to be resolved at pace to ensure the island can capitalise on its tourism potential and position itself competitively within the regional economy
- 10.23 Business forum representatives acknowledged that the island had experienced a challenging economic period, marked by the loss of major employers such as Anglesey Aluminium and the secondary jobs these industries supported. However, they also recognised that recent initiatives supported by the council—such as the Anglesey Energy programme—have the potential to diversify the economy, attract new investment, and lay the foundations for future growth. The panel considered this alignment between the council and the business community as a positive platform for collaborative action to drive economic resilience and regeneration.
- 10.24 Business representatives highlighted the council's relative accessibility to the business community, highlighting regular formal engagement with the council's leadership, including the Chief Executive. They felt that the council's willingness to engage directly with businesses created opportunities to co-design solutions to shared challenges, such as workforce development, infrastructure investment, and sector diversification.

11.0 Performance Requirement: Has effective governance in place

- 11.1 Overall, the panel concluded the council has effective governance in place, with some identified areas of improvement within the Council's Scrutiny function.

- 11.2 The council has a constitution and a scheme of delegation, which clearly outlines decision-making responsibilities. The Council also regularly evaluates its own performance against a framework of self-evaluation.
- 11.3 The council has developed a Council Plan shaped by the Well-being of Future Generations Act and aligned with local well-being priorities. The panel observed that the plan is well-recognised internally by staff and acknowledged externally, reflecting the strength of the island's 'Ynys Môn' brand.
- 11.4 The panel felt the council's leadership position on the island enables it to leverage a vision for modernisation and economic development, which can be shared across the island, including its residents, businesses and third sector partners.
- 11.5 The panel noted that sound governance across the council was reinforced by collaborative relationships between members and officers, characterised by trust, professionalism, and a shared commitment to delivering for Anglesey residents.
- 11.6 The panel noted a broad acknowledgement among elected members that the council's Democratic Services Team were well regarded for their professionalism, responsiveness, and impartial support. Members emphasised that the team plays a crucial role in enabling effective governance by ensuring that democratic processes run smoothly and that councillors receive timely, accurate advice and guidance.
- 11.7 The panel recognised that the council's scrutiny arrangements, while lean, are underpinned by a clear structure and a strong commitment to effective governance from officers and elected members.
- 11.8 The council operates with two Scrutiny Committees, supported by three thematic panels covering Education, Social Services, and Resources. The panel felt this lean structure, while understandable, given the council's overall size, had the potential to introduce governance risks to the organisation, as the ability to provide robust and timely scrutiny can be constrained.
- 11.9 To strengthen governance and maximise the value of scrutiny, the council should prioritise its training and development offer for committee members, particularly chairs and vice-chairs, so they have the skills, confidence and resources to deliver comprehensive, consistent and effective scrutiny.
- 11.10 The panel identified an opportunity to strengthen the role of scrutiny in shaping and overseeing the council's economic ambitions. By deepening the connection between scrutiny and the council's strategic priorities, particularly those linked to economic development, the council can ensure that critical issues such as transport, infrastructure, destination management, and skills receive robust, cross-cutting challenge.
- 11.11 The council should consider, establishing a dedicated Economy Panel that could provide a structured platform for this work, enabling scrutiny to apply its distinctive role in testing assumptions, monitoring progress, and engaging external stakeholders.



11.12 The panel also considered the council’s high-level Performance Management arrangements, with an emphasis on those associated with the delivery of its Council Plan and included within its Corporate Scorecard.

11.13 The panel noted that the Corporate Scorecard approach used by the council creates a transparent framework for tracking progress against the council’s strategic objectives, shared and understood by officers and councillors alike.

11.14 This framework ensures that organisational effort is focused on actions with it recognises as having the greatest impact, supporting alignment between day-to-day delivery and long-term priorities. This approach enhances accountability by enabling members, officers, and stakeholders to monitor performance consistently, while also supporting evidence-based decision making.

11.15 The panel concluded that the Corporate Scorecard provides a clear and accessible framework for tracking progress against the Council Plan. Building on this strong foundation, the council now has an opportunity to adopt a more strategic and streamlined approach by prioritising the KPIs that have the greatest impact on delivering its strategic objectives. Not all indicators carry equal weight, and focusing on a concise set of high-impact measures would improve the clarity of reporting, concentrate organisational effort where it adds most value, and strengthen the line of sight between performance information and decision-making. This refinement would support a more focused and outcome-driven approach to monitoring progress against the Council Plan.

11.16 Recommendations

6	<p>The council should look to strengthen its approach to scrutiny by:</p> <ul style="list-style-type: none"> • enhancing its member development programme • give serious consideration to the need to establish a Panel for the economy.
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	<ul style="list-style-type: none"> Strengthening the development of the work programme, ensuring it is strategically aligned and responsive to organisational priorities and communicated effectively across the council.
7	The council should refine its approach to Performance Monitoring, focussing on high priority actions with the biggest impact in the context of its Council Plan, ensuring these priorities are clearly reflected in KPIs on the Corporate Scorecard.

12.0 Arrangements for achieving the Council Plan’s strategic objectives – do our arrangements provide assurance that we are delivering the Council Plan efficiently

12.1 The panel concluded that the council has appropriate arrangements in place to provide assurance on delivering its Council Plan. However, to strengthen these arrangements further, the panel has set out a series of recommendations designed to enhance governance and strategic capacity. These include improving scrutiny performance (Recommendation 6), developing an aspirational economic development strategy (Recommendation 3), establishing a clear and coherent modernisation plan (Recommendation 4), accelerating organisational capacity (Recommendation 5), and refining performance monitoring to ensure alignment with strategic priorities (Recommendation 7).

13.0 Is the Council working effectively with our communities and partners to achieve the Council Plan’s strategic objectives

13.1 When considering the effectiveness of the council’s engagement with its communities and partners, the panel identified areas of good practice particularly at a local level, but also opportunities to extend its influence. Engaging more robustly at a regional level to deliver local priorities for Anglesey residents.

13.2 Through its interviews, the panel identified a council that is valued and respected by its partners in the public, private and voluntary sector, who recognise the council’s important role in delivering key public services.

13.3 The council has established a Town and Communities Liaison Forum, providing a structured platform for dialogue with town and community councils. Feedback from representatives and OneVoice Wales confirmed that these forums work well and are a model of regional good practice which the council could distribute across the sector.

13.4 The panel noted particularly strong working relationship with the voluntary sector, which the council views as a critical partner in advancing its preventative agenda. The breadth of engagement demonstrated through the Place Shaping Plan was highlighted as an example of good practice.

13.5 As noted elsewhere in this report, partners from the voluntary sector highlighted that the Council could strengthen its approach to communication by adopting more timely and proactive engagement. This includes improving participation in formal

consultations and Council forums, particularly on issues of importance to the third sector, such as the annual budget and the allocation of Council grants.

13.6 Partners acknowledged that the council's online consultation portal was functional but recommended strengthening engagement through complementary methods, such as increased targeted face-to-face interaction and greater use of social media.

13.7 The panel shared the council's view, that critical infrastructure projects, such as improving transport links and addressing connectivity constraints, cannot be delivered in isolation. The panel consistently heard that improved infrastructure is a shared priority among officers, members, residents, and partners. Regional collaboration provides the council with a stronger, collective voice to influence investment decisions and secure funding from Welsh and UK Governments. The council should maintain its momentum, in working with neighbouring authorities and regional bodies, such as Ambition North Wales/Uchelgais Gogledd Cymru (the Corporate Joint Committee), the council can further position Ynys Môn as an integral part of North Wales' economic growth strategy, ensuring that projects like bridge improvements are prioritised within wider transport and connectivity plans.

13.8 As the council's leadership is acutely aware, the council is operating at a demographic and economic crossroads, with nationally significant developments such as Wylfa's SMR nuclear power station and the Anglesey Freeport creating clear opportunities for growth. However, these opportunities will only be fully realised if supported by robust infrastructure. Regional collaboration enables the council to align its infrastructure ambitions with economic priorities across North Wales, creating a compelling case for investment that links transport improvements to job creation, inward investment, and long-term sustainability.

13.9 Working regionally enhances the council's ability to overcome resource constraints and capacity challenges. Large-scale infrastructure projects require significant technical expertise, financial resources, and political influence, elements that are amplified through regional partnerships. By embedding collaborative approaches evident in existing good practice, the council can extend its influence beyond local boundaries, ensuring that the island's needs are reflected in regional transport strategies and funding bids.

13.10 **Recommendations**

8	<p>The Council should seek to embed the good practice evident across a range of partnerships currently in place by:</p> <ul style="list-style-type: none">• Continuing to lead the way in regional partnerships, driving collaboration and ensuring Ynys Môn has a strong, influential voice across North Wales and beyond.• Replicating the strong partnership working evident within the third sector and social care, ensuring these collaborative approaches are extended to community level groups and organisations.
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14.0 Acknowledgements

- 14.1 The Panel and the WLGA would like to extend their thanks to the council, its members and officers for the support in coordinating documentation requests, responses to queries, arranging meetings and workshops and providing responsive onsite support.
- 14.2 The Panel would also want to extend their thanks to the organisations, partners and interviewees they met with whilst on site.

Appendix 2

Panel Performance Assessment: Final Report and Council Response

1. Introduction

In November 2025, the Council participated in a Panel Performance Assessment (PPA) under the Local Government and Elections (Wales) Act 2021. Facilitated by the Welsh Local Government Association (WLGA), the assessment evaluated how effectively the Council exercises its functions, uses resources, and governs itself.

This report presents the Council's proposed response to its first Panel Performance.

The Council proactively scoped the assessment to focus on:

- **Arrangements for achieving the Council Plan's strategic objectives – do our arrangements provide assurance that we are delivering the Council Plan efficiently?**
- **Is the Council working effectively with our communities and partners to achieve the Council Plan's strategic objectives?**

The PPA provides a high level of external assurance that Anglesey is performing well, against a challenging economic backdrop, the panel concluded that the Council is exercising its functions in line with the performance duties .

2. Key Findings

Overall, against a challenging economic backdrop, the Council demonstrates sound governance, constructive member-officer relationships, and a clear trajectory of improvement since 2018.

This enables the Council not only to champion its good work but also articulate its role as a trusted place-based leader for the island.

Economic development emerged as a critical priority, with a need to develop a compelling economic narrative and develop an aspirational economic strategic plan. The panel identified nationally significant opportunities such as the Wylfa SMR nuclear plant, Anglesey Freeport, and the proposed AI Data Centre.

However, the council faces tightening financial pressures and persistent workforce Challenges. The panel recommends developing a high-level, cross-cutting modernisation Strategic plan aligned to the Medium-Term Financial Plan. This will strengthen resilience and enable the council to adapt to financial constraints while seizing opportunities for sustainable growth.

The panel concluded that Anglesey is in a strong position to build on its progress and respond effectively to the challenges ahead. The council benefits from solid

governance, an engaged workforce, respected partnerships, and a clear sense of place-based identity.

3. Next Steps

The draft response and action plan is set out in section 4.

Once approved, and in line with the statutory guidance for PPAs, the documents will be published on the Council's website to facilitate transparency and public engagement.

A copy of the Council's approved response and action plan will be formally sent to the members of the Panel, the Auditor General for Wales, Her Majesty's Chief Inspector of Education and Training in Wales, and the Welsh Ministers.

The actions identified in response to the recommendations will be embedded into and monitored through the Annual Delivery Document and Service Delivery Plans.

4. Action plan

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
1.	The council should seek opportunities to reinforce and further develop its role as a place-based leader , further promoting and championing its long-term vision for the island by looking to strengthen its approach to communication and engagement, with a particular focus on promoting its good work.	Agree	<p>We will develop and adopt place-making plans for the five towns on the island.</p> <p>Establish and communicate clear, coordinated place-based guidance that reinforces the Council's leadership and long-term vision, aligns place initiatives, and ensures ongoing engagement with communities and partners.</p> <p>We will make better use of ONS demographic data in our decision making process, becoming a data informed organisation.</p>	Christian Branch	Fon Roberts, Susan O Jones, Management Team	<p>December 2026</p> <p>July 2027</p> <p>Ongoing</p>
2.	The Council should develop a clear, coherent modernisation plan that sets out its key themes and priorities for change. The Plan should: <ul style="list-style-type: none"> Be high level and cross-cutting across the organisation, and, 	Agree	We will develop and publish a Modernisation strategic plan. It will identify our modernisation priorities for improvement and identify when and how	Huw Ynyr	Rhys H Hughes, Management Team	December 2026

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
	<ul style="list-style-type: none"> Be aligned to and resourced through the Medium-Term Financial Plan, and in turn, Ensure the long-term financial sustainability of the organisation. 		<p>they will be implemented. It will be aligned with our financial planning to ensure we meet our commitments within the current and future Council Plan.</p> <p>The new Modernisation Strategic Plan will inform our strategic aims and commitments in the new Council Plan from 2028.</p>			
3.	<p>To support place-based leadership and the council's strategic objective relating to the economy, the Council should develop a clear and aspirational economic development strategic plan that highlights the area's strengths, opportunities, and priorities for growth.</p> <p>The Council should reflect risks and opportunities associated with the island's economy in its Strategic Risk Register.</p>	Agree	<p>We will review our current baseline and complete a SWOT analysis to understand our strengths, weakness, opportunities and threats in relation to current economic challenges.</p> <p>Review and reflect key economic risks and opportunities within the</p>	Christian Branch	Management Team	<p>December 2026</p> <p>December 2026</p>

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
			<p>Council's Strategic Risk Register.</p> <p>Develop a clear and ambitious economic development strategic plan that outlines how the Council will contribute towards realising opportunities for growth. It will inform the new Council Plan from 2028</p>			July 2027
4.	The Council should accelerate its capacity and resilience in delivering projects and transforming the way services are delivered, fully aligned with the Council Plan, Strategic Risks and the Modernisation agenda, by embedding proven internal good practices such as the social care capacity-building initiatives.	Agree	<p>We will review our governance arrangements for strategic projects in line with strategic aims and Council Plan.</p> <p>In line with our commitment to develop a new Modernisation Strategic Plan we will acknowledge and priorities resources to deliver key strategic projects.</p>	Huw Ynyr	Rhys H Hughes, Management Team	<p>July 2026</p> <p>December 2026</p>

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
5.	The Council should strengthen its internal communication and engagement by building on areas of good practice.	Agree	A new internal communications plan is being developed. Once adopted, it will be utilised to improve internal communications with all staff.	Eurig Williams	Gethin Jones, Lee Jones, Management Team	December 2026
6.	The council should look to strengthen its approach to scrutiny by: <ul style="list-style-type: none"> enhancing its member development programme give serious consideration to the need to establish a Panel for the economy. <ul style="list-style-type: none"> Strengthening the development of the work programme, ensuring it is strategically aligned and responsive to organisational priorities and communicated effectively across the council. 	Agree	We will strengthen our member development programme as part of our induction for members following the 2027 local elections. We will review our scrutiny governance arrangements and consider how scrutiny of economic issues can be strengthened.	Dyfan Sion	Lynn Ball	March 2027

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
7.	The council should refine its approach to Performance Monitoring , focusing on high priority actions with the biggest impact in the context of its Council Plan, ensuring these priorities are clearly reflected in KPIs on the Corporate Scorecard .	Agree	<p>We will review our performance monitoring framework to ensure our processes give assurance that we are progressing to achieve our Council Plan.</p> <p>We will strengthen the link between risk management, financial management and performance monitoring.</p> <p>The two strategic plans developed in response to recommendation two, three and four will inform our reviewed strategic aims as part of the new Council Plan from 2028 which will also inform our revised key performance management indicators.</p>	Huw Ynyr	Rhys H Hughes , Gwyndaf Parry, Dyfan Sion, Susan O Jones	<p>December 2026</p> <p>July 2027</p>

Ref	Panel Recommendation	Council Response (Agree / disagree)	Proposed Action	Action Owner	Support Officer/s	Target completion date
8.	<p>The Council should seek to embed the good practice evident across a range of partnerships currently in place by:</p> <ul style="list-style-type: none"> Continuing to lead the way in regional partnerships, driving collaboration and ensuring Ynys Môn has a strong, influential voice across North Wales and beyond. Replicating the strong partnership working evident within the third sector and social care, ensuring these collaborative approaches are extended to community level groups and organisations. 	Agree	<p>We are committed to working in partnership with local, regional and national stakeholders and partners, including strengthening our alliance with Medrwn Môn and Môn CF to deliver our Age Friendly and Trauma Informed Strategic Plans.</p> <p>We will continue to promote and encourage partnership working in line with our Council values across the Council through the Leadership and Management team.</p>	Leadership Team	Management Team	Ongoing

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	25 June 2026
Subject	Review of Forward Work Programme for 2026-27 v2
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 2026-27 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 2026-27 meets the Committee's responsibilities in accordance with its terms of reference.

Appendix A – Forward Work Programme 2026-27 v2

Core Function	25 June 2026	16 July 2026	28 September 2026	3 December 2026	11 February 2027	15 April 2027
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 2026-27 v2 (3.4.8.3.2) Annual Chair's Report 2025-26 (3.4.8.3.1/2)	Action Log Review of Forward Work Programme 2026-27 (3.4.8.3.2)	Action Log Review of Forward Work Programme 2026-27 (3.4.8.3.2)	Action Log Review of Forward Work Programme 2026-27 (3.4.8.3.2)	Action Log Review of Forward Work Programme 2026-27 (3.4.8.3.2)	Action Log Review of Forward Work Programme 2027-28 (3.4.8.3.2)
Governance (3.4.8.4)		Draft Annual Governance Statement 2025-26 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) (3.4.8.8.2)	Final Annual Governance Statement 2025-26 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) (3.4.8.8.2) Annual Scrutiny Report 2025-26 (3.4.8.4.4)			

Core Function	25 June 2026	16 July 2026	28 September 2026	3 December 2026	11 February 2027	15 April 2027
Treasury Management (3.4.8.5)		Annual Report 2025-26 (3.4.8.5.1/2/3/4)		Mid-year Report (3.4.8.5.3)	Strategy and Prudential Indicators 2027-28 (3.4.8.5.1/3/4)	
Value for money (3.4.8.6)	Annual Internal Audit Report 2025-26 (3.4.8.10.6/7/8/9/12/14/15) (3.4.8.6.3)	Draft Annual Governance Statement 2025-26 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) Draft Statement of Accounts 2025-26 (3.4.8.12.1/2) (3.4.8.6.1/2/3)	Final Annual Governance Statement 2025-26 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) Final Statement of Accounts 2025-26 (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 2026 (3.4.8.11.2/3) (3.4.8.6.3)	
Assurance Framework (3.4.8.7)		Annual Health & Safety Report 2025-26 (and Corporate Health and Safety Strategic Plan) (3.4.8.7.1/2/3)		Annual Information Governance (SIRO) Report 2025-26 (3.4.8.7.1/2/3) Annual Information Governance in Schools Report 2025-26 (3.4.8.7.1/2/3) Annual ICT Security Report 2025-26 (3.4.8.7.1/2/3)		Annual Insurance Report 2026-27 (3.4.8.7.1/2/3)

Core Function	25 June 2026	16 July 2026	28 September 2026	3 December 2026	11 February 2027	15 April 2027
Risk Management (3.4.8.8)		Strategic Risk Register Update (3.4.8.7.1/2) (3.4.8.8.1)		Annual Review of Risk Management Framework (3.4.8.7.1/2) (3.4.8.8.1)	Strategic Risk Register Update (3.4.8.7.1/2) (3.4.8.8.1)	
Countering Fraud and Corruption (3.4.8.9)		Annual Counter Fraud, Bribery and Corruption Report 2025-26 (3.4.8.9.4/5/6)		<i>Annual Concerns, Complaints & Whistleblowing Report 2025-26</i> (3.4.8.9.1) (3.4.8.14.2)		National Fraud Initiative 2026-28 Outcomes – Progress Report (3.4.8.9.6)
Internal Audit (3.4.8.10)	Annual Internal Audit Report 2025-26 (3.4.8.10.5/6/7/8/11/14/15) (3.4.8.6.3) Internal Audit Strategy and Annual Plan 2026-27 (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)	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 assessment 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 (3.4.8.10.11)
External Audit (3.4.8.11)		Recruitment and Retention (Local Report) (3.4.8.11.1/2/3)	Work Programme and Timetable – Quarterly Update (Q1 2026) (3.4.8.11.2/3)	<i>National Reviews and their Related Recommendation</i> (3.4.8.11.3) (3.4.8.13.1)	Work Programme and Timetable – Quarterly Update (Q3 2026) (3.4.8.11.2/3)	Annual Audit Plan 2027 (3.4.8.11.1/3)

Core Function	25 June 2026	16 July 2026	28 September 2026	3 December 2026	11 February 2027	15 April 2027
			Audit of Accounts Report (3.4.8.11.2/3) (3.4.8.6.3) (3.4.8.12.4) Financial planning in adult residential care (Local Report) (3.4.8.11.2/3)		Annual Audit Summary 2026 (3.4.8.11.1/2/3) (3.4.8.6.3)	
Financial Reporting (3.4.8.12)		Draft Statement of Accounts 2025-26 (3.4.8.12.1/2/3/5) (3.4.8.6.1/2/3)	Final Statement of Accounts 2025-26 (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 Report 2025-26 (3.4.8.14.1/2) Annual Letter of the Public Services Ombudsman for Wales 2025-26 (3.4.8.14.1)		

Core Function	25 June 2026	16 July 2026	28 September 2026	3 December 2026	11 February 2027	15 April 2027
Self-assessment (3.4.8.15)			Draft Annual Self-assessment and Performance (Wellbeing) report 2025-26 (3.4.8.15.1/2/3)			
Panel Performance Assessment (3.4.8.16) ¹	Panel Assessment Report (3.4.8.16.1/2/3)					
Auditor General Special Inspection (3.4.8.17) ²						
Substantive Items	5	8	9	8	7	7

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

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

Appendix B – Development Programme (3.4.8.2.10)

Committee-specific training

Area	Date provided	Medium	Provider	Date scheduled
Introduction to Artificial Intelligence and Risk Mitigation	February 2025	Briefing session	Chief Digital Officer	
Understanding Local Authority Accounts for Councillors	June 2023 August 2023	Training session Training session	CIPFA CIPFA	
Treasury Management	September 2023	Briefing session	Richard Bason, Link Group	
Effective Chairing Skills	October 2023	Training session	WLGA	
Countering Fraud and Corruption	December 2023	Training session	Paul Stratton, 'The Fraud Nerd'	
Risk Management	March 2024 December 2025	Training session Training session	WLGA Zurich Resilience Solutions	
Statement of Accounts	October 2025	Briefing session	Director of Function (Resources) and Section 151 Officer	

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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
North Wales Corporate Joint Committee - FAQs	Information about the role of the North Wales Corporate Joint Committee (NWCJC) and the Governance and Audit Committee sub-committee.	Frequently asked questions	NWCJC	02/12/25