

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee / County Council
Date:	26 June 2025 / 25 September 2025
Subject:	Annual Report of the Governance & Audit Committee 2024-25 – Chair’s Report
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<p>Nature and Reason for Reporting: 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 CIPFA guidance supporting its Position Statement states that the Committee should prepare an annual report that provides assurance to all those charged with governance that it fulfils its purpose and can demonstrate its impact. The report should be publicly available, supporting the authority’s accountability to wider stakeholders, including the public.

2. Recommendation

- 2.1. That the Governance and Audit Committee endorses the Annual Report of the Governance and Audit Committee for 2024-25 prior to its submission to the meeting of the County Council on 25 September 2025.

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

Annual Report of the Governance and Audit Committee

2024-25

June 2025



Chair's Report

Marion Pryor BA MA CMIIA CPFA ACFS

Head of Audit and Risk



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Introduction

1. The Governance and Audit Committee is a key component of the Council’s governance framework. Its function is to provide an independent and high-level resource to support good governance and strong public financial management (3.4.8.1.1).
2. Its purpose is to provide full Council (*those charged with governance*) independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes (3.4.8.1.2).
3. To discharge their responsibilities effectively, the Chartered Institute of Finance and Accountancy’s (CIPFA) 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 2024-25 against its terms of reference, incorporated within the Council’s Constitution², version 2.93 updated on 24 February 2025.

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

² The relevant sections of the [Constitution](#) are referenced in brackets.

Composition and arrangements

5. In accordance with its terms of reference, during the year the Committee consisted of eight elected members and four lay members.
6. Movements during the year included Councillor Dyfed Wyn Jones leaving the Committee to join the Executive in October 2024 and Councillor Liz Wood leaving in February 2025. Councillor Aled Morris Jones and Councillor Kenneth Hughes both joined the Committee in February 2025 to fill the vacant positions. Sadly, Mrs Sharon Warnes, Lay Member, passed away prior to the May 2025 meeting. Mr Mike Wilson, Lay Member, resigned with effect from the end of May 2025 (3.4.8.2.2).
7. The Finance Portfolio Holder is required, as far as possible, to attend all meetings of the Committee (3.4.8.2.2) and attended all seven meetings of the Committee during 2024-25. ([Appendix A](#)).
8. As required by the Local Government and Elections (Wales) Act 2021, the Chair of the Governance and Audit Committee was a lay member and, therefore, not an elected Councillor or a member of a group that formed part of the Council's Executive (3.4.8.2.3).
9. Throughout the year, the Committee conducted its business non-politically and abided by the rules of political balance (3.4.8.2.1).
10. All members declared interests where appropriate (3.4.8.2.2).
11. During the year, where officers were called to attend a committee meeting at the request of the Governance and Audit Committee members, they all did so (3.4.8.2.4).
12. The Committee is required to meet a minimum of four times per year (3.4.8.2.5). The Committee met formally (hybrid meetings) on seven occasions, which included one special meeting to consider only the draft Statement of Accounts 2023-24, the draft Annual Governance Statement 2023-24 and the External Auditor's report on the audit of the 2023-24 financial statements (ISA 260 report). The attendance at meetings during 2024-25 has been good, with average attendance at 65% ([Appendix A](#)).
13. Where necessary, the Director of Function (Resources) and Section 151 Officer has provided advice to the Committee and has had direct and unfettered access to the Committee (3.4.8.2.7).
14. Neither the external nor the internal auditors requested the Chair to consider any matter that the auditors believed should be brought to the attention of the Council (3.4.8.2.9).
15. Existing members received ongoing training and briefings on new legislation, professional guidance, and research ([Appendix B](#)) (3.4.8.2.10).
16. The Committee's terms of reference include all the core functions of the Committee. At its meeting in June 2024, the Committee considered and approved a revised terms of reference, following changes made as a result of the Committee's self-assessment facilitated by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the resultant improvement recommendations (see also paragraph 19 below).
17. As they were minor in nature they could be implemented by the Council's Monitoring Officer without having to be submitted to Full Council for agreement (3.4.8.3.2).

Accountability arrangements

18. The Governance and Audit Committee reports to full Council (*'those charged with governance'*) and there is clear separation between its role and that of scrutiny committees. The Governance and Audit Committee role seeks assurance that internal control systems of the Council are working, and risks are effectively managed, rather than the actual scrutiny of activities (3.4.8.1.3).
19. This report fulfils the requirement to report to full Council (*'those charged with governance'*) annually the Governance and Audit Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions (3.4.8.3.1). It also fulfils the requirement to report on the effectiveness of the Committee in meeting its purpose and agreed terms of reference.
20. The Chartered Institute of Public Finance and Accountancy (CIPFA) was commissioned to facilitate a self-assessment review of the Committee during 2023-24. This fulfilled the requirements of CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 which recommends that audit committees evaluate their impact and identify areas for improvement.
21. The review obtained feedback on the Committee's performance with those interacting with the Committee or relying on its work, including senior management, to evaluate whether and how the Committee is adding value to the organisation.
22. At its meeting in April 2024, the Committee approved an action plan to address the 10 recommendations made as a result of CIPFA's review. Progress with addressing the recommendations was monitored by the Committee at its meetings in June and December 2024. (3.4.8.3.2).
23. The Committee considered its business in public, with the exception of, where appropriate, when it met in private to consider items under Section 100 (A) (4) of the Local Government Act 1972³.
24. During 2024-25, the Committee considered two items in private:
 - Internal Audit Report of Maritime Income Processes (July 2024)
 - Annual ICT Cyber Security Report 2023/24 (December 2024)
25. The appropriate Public Interest Tests were presented to, and accepted by, the Committee.
26. Agendas and reports were published in accordance with statutory timeframes and were available for inspection (3.4.8.3.3).
27. The Committee maintains an action log to monitor the progress and completion of the actions / decisions it has agreed upon. This is updated prior to and considered by the Committee at each meeting.
28. Where it is deemed appropriate, the Committee can refer key issues to other committees of the Council or the Leadership Team. No issues were referred by the Committee during the year.

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

Governance

29. The Committee reviewed and assessed the Council's corporate governance arrangements during its review of the draft Annual Governance Statement (AGS), which it discussed at its meeting in July 2024 (3.4.8.4.2). The discussion covered several factors including the Council's compliance timeline with the new Procurement Act 2023, training on the General Power of Competence under the Local Government and Elections (Wales) Act 2021 and resource limitations affecting asset management and efficiency reviews. The Committee resolved to approve the draft AGS that would form part of the 2023-24 Statement of Accounts.
30. The Committee received the final version of the AGS in December 2024 and resolved to endorse it for the financial year 2023-24 and to refer the Statement to the full Council for approval and to the Leader of the Council and the Chief Executive for their signatures (3.4.8.4.1).
31. The Governance and Audit Committee's Terms of Reference require it to review the governance and assurance arrangements available for significant partnerships or collaborations (3.4.8.4.4) and review the assurance available for managing partnership risks, including the risk profile of the Council as part of the partnership (3.4.8.8.1).
32. The Committee was presented with an internal audit report on Partnerships Oversight at its meeting in December 2024. While the report highlighted some areas for improvement, it provided reasonable assurance of the governance and risk management in respect of the Council's significant partnerships and collaborations. The Committee resolved to note the report as part of the Head of Audit and Risk's internal audit update.

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

Treasury management

35. Full Council has nominated the Governance and Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies (3.4.8.5.1). Accordingly, the Committee undertakes a scrutiny role in accordance with the CIPFA Treasury Management Code of Practice, prior to approval by full Council (3.4.8.5.2).
36. The Committee reviewed the Annual Treasury Management Report 2023-24 at its meeting in September 2024, which provided an overview of the Council's borrowing and investment activities during the year and highlighted performance against the Prudential Indicators set by the Council.
37. In considering the report, the Committee raised points including the reduction in school balances and the implications of this for schools going forward. The Committee resolved to note and forward the report to the Executive, with an additional action to review the report for tense consistency and clarity. (3.4.8.5.1/2/3/4).
38. The Committee considered the mid-year review of treasury management activities and position at its meeting in February

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

39. The Committee also considered and noted the Treasury Management Strategy Statement for 2025-26 during the same meeting. The document incorporated the Annual Investment Strategy, the Annual Minimum Revenue Provision Policy Statement and the Treasury Management Policy Statement (3.8.4.5.1/4).

Value for money

40. The Committee supports the development of robust arrangements to ensure that the Council makes best use of its resources, and taxpayers and service users receive excellent value for money (3.4.8.6.1).
41. It reviewed the Council's overall approach to value for money when reviewing the Council's draft Annual Governance Statement (3.4.8.6.2) at its meeting in July 2024.
42. The Committee considered Audit Wales's Annual Audit Summary 2024, and assurances and assessments on the effectiveness of the Council's arrangements for securing value for money (3.4.8.6.3) at its meeting in May 2025. The report informed the Committee that Audit Wales had completed work during 2023-24 to meet the Auditor General's duty to examine whether the Council had put in place arrangements to get value for money for the resources it uses. To meet this duty, Audit Wales had completed specific projects, and they relied on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate).

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

Assurance framework

47. Having an overview of the Council's assurance framework supports the Committee in its approval of the internal audit risk-based strategy. It also helps to ensure clarity of what assurance is provided, and that there is a clear allocation of responsibility for providing assurance and duplication is avoided (3.4.8.7.1/2).
48. In addition to assurances about internal and external audit, and the Annual Governance Statement, the Committee received reports from first- and second-line assurance providers, as follows. (3.4.8.7.1).

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

Risk management

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

Countering fraud and corruption

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

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

64. As part of this report, the Head of Audit and Risk confirmed to the Committee current compliance rates (95%) for staff knowledge and understanding of the Whistleblowing Policy and Guidance. (3.4.8.9.1)
65. Discussion ensued around regional and local counter fraud working group arrangements to raise awareness of fraud risk as well as other ways that might support counter-fraud activity, such as the Council's Customer Relationship management System (CRM) system and the STAR programme which is aimed at improving procurement processes within the Council. The Committee resolved to accept the report and to note its contents.
66. The Committee reviewed and endorsed the Counter Fraud, Bribery and Corruption Strategy 2025-2028 at its meeting in February 2025. The document included a delivery plan of counter fraud activity to ensure the Council's ongoing success in fighting fraud. A forthcoming Council-wide fraud risk assessment aims to better identify potential fraud and target resources effectively. (3.4.8.9.2/5)
67. Ensuing discussions covered ongoing efforts to combat fraud, particularly in Council Tax, along with the potential for AI technology to improve fraud detection. The Committee noted progress would be reported annually and discussed the formation, with Leadership Team approval being sought, of a counter fraud working group to enhance fraud risk identification.

Internal Audit

68. The Governance and Audit Committee has overseen the Council's internal audit arrangements (3.4.8.10.1). By reviewing the Internal Audit Strategy, the Internal Audit Annual Report and the Internal Audit Charter, and regular updates from the Head of Audit and

- Risk, the Committee has overseen internal audit's independence, objectivity, performance and professionalism, supported the effectiveness of the internal audit process and promoted the effective use of internal audit within the Council's assurance framework (3.4.8.10.2).
69. The Committee considered the Annual Internal Audit Report 2023-24, including the Head of Audit and Risk's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control, together with the summary of the work supporting the opinion, at its meeting in June 2024 (3.4.8.10.6/7/8/9/12/14/15). The Head of Audit and Risk confirmed that it was her opinion as the 'chief audit executive' for the Isle of Anglesey County Council, that, for the 12 months ended 31 March 2024, the organisation had an adequate and effective framework for risk management, governance and internal control.
 70. Following discussion on a range of areas, including resourcing of internal audit, housing affordability risk, assurance ratings used by internal audit and the Council's strategic risk assessment matrix, the Committee noted the report.
 71. As part of her annual report, the Head of Audit and Risk also presented the outcome of the annual self-assessment to evaluate ongoing conformance with the Public Sector Internal Audit Standards (3.4.8.10.11/13). The Committee noted progress with addressing the improvement areas identified, with all but one action successfully completed.
 72. The Committee has responsibility for reviewing and approving the Internal Audit Charter, which defines the internal audit's activity, purpose, authority, and responsibility (3.4.8.10.2) as well as outlining the safeguards put in place to limit impairments to independence and objectivity arising from the Head of Audit and Risk's additional roles or responsibilities outside of internal auditing (3.4.8.10.13).
 73. The Committee approved the Internal Audit Charter at its meeting in April 2024.
 74. Following the introduction of the new Global Internal Audit Standards in the UK Public Sector from 1 April 2025, the Head of Audit and Risk undertook a whole-scale review of the Internal Charter to ensure it adhered to the provisions of the new standards. The outcome of this work would be presented to the Committee at its meeting in June 2025.
 75. The Committee also has responsibility for approving the annual Internal Audit Strategy (3.4.8.10.1/3/4/5), which determines the priorities of internal audit activity, consistent with the organisation's goals. Similarly to above, the Head of Audit and Risk has undertaken a gap-analysis with the provisions of the new Global Internal Audit Standards in the UK Public Sector to ensure the Internal Audit Strategy complies with the new standards. The Internal Audit Strategy for 2025-26 will be presented to the Committee at its meeting in June 2025.
 76. Throughout the year, the Committee received updates on the work of internal audit including key findings, issues of concern, management responses and action in hand as a result of internal audit work (July, September, December 2024 and February and May 2025). The Committee considered summaries of specific internal audit reports as requested, including full copies of Limited Assurance reports, along with the action plan agreed with management (3.4.8.10.9/10).
 77. The Committee monitored the implementation of agreed actions through the receipt of two reports, in September 2024 and May 2025 respectively (3.4.8.10.9). The Committee considered the Council's performance and the status of all outstanding issues/risks/opportunities raised by internal audit, including detailed summaries of progress with addressing 'major/amber' rated issues/risks/opportunities.

78. The Committee and the Head of Audit and Risk engage effectively (3.4.8.10.15). In particular, the Chair of the Governance and Audit Committee made himself available for the Head of Audit and Risk at all times, including providing the opportunity for a private meeting with the Committee, if requested (3.4.8.10.15).

External Audit

79. The Committee oversees the external audit arrangements and considers the scope and depth of external audit work.
80. The Committee received Audit Wales's detailed plan for 2024, which set out the work proposed to be undertaken in relation to the financial audit, the performance audit programme for the year, along with the audit reporting timetable, at its meeting in June 2024 (3.4.8.11.1/3).
81. The report also provided details of the audit team and the proposed audit fee for the activities set out. (3.4.8.11.3).
82. The Committee considered the external auditor's annual letter and ISA 260 report to 'those charged with governance' (3.4.8.11.1/2), at its meeting in November 2024. Following discussions around confirmation of completion of the financial statements audit, accounting and audit deadlines and the impact of these on finance staff leading to errors, and points of clarity relating to capital and revenue expenditure, it was resolved to note the external auditor's report for its audit of the 2023-24 Financial Statements.
83. The Committee resolved to note Audit Wales's Annual Audit Summary report for 2024, which showed a summary of the outcome of each piece of work completed, at its meeting in May 2025.
84. The Committee received quarterly updates during the year (in June, September, December 2024 and May 2025) and external audit reports, including the audit of the Council's process for setting wellbeing objectives (June 2024) and two reports focussed

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

85. The Committee monitored the implementation of external audit recommendations and received a report from the Head of Profession (HR) and Transformation in December 2024, setting out how the Council had responded to external audit reports regarding the Council and national reviews, and their related recommendations (3.4.8.11.3).
86. The Committee was not compelled to make any recommendations on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies during the year (3.4.8.11.4).
87. The Governance and Audit Committee met privately and separately with external and internal audit without officers present, following its meeting in May 2025 (3.4.8.2.6 / 3.4.8.11.5).

Financial reporting

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

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

91. Following further discussion on the complexity of the accounts for the public and their understanding of the financial pressures it faces, and a request for a review of the term 'capitalisation' related to a specific sum in the accounts, the Committee resolved to note the draft unaudited main financial statements for 2023-24.
92. The Committee considered the external auditor's report to 'those charged with governance' on issues arising from the audit of the accounts, and whether they needed to be brought to the attention of the Council (3.4.8.12.4/5) at its meeting in November 2024.
93. Following discussion (see [External Audit](#) above), the Committee resolved to note External Audit's Report on the Financial Statements for 2023-24.

Complaints handling

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

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

97. The Committee received the Public Services Ombudsman for Wales (PSOW) Annual Letter 2023-24 at its meeting in December 2024. The document outlined the complaints standards work undertaken by the PSOW over a 12-month period as well as a summary of the Council's performance in this area (3.4.8.13.1).
98. Following discussion, the Committee resolved to note and accept the Annual Letter 2023-24 and authorised the Director of Function (Council Business)/Monitoring Officer to confirm to the PSOW that the Committee has given formal consideration to the Annual Letter and to provide reassurance that the Council will continue to monitor complaints and, thereby, provide Members with the information required to scrutinise the Council's performance (3.4.8.1.3 / 3.4.8.14.2).

Self-assessment report

99. Each financial year, the Committee receives from Council a draft of its self-assessment report, drafted in accordance with Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (3.4.8.1.3 / 3.4.8.15.1).
100. The Committee considered the Annual Draft Self-Assessment Report 2023-24, which provided an evidence-based assessment of how the Council performed in the year using its available resources whilst managing and mitigating associated risks, at its meeting in July 2024. (3.4.8.1.4).
101. In reviewing the report, the Committee noted a contradiction between the high assessment of financial planning and workforce

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

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

Panel performance assessment

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

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

105. A panel performance assessment was not conducted during 2024-25. However, a PPA is planned for 2025-26.

Auditor General inspection

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

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

108. The Council's draft response must be made available to, and be reviewed by, the Governance and Audit Committee. The Committee may recommend changes to the response, including the action proposed by the Council. If the Committee's recommendations are not adopted by the Council before publication, the recommendations must be included in the response along with the reasons why the Council has not made the changes recommended by the Committee (3.4.8.17.1/2/3).

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

Appendix A – Frequency of meetings and attendance

Members	27/06/24	18/07/24	19/09/24	27/11/24	05/12/24	11/02/25	08/05/25	Meetings attended (%)
Mr Dilwyn Evans (Lay Member) (Chair)	✓	✓	✓	✓	✓	✓	✓	100
Cllr Euryrn Morris (Deputy Chair)	Apologies	✓	Apologies	✓	Apologies	✓	✓	57
Cllr Geraint Bebb	✓	✓	Apologies	✓	✓	✓	✓	86
Cllr Dyfed Wyn Jones ⁴	No	✓	Apologies	-	-	-	-	33
Mr William Parry (Lay Member)	✓	✓	✓	No	✓	✓	✓	86
Cllr Keith Roberts	✓	✓	✓	✓	No	✓	✓	86
Cllr Kenneth Hughes ⁵	-	-	-	-	-	Apologies	✓	50
Cllr Margaret M. Roberts	No	✓	✓	✓	✓	✓	✓	86
Mrs Sharon Warnes (Lay Member) ⁶	✓	✓	✓	✓	✓	✓	-	100
Mr Michael Wilson (Lay Member)	✓	✓	✓	✓	✓	✓	No	86
Cllr Liz Wood ⁵	Apologies	No	Apologies	No	Apologies	-	-	0
Cllr Aled Morris Jones ⁵	-	-	-	-	-	✓	Apologies	50
Cllr Trefor Lloyd Hughes	✓	✓	✓	✓	No	No	No	0
Cllr Ieuan Williams	✓	✓	Apologies	✓	✓	✓	✓	86
Cllr Robin Williams (Finance Portfolio Holder)	✓	✓	✓	✓	✓	✓	✓	100
Total for Committee⁷	8	12	8	10	8	11	9	65% (average)

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

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

⁶ Mrs Sharon Warnes passed away before the 8 May 2025 meeting.

⁷ In accordance with the Committee's Terms of Reference, the Committee consists of eight elected Members and four lay members. Elected Members will not be members of the Executive, but the Finance Portfolio Holder is required, as far as possible, to attend all meetings of the Committee.

Appendix B – Current Member Training 2022-25 and Briefings

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

⁸ 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

Appendix C – Meeting Outcome Summary

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

The Committee reviewed the **National Fraud Initiative** outcomes, acknowledging progress with estimated savings of £3,838 but noted resource constraints that could hinder fraud prevention efforts.

Finally, the Committee reviewed and was satisfied with the progress of actions from previous meetings and was also content to accept the Forward Work Programme as proposed.

19
September
2024

The Committee considered **seven** substantive items.

The Committee received and accepted the **Senior Information Risk Owner's** statement and overview of the Council's compliance with legal frameworks during 2023-24, such as the UK GDPR, Data Protection Act 2018, Freedom of Information Act 2000 (FOIA), and other regulations. Key highlights included interactions with external regulators, security incidents, and breaches. At the invitation of the Chair, officers from Learning, Public Protection, Resources and Information Technology services gave reasons for late responses to FOIA requests, which included limited resources, complexity of requests, and operational demands. Discussions also covered the responsibility of assigning FOIA requests, handling subject access requests pending identity verification, and ensuring third-party compliance with GDPR when the Council contracts services involving personal data processing.

The Committee received the Council's **Concerns and Complaints Policy and Whistleblowing disclosures** for 2023-24, which included an overview of how complaints were handled and an update on the development of the Customer Relationship Management (CRM) system to track complaints in real-time. At the invitation of the Chair, the Head of Housing Services explained that Housing Services faced a higher volume of complaints due to regular interactions with the public and that improvements, especially in communication, were being made. The Committee resolved to accept the report as assurance of the Council's compliance with its policies, note the lessons learned and asked for headline details of Social Services complaints in future reports to be included in the report and to refer the Committee's concern over Public Services Ombudsman for Wales (PSOW) delays in resolving complaints against elected members to the Standards Committee.

The Committee received a review of **treasury management activity for 2023-24**, which covered key issues, comparing the performance against the 2023-24 Treasury Management Strategy and Prudential Indicators. The Director outlined external factors, the Council's capital expenditure and financing, reserves and cash balances, borrowing, investment activities, and compliance with the prudential indicators, confirming performance aligned with the strategy. The Committee queried the reduction in school balances (from £6.7m to £5.5m) and its impact on schools moving forward. The Committee resolved to note and forward the report to the Executive, with an additional action to review the report for tense consistency and clarity.

The Committee considered a report on the Internal Audit's activities to mitigate the **risk of fraud, bribery, and corruption** within the Council during 2023-24. The report assessed the effectiveness of the Council's anti-fraud measures, progress in addressing the Auditor General's recommendations, and highlighted current fraud risks and future challenges. An action plan for 2022-2025 was also included. The Committee discussed whether a local version of the regional counter fraud working group (part of the North and Mid-Wales Audit Partnership) would be established internally, and how the CRM system, and the STAR programme aimed at improving procurement, could support anti-fraud efforts. The Committee resolved to take the assurance provided on the effectiveness of the Council's arrangements to minimise fraud risk.

The Committee considered the **internal audits** completed since the last meeting, along with the current workload and priorities of Internal Audit for the near future. Two assurance reports were shared with Committee members: one on Direct Debit Management and the other on Continuous Monitoring of Duplicate Payments, both receiving 'Reasonable Assurance.' The Committee noted progress made by the Payments Team in reducing duplicate invoice payments and the procedures for recovering duplicate payments from suppliers, and clarified the process for handling bad debts, including how provisions are adjusted and charged.

In addition, the Committee deemed the Council's progress in addressing **outstanding actions** to be satisfactory following an update provided on the current status of issues/risks and opportunities identified by Internal Audit.

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

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

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

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

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

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

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

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

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

11
February
2025

The Committee considered **seven** substantive items.

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

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

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

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

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

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

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

8 May 2025

The Committee considered **seven** substantive items.

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

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

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

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

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

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

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