ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	4 December 2025
Subject:	Internal Audit Update
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Nature and Reason for Reporting:

The Governance and Audit Committee's terms of reference has an explicit requirement for the committee to oversee the council's internal audit arrangements as part of its legislative duties under the Local Government (Wales) Measure 2011. (3.4.8.10.1)

The committee is required to consider updates on the work of internal audit including key findings, issues of concern, management responses and action in hand as a result of internal audit work. It is required to consider summaries of specific internal audit reports as requested, including the effectiveness of internal controls and will monitor the implementation of agreed actions. (3.4.8.10.10)

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

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

1. Introduction

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

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

2. Recommendation

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

Internal Audit Update

December 2025

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Head of Audit & Risk

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Summary of Assurance Work Completed Since Last Update

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

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

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

Performance Management

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

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

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

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

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

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

Secondary Schools ICT Security

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

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

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

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

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

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

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

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

Work in Progress

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

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

Outstanding Actions

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

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

Priorities

Short/Medium Term Priorities

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

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

Longer Term Priorities

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