

ISLE OF ANGLESEY COUNTY COUNCIL		
Report to:	Governance and Audit Committee	
Date:	14 May 2026	
Subject:	Outstanding Internal Audit Issues, Risks and Opportunities	
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<p>Nature and Reason for Reporting: This report meets the requirements of the Local Government (Wales) Measure 2011, which sets out the legislative duties to be performed by a council's audit committee, specifically, to oversee the authority's internal audit arrangements.</p> <p>The Governance and Audit Committee's terms of reference provide a responsibility for it to monitor the implementation of agreed actions (3.4.8.10.10). This report provides an update on the status of the outstanding issues, risks and opportunities that Internal Audit has raised.</p> <p>This report also fulfils the requirements of the new Global Internal Audit Standards (GIAS) in the UK Public Sector, which require the chief audit executive to establish a methodology to confirm that management has implemented internal audit recommendations or management action plans. This includes enquiring about progress on implementation, performing follow-up assessments using a risk-based approach and updating the status of management's actions in a tracking system (Standard 15.2). Internal audit's existing follow up arrangements fully conform with the new GIAS in the UK Public Sector.</p>		

1. Introduction

- 1.1. Internal Audit, on behalf of the Council, monitors issues and risks identified during audit work via its action tracking system, 4action.
- 1.2. A dashboard displays a real-time snapshot of current performance in addressing outstanding actions and allows effective tracking and reporting of this information. The Head of Audit and Risk regularly shares this dashboard with the Governance and Audit Committee as part of her internal audit update reports.
- 1.3. In addition, the Governance and Audit Committee has requested that it receives a separate, detailed report outlining overall performance in addressing audit actions, twice a year. At its meeting on 21 September 2021, the former Committee considered and determined the level of detail to be included in the report, to meet its assurance needs in this area.

2. Recommendation

2.1. That the Governance and Audit Committee:

- considers the Council's progress in addressing the outstanding Internal Audit 'Issues / Risks / Opportunities' and determines whether this is satisfactory.

Outstanding Internal Audit Issues / Risks / Opportunities

March 2026



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Introduction

1. 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 issues, risks and opportunities raised by Internal Audit during the course of its work.
2. 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/May and September.
3. In addition, standard 15.2 of the Global Internal Audit Standards (GIAS) requires Internal Audit to “confirm that management has implemented internal auditors’ recommendations or management’s action plans following an established methodology, including inquiring about progress on the implementation, performing risk-based follow-up assessments and updating the status of actions in a tracking system.”
4. As previously reported, Internal Audit has moved away from making recommendations to reporting ‘Issues’ and ‘Risks’ and more recently ‘Opportunities’. To encourage management to have ownership for these risks, it is their responsibility to develop an action plan to address the issues, risks and opportunities identified, and we monitor how these have been addressed.

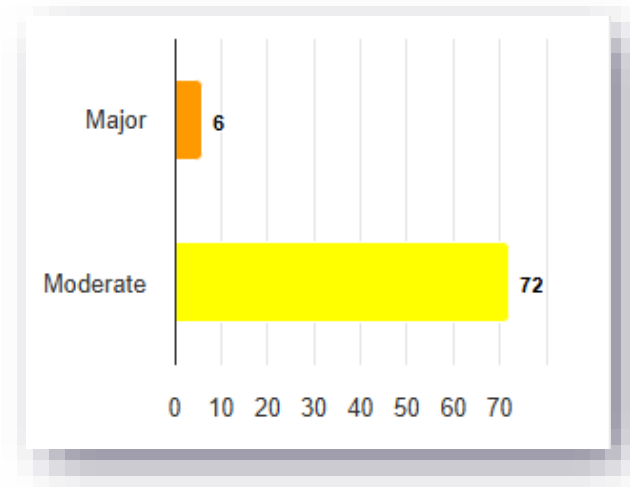
5. Reports which have received 'Limited' or 'No' Assurance are subject to a formal follow up review by Internal Audit, with an audit report produced and an assurance rating given. We monitor all other issues, risks and opportunities using the council's corporate action tracking system (4action).
6. We continuously monitor 'overdue' actions to enable us to promptly obtain progress updates from management.
7. We have developed and refined a user dashboard on 4action (below), which displays a real-time snapshot of current performance in addressing outstanding actions and enables effective tracking and reporting of this information.



Current Performance

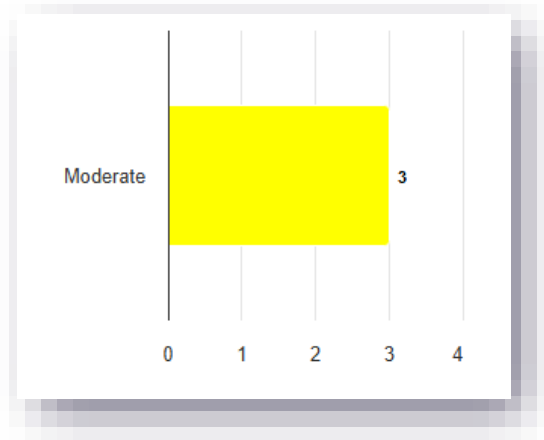
8. The following five graphs show the outstanding actions across the council as of 31 March 2026. A detailed status update of the 6 outstanding 'major' rated issues / risks / opportunities is also shown at [Appendix 1](#).
9. It should be noted that no 'Red' or 'Critical' issues / risks / opportunities were raised during the year and there are no Red or 'Critical' issues / risks / opportunities' currently outstanding.

Graph 1 – Total Outstanding Actions



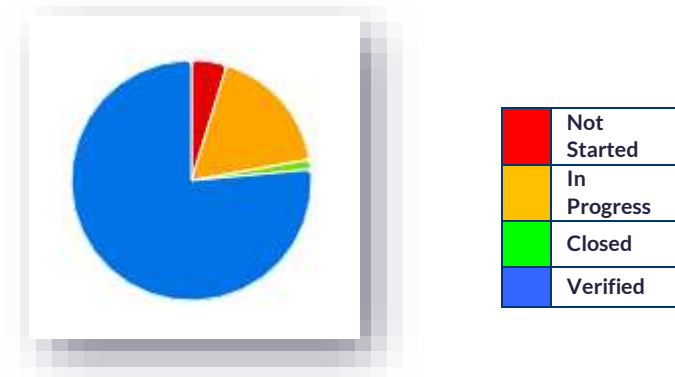
10. As of 31 March 2026, we are tracking 78 outstanding actions. Of these, six are assessed as 'major' (amber) and 72 'moderate' (yellow) risks, as shown above.

Graph 2 – Overdue Actions



11. We actively monitor all actions and pursue them with management when they become due to ensure they are addressed. There are currently three actions that have reached the date management were due to finish implementation, and are now 'overdue', as shown above.
12. These actions relate to three 'issue/risks' assessed as 'moderate' which were raised during an audit of Disabled Facilities Grants (DFGs). We provide more detail on these actions in our formal follow up audit report of Disabled Facilities Grants included in the Head of Audit and Risk's update report.

Graph 3 – Total Issues / Risks / Opportunities by status

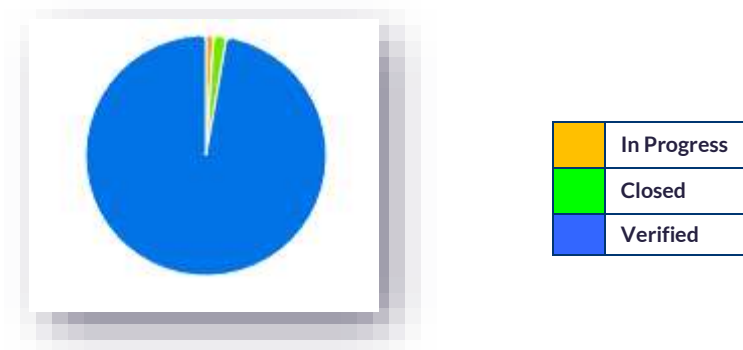


13. Graph 3 shows the status of all outstanding actions (irrespective of the date by when management agreed to address them). It shows that management have now addressed 77% of their agreed actions and Internal Audit has verified 76%¹.
14. The remaining 1% yet to be formally verified relates to actions from two audits: 'IT Supplier Management' and 'Secondary Schools ICT Security'.

¹ Internal Audit verifies all 'closed' actions to ensure we are satisfied that the action taken by management has addressed the risk originally identified.

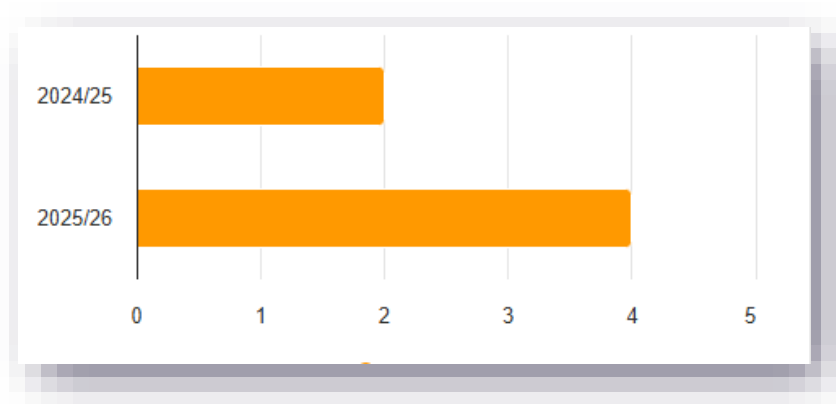
15. We will be conducting formal follow up audits of these areas in the first quarter of 2026-27 and will verify that management has successfully implemented these actions during these pieces of work.
16. The actions showing as 'not started' relate to several recently completed audits where the actions identified have not yet reached their anticipated completion dates. These include:
- Performance Management
 - IT Physical Security and Environmental Control of Data Centres
 - Financial Systems: Treasury Management
 - Financial Systems: Payroll
 - Financial Management: budget monitoring and forecasting
17. When these dates approach, we will actively pursue updates from management to determine progress.

Graph 4 – Total Issues / Risks / Opportunities by status (where due)



18. In contrast, Graph 4 shows the status of all actions that have reached their target date. It shows that where due, 99% have been addressed.
19. Of these, Internal Audit has verified virtually all, however as detailed above, those actions that have yet to be verified relate to audits of 'IT Supplier Management' and 'Secondary Schools ICT Security'. The actions showing here as 'in progress' are those that are overdue, as detailed in paragraph 12 above.
20. 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/opportunity'.

Graph 5 – ‘Critical’ and ‘Major’ outstanding Issues / Risks / Opportunities by year



	Critical
	Major

21. As detailed above, 6 outstanding actions rated as ‘major’ in risk priority have yet to be fully completed, and there are no red or ‘critical’ ‘issues / risks / opportunities’ currently outstanding.
22. Graph 5 above shows the financial year where the ‘major’ rated issue/risk was originally identified during our audit work.

23. There are no ‘major’ rated issues / risks / opportunities dating back further than 2024/25. This demonstrates that management are prioritising addressing risks of higher priority.
24. In addition, to ensure that services are successfully addressing their issues / risks / opportunities promptly, where a ‘critical’ or ‘major’ rated issue / risk / opportunity is still not resolved 12 months after the original completion date has passed, action owners are asked to provide an update to the committee on the reasons for the delay in it being addressed.
25. There are currently no ‘critical’ or ‘major’ rated issues/risks to which this applies.
26. A detailed status update of all outstanding ‘major’ rated issues /risks / opportunities currently being tracked follows at [Appendix 1](#).
27. We will endeavour to pursue all outstanding actions to ensure completion.

Appendix 1: Detailed Status of Outstanding 'Major' Rated Issues / Risks / Opportunities

Audit Title	Audit Year	Report Issue Date	Current Target Date	Report Assurance Rating ²	Issue /Risk/Opportunity Summary	Current Status
Early Education and Childcare Grant Programmes	2024/25	March 2025	01/04/26	Reasonable	The council does not make the Childcare Offer – Education element (10 hours) accessible to all private childcare providers and childminders, contrary to WG guidance.	Formal follow up in progress. We are currently undertaking a formal follow up review to determine progress with addressing the issues/risks raised in our original report. A follow up report will be presented to the Governance and Audit Committee at its meeting on 16 July 2026.
IT Audit – Payment Card Industry Data Security Standards (PCI DSS)	2024/25	March 2025	31/05/26	Reasonable	Current processes for accepting telephone card payments are not PCI DSS compliant.	In progress. A PCI DSS compliant solution, Call Secure, is now in place for the call centre (payments taken through Paye.net.). Callers who want to make payments here are now forwarded to a secure, compliant payment line system. Telephone card payments are no longer taken at the Oriel with the option of bank transfer payment now offered as an alternative. Work to implement online payments for the Leisure Service is ongoing, which once implemented will remove the need to accept telephone payments. The service is working with the digital team and the supplier to expedite this work. The service anticipates this facility will be operational in early May 2026.

² Current assurance rating - either as at time of original audit or following follow up review.

Audit Title	Audit Year	Report Issue Date	Current Target Date	Report Assurance Rating ²	Issue /Risk/Opportunity Summary	Current Status
Adult Social Care Finance	2025/26	June 2025	01/04/26	Limited	Backlog of financial assessment cases awaiting processing.	Formal follow up in progress. We are currently undertaking a formal follow up review to determine progress with addressing the issues/risks raised in our original report. A follow up report will be presented to the Governance and Audit Committee at its meeting on 16 July 2026.
Adult Social Care Finance	2025/26	June 2025	01/04/26	Limited	The council has several aged debtor cases relating to financial assessments / deferred charges where the client is deceased.	Formal follow up in progress. We are currently undertaking a formal follow up review to determine progress with addressing the issues/risks raised in our original report. A follow up report will be presented to the Governance and Audit Committee at its meeting on 16 July 2026.
Performance Management	2025/26	October 2025	31/07/26	Reasonable	The Corporate Performance team has limited resources to perform extensive quality assurance of performance data provided quarterly by services for inclusion in the corporate performance scorecard. The absence of a dedicated performance management system further limits capacity.	In progress. The corporate performance team are currently working with ICT to review options for creating an in-house whole council performance management system using Microsoft software. Due to other priorities, the intention is for system development to be undertaken during 2026/27 with system implementation for 2027/28.

Audit Title	Audit Year	Report Issue Date	Current Target Date	Report Assurance Rating ²	Issue /Risk/Opportunity Summary	Current Status
Performance Management	2025/26	October 2025	30/09/26	Reasonable	There is a lack of consistency of performance monitoring processes across service areas. While there are examples of a strong performance culture in some services, including effective key performance indicators (KPIs) and regular review of performance measures to ensure continued relevance, this is not evident in all services.	<p>Action not yet due for completion.</p> <p>In consultation with services, the corporate performance team has reviewed the service delivery plan (SDP) template documents for 2026/27 and will be supporting services in the coming weeks to complete their SDPs. Discussions have also commenced with relevant services, on ways to strengthen their individual performance monitoring processes.</p>