

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

1. Introduction

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

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

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

2. Recommendation

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

Annual Report of the Governance and Audit Committee 2025-26

June 2026



Chair's Report

Marion Pryor BA MA CMIIA CPFA ACFS

Head of Audit and Risk



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Introduction

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

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

Composition and arrangements

5. In accordance with its terms of reference, during the year the committee consisted of eight elected members and four lay members.
6. Movements during the year included Councillor Ieuan Williams leaving the committee to join the Executive in October 2025. Sadly, Councillor Trefor Lloyd Hughes passed away prior to the December 2025 meeting. New Lay Members, Dr Geraint Jones and Mr William Maund joined the committee in September 2025, and Councillor Gwilym O Jones rejoined in December 2025 to fill vacant positions. (3.4.8.2.2).
7. The Finance Portfolio Holder is required, as far as possible, to attend all meetings of the committee (3.4.8.2.2) and attended all seven meetings of the committee during 2025-26. ([Appendix A](#)).
8. As required by the Local Government and Elections (Wales) Act 2021, the Chair of the Governance and Audit Committee was a lay member and, therefore, not an elected councillor or a member of a group that formed part of the council's Executive (3.4.8.2.3).
9. Throughout the year, the committee conducted its business non-politically and abided by the rules of political balance (3.4.8.2.1).
10. All members declared interests during meetings where appropriate (3.4.8.2.2).
11. During the year, where officers were called to attend a committee meeting at the request of the Governance and Audit Committee members, they all did so (3.4.8.2.4).
12. The committee is required to meet a minimum of four times per year (3.4.8.2.5). The committee met formally (hybrid meetings) on seven occasions, which included one special meeting to consider only the draft Statement of Accounts 2024-25, the draft Annual Governance Statement 2024-25 and the External Auditor's report on the audit of the 2024-25 financial statements (ISA 260 report).
13. The attendance at meetings during 2025-26 has been good, with average attendance at 75% ([Appendix A](#)).
14. Where necessary, the Director of Function (Resources) and Section 151 Officer has provided advice to the committee and has had direct and unfettered access to the committee (3.4.8.2.7).
15. Neither the external nor the internal auditors requested the Chair to consider any matter that the auditors believed should be brought to the attention of the council (3.4.8.2.9).
16. Existing members received ongoing training and briefings on new legislation, professional guidance, and research ([Appendix B](#)) (3.4.8.2.10).
17. The committee's terms of reference include all the core functions of the committee.
18. Changes to its terms of reference were considered and approved in:
 - December 2025 – transfer of final approval of the council's Annual Accounts by the Governance and Audit Committee, in place of the Council.
 - February 2026 – transfer of final approval of the council's Annual Governance Statement by the Governance and Audit Committee, in place of the Council.
 - May 2026 – changes in respect of lay members tenure, removing the link to the political term.

Accountability arrangements

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

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

Governance

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

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

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

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

Treasury management

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

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

Value for money

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

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

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

Assurance framework

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

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

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

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

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

Risk management

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

Countering fraud and corruption

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

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

Internal Audit

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

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

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

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

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

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

External Audit

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

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

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

Financial reporting

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

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

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

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

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

Complaints handling

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

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

Self-assessment report

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

Panel performance assessment

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

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

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

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

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

Auditor General inspection

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

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

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

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

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

Appendix A – Frequency of meetings and attendance

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

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

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

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

⁷ Councillor Gwilym O Jones joined the committee in December 2025

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

Appendix B – Current Member Training 2022-26 and Briefings

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

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

* Optional for lay members.

Committee-specific briefings

Title	Area	Medium	Provider	Date Provided
Audit Committee Update – Issue 40: New Internal Audit Standards	Forthcoming changes to the internal audit standards and how that will impact on audit committee members.	Newsletter	CIPFA	24/12/24
CIPFA Better Governance Newsletter	Information for audit committees regarding the publication of the CIPFA Code of Practice to support authorities in establishing and maintaining their internal audit arrangements, along with information about the consultation on the Addendum to the 2016 Governance Framework covering the annual review of governance and the annual governance statement.	Newsletter	CIPFA	07/02/25
Audit Committees: effective practices and a positive impact pocket guide	Audit Wales has published a pocket guide which summarises effective practices for audit committees.	Pocket guide	Audit Wales	25/02/25
Audit Committee Update – Issue 42: Governance of Internal Audit	The new Code of Practice on the Governance of Internal Audit that comes into effect from 1 April 2025.	Newsletter	CIPFA	17/04/25
CIPFA Public Finance Article – AI adoption ‘could save English and Welsh councils £8bn a year’	Article which estimates that local authorities in England and Wales could save £8bn annually by integrating artificial intelligence into their operations.	Professional Magazine Article	CIPFA	15/05/25
CIPFA / Solace Delivering Good Governance in Local Government: Publication of Addendum	Publication of new guidance on the annual review of governance and internal controls and the preparation of the annual governance statement (AGS) that comes into effect for the 2025-26 financial year.	Publication	CIPFA	20/05/25
CIPFA Public Finance Article – Tech rules: the importance of having an AI policy	Article on the importance of organisations having an Artificial Intelligence (AI) policy.	Professional magazine article	CIPFA	15/07/25
North Wales Corporate Joint Committee - FAQs	Information about the role of the North Wales Corporate Joint Committee (NWCJC) and the Governance and Audit Committee sub-committee.	Frequently asked questions	NWCJC	02/12/25

Appendix C – Meeting Outcome Summary

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

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

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

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

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

Committee concerns included:

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

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

16 July
2025

The committee considered **six** substantive items.

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

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

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

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

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

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

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

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

30
September
2025

The committee considered **10** substantive items.

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

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

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

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

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

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

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

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

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

	<p>Finally, the committee considered the Annual ICT Cyber Security Report 2024/25 in closed session. The Lead Security Engineer outlined key cyber threats faced by the council and the controls in place to mitigate them, including threat statistics, resource needs, and ongoing projects. Discussion focused on project status, budget adequacy, outsourcing potential, training frequency, and policy matters. Officers confirmed increased investment in IT services—from £1.6m in 2017/18 to £5.1m in 2024/25—and emphasised that cyber security is a continuous priority. The committee noted the challenges, accepted the adequacy of current cyber security measures, and took assurance that reasonable protections are in place.</p>
<p>23 October 2025</p>	<p>The committee considered one substantive item during this extraordinary meeting held to consider the Final Statement of Accounts for 2024-25, Annual Governance Statement and External Auditor's report on the audit of the 2024/25 financial statements (ISA 260 report).</p> <p>The Chair informed the committee of a change in membership following Councillor Ieuan Williams's appointment to the Executive and expressed thanks for Councillor Williams's contribution during his tenure on the committee.</p> <p>The Director of Function (Resources) and Section 151 Officer confirmed that the audited Statement of Accounts were submitted for audit on 30 June 2025 and the audit is now largely complete. The accounts would be due for approval by Full Council on 28 October 2025 ahead of the statutory deadline of 31 October. The Section 151 Officer guided the committee through the amendments, which included a reduction in the year end surplus by £500k due to technical adjustments and the impact of this on the balance sheet; a £2.46m increase in earmarked reserves, as a result of reclassifying provisions linked to Penhesgyn landfill risks; technical changes to the capital adjustment account and revaluation reserve with no impact on usable reserves or cash and an update regarding Note 41 – Contingent Liabilities – Electrical Installation Condition Report (EICR) Certificates. He expressed his thanks to both the council's Finance Service team and Audit Wales for their efforts. A proposal was made to amend the Constitution so the Governance and Audit Committee can approve future accounts, supporting an earlier deadline of 30 September from 2025-26 onwards.</p> <p>The Annual Governance Statement had been amended to reflect the committee's input at its July meeting, including RAG ratings for governance issues previously identified to better track improvement progress as well as a revised timeframe for developing a Data Strategic Plan and related actions. Committee discussion focused on governance action timescales for completion and risk assessment as well as clarification on the remit of digital transformation work.</p> <p>Audit Wales confirmed their intention was to issue an unqualified opinion, confirming the accounts are materially accurate. They confirmed that though two outstanding audit tasks remain and an uncorrected error of £1.561m was identified during the audit, both were expected to be classified as immaterial, and an update would be provided prior to the Full Council meeting. The committee noted capacity issues (e.g. property valuations, finance resources) contributing to delays and enquired about a previously undetected misstatement. Members raised various points on clarity and disclosures (e.g. requirements of IFRS 16 – Leases, EICR contingent liabilities and capital commitments), with explanations provided.</p> <p>The committee accepted the audited 2024-25 Statement of Accounts and recommended signing by the Chair of the Council and Section 151 Officer. The committee also endorsed the Annual Governance Statement 2024-25 as a fair evaluation of governance arrangements. The Audit Wales ISA 260 Report was noted.</p>
<p>4 December 2025</p>	<p>The committee considered 13 substantive items.</p> <p>The chair expressed the condolences of the committee to the family of Councillor Trefor Lloyd Hughes MBE. The chair welcomed Councillor Gwilyn O Jones who was rejoining the committee.</p> <p>The committee reviewed its Action Log and noted the completion of eight actions.</p>

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

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

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

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

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

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

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

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

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

3 February
2026

The committee considered **eight** substantive items.

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

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

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

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

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

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

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

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

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

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

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

14 May
2026

The committee considered **six** substantive items.

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

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

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

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

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

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

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

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

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

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

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