

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	16 July 2026
Subject:	Draft Annual Governance Statement (AGS)
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Nature and Reason for Reporting: The committee is receiving this report in line with section 3.4.8.4.2 of the ToR: 3.4.8.4.2 The Committee will review and approve the Annual Governance Statement (AGS) taking into account whether it properly reflects the risk environment and supporting assurances, including the Head of Audit and Risk's annual opinion. The Committee will determine whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.	

Introduction

1. To demonstrate good governance, the Council must show that it is complying with the core (and supporting) principles contained within the Framework for Delivering Good Governance in Local Government (CIPFA / Solace, 2016). This statement has been prepared in accordance with those principles.
2. The Isle of Anglesey County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
3. The Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk together with adequate and effective financial management.

Recommendation

4. That the Governance and Audit Committee reviews and approves the Draft Annual Governance Statement that will form part of the 2025/26 Statement of Accounts



Draft Annual Governance Statement 2025/26

Prepared by: Governance Group

Publication date: June 2026

Mae'r ddogfen hon ar gael yn y Gymraeg / This document is available in Welsh

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Scope of Responsibility

The Isle of Anglesey County Council is responsible for ensuring that it conducts its business in accordance with the law and proper standards, and that it safeguards and properly accounts for public money, and how public money is used.

The Council also has a duty under the Local Government and Elections (Wales) Act 2021 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk together with adequate and effective financial management.

The Council approved and adopted a revised [local code of corporate governance](#) in March 2022, which is consistent with the seven core principles of the CIPFA/SOLACE Framework, Delivering Good Governance in Local Government, including the updated guidance set out in the CIPFA/SOLACE Addendum on the Annual Governance Statement. The Council continues to review and strengthen its governance arrangements in line with evolving good practice, including the requirements of the CIPFA/SOLACE Addendum and the formation of an internal Governance Group.

This statement explains how the Council has complied with the code and meets the requirements of non-statutory proper practice encouraging the publication of an Annual Governance Statement. It also meets the requirement of regulation 5 of the Accounts and Audit (Wales) Regulations 2014 in relation to the publication of a statement on internal control.

The Governance Framework

The governance framework comprises the systems, processes and cultural values by which the Council is directed and controlled. It also guides the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable and not absolute assurance of effectiveness.

Political Governance

The Council was deeply saddened by the passing of two serving Elected Members, [Cllr Trevor LI Hughes](#) in November 2025, who represented the Ynys Gybi ward, and [Cllr Ken Taylor](#) in May 2026, who represented the Bro'r Llynnoedd ward. The Council's Democratic Services team enacted necessary protocols to manage these vacancies. One seat has successfully been filled by [Cllr Celfyn Furlong](#) following a local by-election, ensuring continued democratic representation for the Ynys Gybi ward, while the second seat currently remains vacant pending an upcoming by-election. Throughout this period, the Monitoring Officer and Democratic Services have ensured that political balance is actively managed and that all statutory committee quorums have been successfully maintained to ensure legally robust decision-making. There have been no changes to the committee structures over the past year.

Organisational Structure Changes

During 2025/26, the Council reviewed and strengthened its Management Team capability and capacity to better align with its strategic priorities and modernisation agenda. Following the departure of the Head of Profession for HR and Transformation, the former Transformation Service was restructured into two distinct, focused services. The new services are the 'Digital, Performance and Modernisation' service and the 'Human Resources, Communication and Customer Experience' service. This strategic realignment provides dedicated leadership capacity to drive the digital modernisation while simultaneously ensuring robust oversight of the workforce and customer engagement frameworks.

Furthermore, during the year, the Council formally transitioned its school improvement and educational support functions fully in-house, moving away from the previous regional consortium model. From a governance perspective, this strategic shift consolidates risk management and ensures that the Council's Learning Service now holds direct, localised accountability and oversight for school performance and capacity building.

Review of Effectiveness

The Isle of Anglesey County Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The effectiveness of the governance framework has been evaluated by a combination of:

- the statutory Panel Performance Assessment (PPA), which provided independent external assurance on the Council's governance, performance and capacity arrangements;
- the results of the regular in-year review and monitoring by officers and committees;
- a review of relevant documents prepared during the year or relating to the year;
- the review of progress against the Council Plan;
- reviews of feedback from external auditors and inspectorates, including [Audit Wales](#), [Estyn](#) and [Care Inspectorate Wales \(CIW\)](#);
- the scrutiny panels on the work in relation to Finance, Education and Social Services;
- discussions with, and receiving comments from, groups of officers and members including the Leadership Team and the Executive.

In addition, regular in-year review and monitoring includes:

- formal [risk management](#) activity, including specific consideration of those risks linked to governance processes;
- [internal audit](#), whose work includes auditing the highest risks identified in the [Strategic Risk Register](#), including risk management, in accordance with the annual internal audit strategy, and which includes 'follow-up' work to ensure that senior officers address agreed 'Issues / Risks';
- the work of the Council's Scrutiny and [Governance and Audit](#) and [Standards](#) committees and other Committees;
- the opinions and recommendations of the Council's external auditors and other review agencies and inspectorates;
- the regular monitoring of improvement and performance against the Council Plan and its supporting strategic plans by members and senior managers.

Annual Review of the Effectiveness of the Council’s Governance Framework

Conclusion of Assessment

The following table provides the conclusion of the assessment for 2025/26:

Core Principles of the Framework	Conclusion of the assessment
<p>Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<p>The Council continues to uphold strong ethical standards and respect for the rule of law. These arrangements are supported by the Council’s Constitution, Codes of Conduct and Standards framework, alongside ongoing updates to counter fraud strategies and constitutional arrangements to strengthen oversight. A key governance priority for the year ahead is ensuring full organisational readiness and statutory compliance with the Procurement Act 2023, which is being actively managed at a strategic level to embed consistent practices across all services. The Council continues to promote a strong organisational culture underpinned by its values, with the Panel Performance Assessment highlighting constructive member–officer relationships, a committed workforce, and positive collaborative working across the organisation.</p>
<p>Principle B: Ensuring openness and comprehensive stakeholder engagement</p>	<p>The Council demonstrates a strong commitment to openness, accessibility and active public engagement. Collaborative partnerships and public consultations continue to shape service delivery and community resilience initiatives. The Council maintains effective arrangements to ensure that residents can access information and influence decision-making, supported by performance monitoring of information requests to ensure responsiveness and transparency.</p>
<p>Principle C: Defining outcomes in terms of sustainable economic, social, cultural and environmental benefits</p>	<p>The Council’s commitment to delivering sustainable economic, social, cultural and environmental benefits is clearly articulated through the Council Plan. Strategic intent remains strong, supported by whole council initiatives to streamline resident support and tackle poverty. To ensure these outcomes are fully realised, the Council is focusing on embedding the Socio-economic Duty more consistently into high-level decision-making and strengthening the use of measurable outcomes to drive service delivery. The Council Plan has been developed in line with the sustainable development principle set out in the Wellbeing of Future Generations (Wales) Act, ensuring that long-term, preventative and collaborative approaches are embedded across the organisation.</p>
<p>Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<p>The Council maintains a well-established performance management framework aligned to the Council Plan, ensuring that service interventions are appropriately targeted and informed by evidence. To further strengthen governance and decision-making, the Council is refining its data validation processes to ensure that the Executive and Scrutiny functions are supported by robust, high-quality information to enable effective challenge, accountability and strategic oversight.</p>

Core Principles of the Framework	Conclusion of the assessment
<p>Principle E: Developing the entity’s capacity, including the capability of its leadership and the individuals within it</p>	<p>Leadership and workforce capacity are well managed, supported by established talent and development programmes that are now embedded as business-as-usual. The Council recognises the increasing complexity of statutory data protection requirements, and a key governance priority for 2026/27 is strengthening Information Governance resilience. This includes developing sustainable capacity models for specialist statutory roles and reinforcing a culture of data security and compliance across the organisation. Workforce capacity, including recruitment, retention and leadership continuity, continues to be monitored through the Council’s Strategic Risk Register, ensuring appropriate oversight and management of these strategic challenges.</p>
<p>Principle F: Managing risks and performance through robust internal control and strong public financial management</p>	<p>The Council’s financial controls operate to a high standard of effectiveness. This is evidenced through post-payment audit work demonstrating high levels of transactional accuracy, alongside an unqualified opinion from Audit Wales on the annual Statement of Accounts, confirming no material weaknesses in internal controls. The Council demonstrates compliance with the CIPFA Financial Management Code. Medium-term financial resilience continues to be actively managed, including responding to the challenges of single-year funding settlements through the development of a cross-cutting Modernisation Strategic Plan, as recommended by the Panel Performance Assessment, to support long-term sustainability.</p> <p>Strategic risk management arrangements are well established, with the Strategic Risk Register subject to regular scrutiny by the Leadership Team and the Governance and Audit Committee. While service-level risk management arrangements are in place, some inconsistency in the review of Service risk registers has been identified, with an improvement plan in place for 2026/27.</p>
<p>Principle G: Implementing good practices in transparency, reporting, and audit to deliver</p>	<p>Accountability, transparency and reporting arrangements are robust and effective, supported by strong internal and external audit processes and a high level of management engagement in addressing identified risks and control weaknesses. Internal Audit provides established third-line assurance through its risk-based audit work and overall annual opinion. The Council’s governance arrangements have also been externally validated through the statutory Panel Performance Assessment. External review has identified opportunities to further strengthen the effectiveness of the Council’s Scrutiny function, and this remains a key governance priority for 2026/27. While significant progress has been made in reviewing the first and second lines of assurance, completing a comprehensive Council-wide assurance mapping framework remains a priority. During the year, the Council responded to a regulatory investigation relating to Building Control functions. Enhanced governance arrangements and oversight mechanisms have been established to ensure compliance with statutory requirements and strengthen internal control. No significant governance issues were found during the year.</p>

Statutory Officers' Statements

Head of Paid Service



Dylan Williams
Chief Executive

“As the Chief Executive of the Isle of Anglesey County Council, I take pride in ensuring that effective governance arrangements are in place to uphold transparency, accountability, and the highest standards of public service.

My role is to provide strategic leadership to the organisation, working closely with elected members, officers, and our regional partners. I am satisfied that our governance framework is robust, a fact validated this year by the independent assurance gained through our statutory Panel Performance Assessment. We do not, however, stand still. Local government continues to face unprecedented demand, and we are committed to addressing this through the development of a cross-cutting Modernisation Strategic Plan.

Through regular engagement with stakeholders, we have fostered a culture of open communication and continuous improvement. I am confident that our governance arrangements provide the strong foundation needed to deliver our strategic objectives, adapt to future challenges, and fulfil our responsibilities to the residents of Anglesey.”

Section 151 Officer



Marc Jones
Director of Function
(Resources)

“As the Section 151 Officer, I hold statutory responsibility for overseeing the Council's financial management and ensuring the proper, efficient use of public funds.

I am pleased that the Council's core financial controls and strategic risk management frameworks continue to operate to a highly effective standard, providing a robust foundation for financial stewardship. This is evidenced by exceptionally strong transactional accuracy and the independent assurance provided by our internal and external auditors.

However, ensuring long-term financial sustainability remains a significant challenge. Highly detailed long-term financial planning continues to be inherently constrained by the reliance on single-year funding settlements from the Welsh Government, coupled with ongoing economic pressures. Despite this, I am confident that through diligent medium-term financial planning, disciplined budgetary control, and our commitment to service transformation, our governance arrangements safeguard the Council's resources and support prudent, resilient financial management.”

Monitoring Officer



Lynn Ball
Director of Function
(Council Business)

"As Monitoring Officer one of my key roles is to work closely with elected members and officers to promote good governance, ensure lawful decision-making, and uphold the Constitution across the Council.

The Council maintains a robust governance framework, and we actively ensure that our working culture reflects those requirements, promoting the accountability, transparency, and integrity of our democratic processes.

This year, we have continued to refine our constitutional arrangements to ensure they remain agile and fit for purpose. Nurturing high standards of ethical behaviour and ensuring readiness for new statutory frameworks such as the Procurement Act 2023 and ongoing data protection resilience is crucial. I am satisfied that our governance arrangements provide the necessary legal and ethical safeguards to allow the Council to discharge its responsibilities effectively and lawfully."

Head of Internal Audit



Marion Pryor

"As the Head of Audit and Risk, my statutory role is to provide an independent, objective annual opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management, and control. Based on the internal audit work undertaken during the year, my formal conclusion is as follows:

'For the 12 months ended 31 March 2026, the Isle of Anglesey County Council's Head of Audit and Risk's opinion is that the organisation has an adequate and effective framework for risk management, governance and internal control. While I do not consider any areas of significant concern, some areas require the introduction or improvement of internal controls to ensure the achievement of objectives, and these are the subject of monitoring. There are no qualifications to this opinion.'

Governance matters identified

Progress on Identified Governance Matters as noted last year

The table outlines the governance matters identified last year and an update on progress can be found below:

Governance matters identified	Lead Officer / Service / Board	Update on progress	RAYG status
1. The Council must ensure that it meets the requirements of the new Procurement Act 2023	Resources	<p>The Council has continued to implement the Procurement Improvement Plan, despite initial challenges in recruiting to the Procurement Manager role. Interim arrangements have maintained continuity, with agency staff supporting delivery of the action plan while policies and procedures have been reviewed and updated in line with the requirements of the Procurement Act 2023. Training has also been rolled out across the Authority to strengthen staff understanding and compliance.</p> <p>The appointment of a permanent Procurement Manager, who took up post in April 2026, provides additional capacity to further develop procurement across the Council. The Council approved an increase in the Procurement Team budget in 2026/27 to allow an additional member of staff to be employed and to invest in procurement systems which will ensure greater compliance, improved management information, greater management of contract performance and better management and reporting on social value and community benefits. These actions demonstrate that, although progress has been slower than anticipated, the key foundations are being put in place to embed compliant and consistent procurement practices across the Council.</p>	Behind Schedule
2. The Council needs to respond to identified workforce planning challenges including its age profile in some services and recruitment and retention problems in others	Human Resources, Communication and Customer Experience	<p>The Council has made positive progress in responding to workforce planning challenges, particularly in addressing recruitment and retention pressures within key services. A targeted recruitment approach has been delivered through the Denu Talent Programme, part of the Dyfodol Môn Scheme, which has now been successfully implemented over two consecutive years. This initiative has strengthened the pipeline of future employees by attracting young people from sixth forms, colleges and universities, with a number progressing into employment with the Council or expressing an</p>	Complete for 2025/26. Process is now considered business as usual

Governance matters identified	Lead Officer / Service / Board	Update on progress	RAYG status
		<p>interest in future careers in areas such as social work. The Learning and Development Team will continue to build on this approach during 2026 in collaboration with Social Services, helping to sustain workforce capacity and strengthen the Council's attractiveness as an employer.</p> <p>In addition, the Council has embedded a more structured approach to workforce planning through regular engagement between Human Resources, Directors, Heads of Service and Business Managers, ensuring that workforce challenges are routinely reviewed and reported to the Leadership Team. Alongside this, the Dyfodol Môn Graduate Programme has been launched, with the first cohort of graduates appointed across key professional areas including accountancy, engineering and economic development. The programme will continue during 2026, providing ongoing opportunities to develop specialist skills internally and support succession planning. Collectively, these actions demonstrate that the Council is taking a proactive and sustainable approach to growing its own workforce and addressing longer-term recruitment and retention challenges.</p>	
<p>3. The Council needs to manage and rationalise assets to ensure that they are needed, are fit for purpose and if not identify the work required to bring them up to standards.</p>	<p>Highways, Waste & Property</p>	<p>The Council has progressed actions to strengthen the management and long-term sustainability of its asset base, including the development and formal adoption of the Asset Management Strategic Plan, the Smallholdings Management Strategic Plan, supported by additional one-off funding, and continued implementation of the Computer Aided Facilities Management System. Core functionality is now operational, with further enhancements underway to improve asset data, monitoring and integration with other council systems.</p> <p>The Council's physical assets are recognised as a strategic risk and are subject to strategic oversight, ensuring appropriate governance and prioritisation. While these developments provide a strong foundation for improved asset management, the rationalisation of Council assets remains at an early stage and will require improved data quality and greater system maturity to inform future decisions. It</p>	<p>Behind Schedule</p>

Governance matters identified	Lead Officer / Service / Board	Update on progress	RAYG status
		is also recognised that maintaining the long-term sustainability of the Council’s asset base will require informed strategic decisions on investment and prioritisation.	
4. The financial resilience of the Council is under pressure due to the cost-of-living crisis and a decrease in funding	Resources	<p>The Council has taken a structured and proactive approach to strengthening its financial resilience in response to ongoing cost-of-living pressures and reduced funding. A key area of focus has been maximising external income, with continued efforts to secure available grants, particularly capital funding. This has been supported by the introduction of a formal protocol to authorise bids and robust monitoring arrangements to ensure full compliance with grant conditions and to avoid any loss of funding. Alongside this, the Medium-Term Financial Plan (MTFP) was refreshed and adopted by the Executive in September 2025, providing an updated strategic framework for managing future financial pressures, with further refinement planned once the 2026/27 budget is confirmed.</p> <p>In parallel, the Council has delivered tangible financial improvements through the identification of £975k of savings as part of setting the 2026/27 revenue budget, which has been reinvested into priority services. Broader efficiency measures are also being embedded across services, including investment in digital and operational improvements such as enhanced telephony systems, wider use of CRM, secure payment solutions and income collection technologies. These initiatives are supported by the allocation of reserve funding to enable service modernisation and are contributing to more efficient and effective service delivery. Collectively, these actions demonstrate that the Council is actively managing financial pressures while maintaining service sustainability.</p>	Complete for 2025/26. Process is now considered business as usual
5. The Council needs to continue modernising its digital and data infrastructure	Digital Board	The Council has continued to progress the modernisation of its digital and data infrastructure, with a particular focus on strengthening its data capability. Additional resources have been approved within the 2026/27 budget to establish a Data Manager role, who will be responsible for developing, securing approval for and implementing a Data Strategic Plan.	On Track – target date of March 2027

Governance matters identified	Lead Officer / Service / Board	Update on progress	RAYG status
		<p>Ongoing delivery of the Digital Strategic Plan has resulted in improvements to systems, security and customer-facing services, supporting service modernisation and enhanced use of digital tools across the organisation. Targeted work has also been undertaken to review the Customer Contact Centre model, with agreed opportunities for improvement informing the next phase of development.</p> <p>In contrast, the previously proposed chatbot solution has been reassessed, with the current approach no longer considered viable and alternative options will be explored. Overall, these actions demonstrate continued progress in digital transformation, while recognising that some elements will require further refinement as the programme develops.</p>	
<p>6. The Council does not map all sources of assurance</p>	<p>Chief Executive Office / Digital, Performance and Modernisation / Resources</p>	<p>Progress has been made towards strengthening the Council's approach to mapping sources of assurance, although key elements remain in development. Work to review the Strategic Risk Register was completed, which was a fundamental prerequisite for establishing a robust and coherent approach to assurance mapping. Alongside this, the newly established Governance Group has begun to play a coordinating role, with responsibility for reviewing the Council's lines of assurance as part of its wider work programme, which includes the Annual Governance Statement, Local Code of Governance and Self-Assessment & Performance (Wellbeing) Report processes.</p> <p>Work on the first and second lines has started following the completion of the Strategic Risk Register. Progress on the assurance mapping exercise has been slower than anticipated and remains behind schedule. The Governance Group is expected to take this work forward during 2026/27 where a comprehensive and systematic mapping of assurance sources across the Council will be undertaken. These actions will be important in strengthening oversight, improving governance arrangements and providing clearer visibility of how risks are managed and controlled across the organisation.</p>	<p>Behind Schedule</p>

Other notable governance work undertaken during the year

Panel Performance Assessment

In November 2025, the Council commissioned a statutory Panel Performance Assessment (PPA) via the Welsh Local Government Association, in accordance with the Local Government and Elections (Wales) Act 2021. This independent peer review provided robust, high-level assurance regarding the Council's overall performance, capacity, and governance arrangements. The Panel highlighted numerous strengths across the organisation but also issued eight recommendations to ensure continued modernisation and resilience. To ensure complete strategic alignment between external peer review and internal self-assessment, the specific governance recommendations arising from the PPA have been directly incorporated into the Council's Identified Governance Matters Action Plan for 2026/27

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Identified Governance Matters 2025/26

While no issues meet the threshold of ‘significant governance issues’ as defined by CIPFA guidance, a few governance improvement areas have been identified. These reflect risks and control weaknesses identified through internal audit work, external review and the Council’s wider assurance framework and are subject to ongoing monitoring through the Council’s governance arrangements.

Note: To avoid duplication the operational performance risks, economic strategies, and service modernisation projects are monitored via the Council’s statutory Self-Assessment & Performance (Wellbeing) report. The matters tracked below are strictly those relating to the Council’s internal control environment, statutory compliance, peer-reviewed governance arrangements, and assurance frameworks.

Governance matters identified	Improvement actions identified	Lead Officer / Service / Board	What will happen if these are not achieved?	By When
<p>1. The Council must ensure effective and compliant procurement and contract management arrangements.</p>	<ul style="list-style-type: none"> • Implement the remaining agreed actions from the Procurement Strategic Plan • Develop and Implement a Social Value Strategy to ensure consistent and meaningful inclusion of Social Value in procurement processes • Develop and implement a Contract Management Policy outlining how a contract should be managed based on its risk profile 	<p>Resources</p>	<ul style="list-style-type: none"> • Failure to comply could lead to fines and penalties, legal action and regulatory scrutiny • Reputational damage • Possible service failure • Inability to achieve wider social value aims 	<p>March 2029</p>
<p>2. The Council must strengthen its assurance and Service risk management arrangements</p>	<ul style="list-style-type: none"> • Complete the assurance mapping exercise for the Council • Implement the service-level risk management improvement plan to ensure 	<p>Governance Group / Chief Executive Office / Resources</p>	<ul style="list-style-type: none"> • Reduced assurance over governance arrangements • Inconsistent application of risk management • Increased risk to service delivery 	<p>March 2027</p>

Governance matters identified	Improvement actions identified	Lead Officer / Service / Board	What will happen if these are not achieved?	By When
	consistent application across services			
3. The Council must strengthen Information Governance resilience regarding statutory compliance and capacity	<ul style="list-style-type: none"> Implement targeted data breach awareness training for staff to reinforce internal reporting culture Establish a sustainable, long-term capacity model for the statutory Schools Data Protection Officer (DPO) role 	Council Business / Learning	<ul style="list-style-type: none"> Unmitigated data breaches leading to severe UK GDPR penalties and reputational harm Single point of failure for statutory data protection oversight in schools 	March 2027
4. The Council must strengthen its Scrutiny function to effectively respond to organisational priorities	<ul style="list-style-type: none"> Strengthen the member development programme as part of the induction for members following the 2027 local elections Review scrutiny governance arrangements and consider how scrutiny of economic issues can be strengthened 	Council Business	<ul style="list-style-type: none"> Ineffective democratic oversight and challenge of executive decisions Failure to hold the organisation accountable for economic and strategic outcomes 	June 2027
5. The Council must refine its Performance Monitoring framework	<ul style="list-style-type: none"> Review the performance monitoring framework to strengthen assurance through effective monitoring and reporting of progress against the Council Plan and Strategic Plans 	Chief Executive Office / Digital, Performance and Modernisation	<ul style="list-style-type: none"> Disconnect between daily operations and long-term strategic goals Resources allocated to low-impact areas Impaired strategic decision-making by the Executive 	July 2027

Governance matters identified	Improvement actions identified	Lead Officer / Service / Board	What will happen if these are not achieved?	By When
	<ul style="list-style-type: none"> Strengthen the link between risk management, financial management and performance monitoring Ensure strategic plans inform the development of strategic objectives and key performance indicators for the next Council Plan (from 2028) 			
<p>6. The Council must ensure compliance with the Operational Standards Rules (Wales) 2024 in relation to Building Control functions, following a regulatory investigation by Welsh Ministers.</p>	<ul style="list-style-type: none"> Implement and monitor the agreed improvement actions, including strengthened governance arrangements and oversight through the Building Control Response Group 	<p>Regulation and Economic Development / Building Control Response Group</p>	<ul style="list-style-type: none"> Failure to achieve compliance could result in continued regulatory intervention, increased legal and safety risks, and reputational damage 	<p>December 2026</p>

Certifying the Annual Governance Statement

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Governance and Audit Committee, based on the assurances provided through the Review of Effectiveness and the Head of Internal Audit's annual opinion, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined in the document.

While no issues meet the threshold of 'significant governance issues', a few governance improvement areas have been identified, and we propose to take appropriate steps to address these and further enhance our governance and assurance arrangements in the forthcoming year.

We will monitor the implementation and operation of improvements through the Governance and Audit Committee and as part of our next annual review.

On behalf of the Isle of Anglesey County Council

Cllr Gary Pritchard
Leader, Anglesey County Council
July 2026

Dylan Williams
Chief Executive, Anglesey County Council
July 2026

Appendix 1

CIPFA Financial Management Code (2019)

CIPFA's Financial Management Code (2019) is designed to support good practice in financial management and assist local authorities in demonstrating long-term financial sustainability. The Code requires councils to demonstrate ongoing compliance against six core principles: Leadership, Accountability, Transparency, Professional Standards, Assurance, and Sustainability.

Following its initial declaration of full compliance in 2022, the Isle of Anglesey County Council ensures ongoing adherence to the FM Code through continuous internal review and rigorous external scrutiny. During the 2025/26 period, the Council's financial resilience was tested by two external reviews and one relevant Internal Audit review:

- Audit Wales Financial Sustainability Assessment: Concluded that the Council maintains good arrangements to respond to financial challenges in the short to medium term. While Audit Wales recommended formalising longer-term financial strategies, the Governance and Audit Committee formally noted that highly detailed long-term financial planning remains inherently constrained by the Welsh Government's reliance on single-year funding settlements.
- Independent Panel Performance Assessment (November 2025): To mitigate the constraints of single-year settlements and further strengthen the FM Code's 'Sustainability' principle, the Panel recommended the development of a cross-cutting Modernisation Plan strictly aligned to the Medium-Term Financial Plan (MTFP). This ensures resources are efficiently prioritised to meet future funding gaps and is now a formally tracked priority within the 2026/27 AGS Action Plan.
- Internal Audit 'Financial Management: budget monitoring and forecasting': The report concluded that "the council's arrangements for budget management, financial forecasting and performance monitoring are operating effectively." The report highlights "some areas for improvement in respect of targeted training for officers with delegated budgetary responsibility, action tracking for meetings of the Resources Scrutiny Panel and options to improve financial monitoring information, which provide an opportunity to strengthen current arrangements."

Statutory Conclusion:

Considering internal controls and recent external peer reviews, the Director of Function (Resources) / Section 151 Officer confirms that the Council proactively manages its medium-term financial pressures, maintains a robust framework of internal controls, and demonstrates compliance with the core principles of the CIPFA Financial Management Code, with ongoing actions in place to further strengthen arrangements where opportunities for improvement have been identified.