

ISLE OF ANGLESEY COUNTY COUNCIL		
Report to:	Governance and Audit Committee	
Date:	28 September 2026	
Subject:	Outstanding Internal Audit Issues, Risks and Opportunities	
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Nature and Reason for Reporting: This report meets the requirements of the Local Government (Wales) Measure 2011, which sets out the legislative duties to be performed by a council's audit committee, specifically, to oversee the authority's internal audit arrangements. The Governance and Audit Committee's terms of reference provide a responsibility for it to monitor the implementation of agreed actions (3.4.8.10.10). This report provides an update on the status of the outstanding issues, risks and opportunities that Internal Audit has raised. This report also fulfils the requirements of the new Global Internal Audit Standards (GIAS) in the UK Public Sector, which require the chief audit executive to establish a methodology to confirm that management has implemented internal audit recommendations or management action plans. This includes enquiring about progress on implementation, performing follow-up assessments using a risk-based approach and updating the status of management's actions in a tracking system (Standard 15.2). Internal audit's existing follow up arrangements fully conform with the new GIAS in the UK Public Sector.		

1. Introduction

- 1.1. Internal Audit, on behalf of the Council, monitors issues and risks identified during audit work via its action tracking system, 4action.
- 1.2. A dashboard displays a real-time snapshot of current performance in addressing outstanding actions and allows effective tracking and reporting of this information. The Head of Audit and Risk regularly shares this dashboard with the Governance and Audit Committee as part of her internal audit update reports.
- 1.3. In addition, the Governance and Audit Committee receives a separate, detailed report outlining overall performance in addressing audit actions, twice a year.

2. Recommendation

- 2.1. That the Governance and Audit Committee:

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

Outstanding Internal Audit Issues, Risks and Opportunities

September 2026



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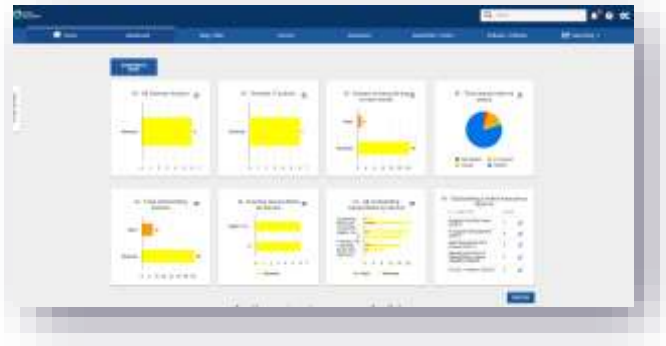
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Introduction

1. The Governance and Audit Committee’s terms of reference include a responsibility for it to monitor the implementation of actions taken by management to address issues, risks and opportunities raised by Internal Audit during the course of its work.
2. To discharge this duty, the committee requested that it receives a detailed report showing the council’s performance in addressing outstanding actions twice a year, at its meetings in April/May and September.
3. In addition, standard 15.2 of the Global Internal Audit Standards (GIAS) requires Internal Audit to “confirm that management has implemented internal auditors’ recommendations or management’s action plans following an established methodology, including inquiring about progress on the implementation, performing risk-based follow-up assessments and updating the status of actions in a tracking system.”
4. As previously reported, Internal Audit has moved away from making recommendations to reporting ‘Issues’ and ‘Risks’ and more recently ‘Opportunities’. To encourage management to have ownership for these risks, it is their responsibility to develop an action plan to address the issues, risks and opportunities identified, and we monitor how these have been addressed.
5. Reports which have received ‘Limited’ or ‘No’ Assurance are subject to a formal follow up review by Internal Audit, with an audit report produced and an assurance rating given.

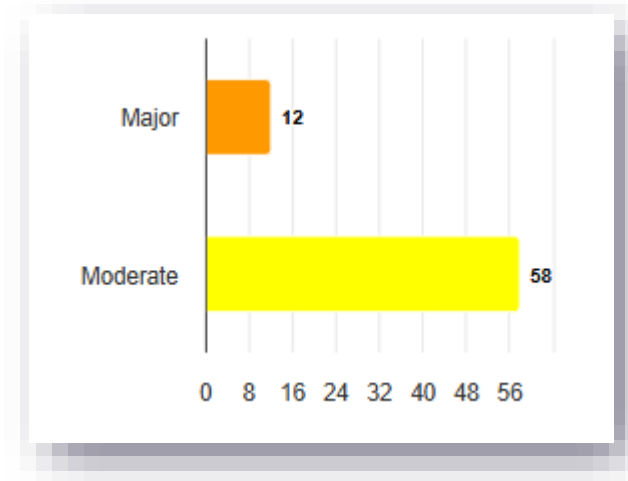
6. We continuously monitor 'overdue' actions to enable us to promptly obtain progress updates from management.
7. We monitor all other issues, risks and opportunities using the council's corporate action tracking system (4action).
8. We have developed and refined a user dashboard on 4action (below), which displays a real-time snapshot of current performance in addressing outstanding actions and enables effective tracking and reporting of this information.



Current Performance

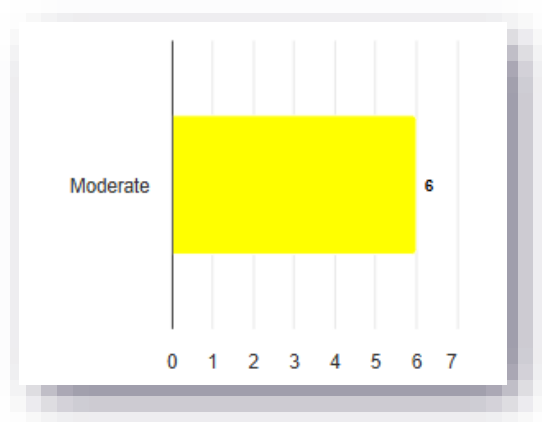
9. The following five graphs show the outstanding actions across the council as of 31 August 2026. A detailed status update of the 12 outstanding 'major' rated issues / risks / opportunities is also shown at [Appendix 1](#).
10. It should be noted that no 'Red' or 'Critical' issues / risks / opportunities were raised during the year and there are no Red or 'Critical' issues / risks / opportunities' currently outstanding.

Graph 1 – Total Outstanding Actions



11. As of 31 August 2026, we are tracking 70 outstanding actions. Of these, 12 are assessed as 'major' (amber) and 58 'moderate' (yellow) risks.

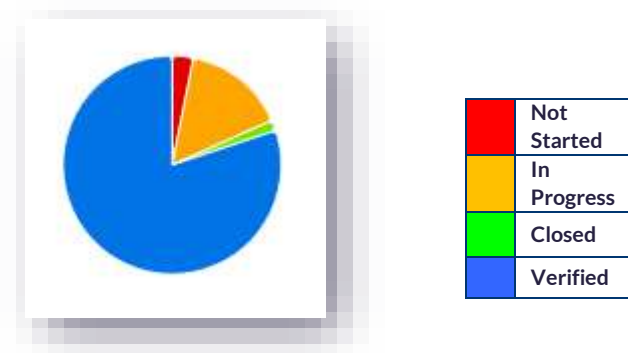
Graph 2 – Overdue Actions



12. We actively monitor all actions and pursue them with management when they become due to ensure they are addressed. There are currently six actions that have reached the date management were due to finish implementation and are now 'overdue'.
13. These actions relate to six issues and risks assessed as 'moderate' in risk priority, which were raised during an audit of IT Service Desk Management. They focus on operational improvements of the Council's IT Service Desk such as aligning standard operating procedures with current practices, strengthening ticket lifecycle oversight, enabling robust trend analysis and reporting, and incorporating user feedback to drive service improvements.

14. At the time of writing, we had requested a progress update with addressing these actions but had not yet received confirmation from the service.

Graph 3 – Total Issues / Risks / Opportunities by status

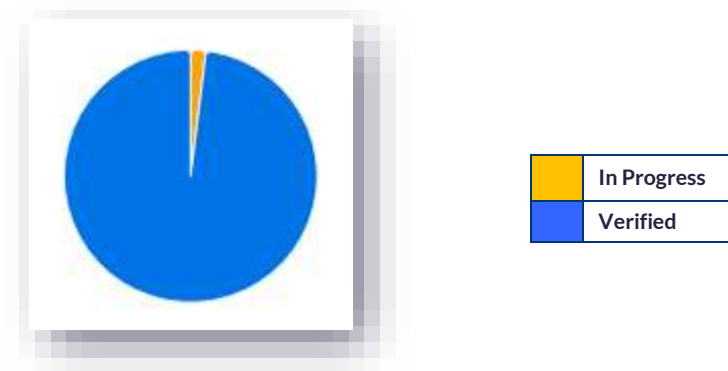


15. Graph 3 shows the status of all outstanding actions (irrespective of the date by when management agreed to address them). It shows that management have now addressed 82% of their agreed actions and Internal Audit has verified 80%¹.

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

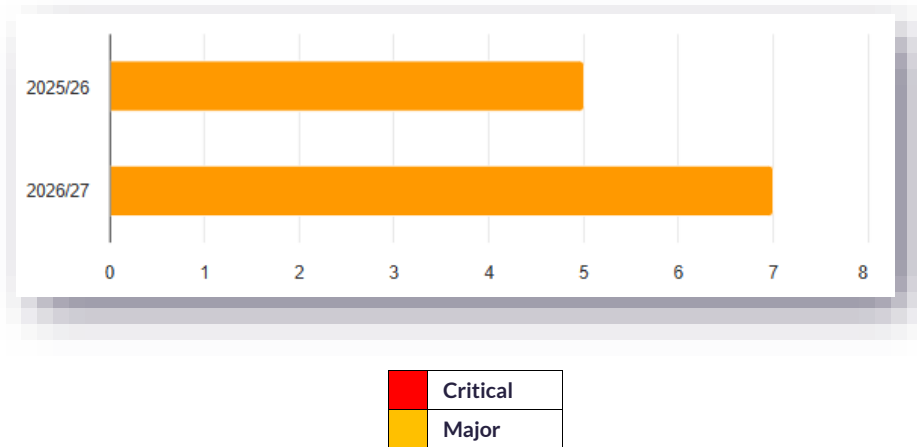
16. The remaining 2% yet to be formally verified relate to actions from two audits: 'Managing the Risk of Safeguarding: Supply Teachers' and 'Secondary Schools ICT Security'.
17. We will be conducting a formal follow up audit of Managing the Risk of Safeguarding: Supply Teachers in December 2026 and will verify that management has successfully implemented these actions during this piece of work.
18. Due to the technical nature of some IT audit actions, we have commissioned Salford Technical Audit Services to verify completion of these actions on a quarterly basis. The actions above from the Secondary Schools ICT Security audit will be included in their work in this area during the autumn.
19. The actions showing as 'not started' relate to several recently completed audits where the actions identified have not yet reached their anticipated completion dates. These include:
 - Financial Systems: Creditors
 - Financial Systems: Payroll
 - Financial Management: budget monitoring and forecasting
 - School Fund Certificates
20. When these dates approach, we will actively pursue updates from management to determine progress.

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



21. In contrast, Graph 4 shows the status of all actions that have reached their target date. It shows that where due, 98% have been addressed.
22. Of these, Internal Audit has verified virtually all. The actions showing here as 'in progress' are those that are overdue, as detailed in paragraph 13.
23. We will extend completion dates for some actions, but only if the service can demonstrate a legitimate reason for the extension, e.g., it becomes clear that the original target date is unachievable, as significantly more work is needed.

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



24. Twelve outstanding actions rated as ‘major’ have yet to be fully completed, and there are no red or ‘critical’ ‘issues / risks / opportunities’ currently outstanding.
25. Graph 5 shows the financial year where the ‘major’ rated issue, risk or opportunity was originally identified during our audit work.
26. There are no ‘major’ rated issues, risks or opportunities dating back further than 2025-26. This demonstrates that management are prioritising addressing risks of higher priority.
27. In addition, to ensure that services are successfully addressing their issues, risks and opportunities promptly, where a ‘critical’ or ‘major’ rated issue / risk / opportunity is

still not resolved 12 months after the original completion date has passed, action owners are asked to provide an update to the committee on the reasons for the delay in it being addressed.

28. There is currently one ‘major’ rated risk to which this applies. This relates to the audit of Adult Social Care Finance, in particular aged debtor cases relating to financial assessments / deferred charges where the client is deceased.
29. We include more detail on progress with addressing this risk in our final follow up report, included as part of the Head of Audit and Risk’s update report to this meeting. The Director of Social Services and the Director of Function (Resources) and Section 151 Officer will be in attendance at the meeting of the Committee to provide a further update.
30. A detailed status update of all outstanding ‘major’ rated issues, risks and opportunities currently being tracked follows at [Appendix 1](#).
31. We will endeavour to pursue all outstanding actions to ensure completion.

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

Issue / Risk / Opportunity Summary	Current Target Date	Current Status	Progress Update
Adult Social Care Finance (Limited Assurance) – June 2025			
The council has several aged debtor cases relating to financial assessments / deferred charges where the client is deceased.	31/12/26	In progress	We recently carried out a formal follow up review of Adult Social Care Finance. We provide the Committee with a more detailed update in our final follow up report, included as part of the Head of Audit and Risk's update report.
Backlog of financial assessment cases awaiting processing.	30/06/27	In progress	We recently carried out a formal follow up review of Adult Social Care Finance. We provide the Committee with a more detailed update in our final follow up report, included as part of the Head of Audit and Risk's update report.
Early Education and Childcare Grant Programmes (Reasonable Assurance) – April 2025			
The council does not make the Childcare Offer – Education element (10 hours) accessible to all private childcare providers and childminders, contrary to WG guidance.	01/10/26	In progress	The Learning Service is liaising with the Procurement Team and the Supporting Families Unit to develop a consistent process that is compliant with legislation and the council's policies and procedures. Progress has been delayed temporarily due to key staff leave over the summer break. Work to address will resume at the start of the new academic year in September.
Performance Management (Reasonable Assurance) – October 2025			
The Corporate Performance team has limited resources to perform extensive quality assurance of performance data provided quarterly by services for inclusion in the corporate performance scorecard. The absence of a dedicated performance management system further limits capacity.	01/09/27	In progress	The service has secured funding to create a new Data Manager post, which will lead and coordinate the development of a whole council data-informed approach to performance management and improvement. The role will work with services to ensure data collected is accurate, accessible and effectively used to support evidence-based decision making, performance management and service improvement.
There is a lack of consistency of effective performance monitoring processes across service areas.	01/09/27	In progress	As above.

Issue / Risk / Opportunity Summary	Current Target Date	Current Status	Progress Update
Managing the Risk of Safeguarding: Supply Teachers (Limited Assurance) – June 2026			
Responsibility for ensuring supply teachers receive essential safeguarding training is unclear. Inconsistent record keeping of training increases the risk that supply teachers may miss mandatory or local safeguarding training, weakening compliance and assurance that learners are kept safe.	30/11/26	In progress / on track	Annual group B training session is planned for 02/11/26 with an invitation sent to all supply teachers and supply classroom assistants. A link to the online group A safeguarding training has been shared again with all supply teachers known to the Council. All relevant staff have been asked to provide proof of training completed by November. A register of attendance of above training session will be retained.
Current arrangements for vetting and recording supply teacher checks are fragmented, increasing the risk that not all supply teachers used by schools are captured, particularly where schools make direct or agency arrangements outside the 'Teacher Booker' system.	01/01/27	In progress / on track	The 'Teacher Booker' system will continue to be used until January 2027 and all data on the central system has been updated over the recent summer break. Final decision on the new system to be made before January 2027.
Financial Systems: Creditors (Limited Assurance) – June 2026			
Services are not consistently following procurement and payment requirements, with supplier setup, purchase orders and goods-received processes often completed late or bypassed. This weakens financial control and creates significant financial, reputational and legislative risks, including potential non-compliance with the Procurement Act 2023 and council policy.	01/03/27	Action not yet due for completion	We are due to carry out a formal follow up review of this area in December 2026, where we will obtain a progress update on addressing all issues, risks and opportunities identified during our original review.
Clear, accessible creditors guidance is not available beyond initial Civica training, leaving non-financial users reliant on informal advice. This increases inconsistent practice and the risk of error.	01/03/27	Action not yet due for completion	
Current Civica guidance is difficult to navigate, assumes prior knowledge and contains outdated information, making it hard for both experienced and new users to follow correct processes.	01/03/27	Action not yet due for completion	

Issue / Risk / Opportunity Summary	Current Target Date	Current Status	Progress Update
Supplier set-up checks do not clearly confirm whether services have completed financial due diligence, creating uncertainty over responsibility and increasing the risk of unsuitable suppliers, error or fraud.	01/03/27	Action not yet due for completion	
There is currently no formal escalation process available to the Payroll and Payments Team to escalate persistent non-compliance or serious issues with purchase order and goods-received requirements directly to heads of service and, where necessary, the Leadership Team.	01/06/27	Action not yet due for completion	