Archwilio Cymru
Audit Wales

Isle of Anglesey County Council – Annual Audit Summary 2025

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Introduction



Adrian Crompton

Auditor General for Wales

I am pleased to share my Annual Audit Summary for Isle of Anglesey County Council (the Council). It summarises the main findings from my 2025 audit work undertaken to fulfil my responsibilities under the Public Audit (Wales) Act 2004 and the Well-Being of Future Generations (Wales) Act 2015.

I provided an opinion on whether the accounts were properly prepared and gave a true and fair view, in all material aspects.

My audit team has also assessed whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and has acted in line with the sustainable development principle. In doing so, my audit team has reviewed the Councils Strategic Management of Balances and Reserves, and its Arrangements for Commissioning Services. As set out in my audit plan, these reviews have been carried out in line with the International Organisation of Supreme Audit Institutions (INTOSAI) standards.

The detailed findings for each of my audits are set out in the respective reports which my audit team have presented throughout the year. The performance audit reports are available on the Audit Wales website and further links are available in the summary.

The Annual Audit Summary should be shared with those charged with governance. I will then make the summary available to the public on the Audit Wales website.

I would like to extend my gratitude to the Council's officers for their help and cooperation throughout my audit.

Your audit at a glance



I received the draft accounts in line with the statutory deadline of 30 June 2025. The quality of the draft accounts and working papers was generally good.



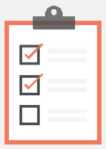
I issued an unqualified opinion on the accounts in advance of the statutory deadline of 31 October There was one uncorrected misstatement in the accounts. There were no other significant issues to report.



My performance audit work found that the Council has positive arrangements for monitoring reserves but needs to strengthen its commissioning arrangements to improve consistency.



My audit team made several recommendations to the Council which focus on formalising and embedding commissioning arrangements to secure value for money, and strengthening the strategic management and review of financial reserves.



My audit team has completed the audit work as set out in my Audit Plans for 2024-25.

Audit of accounts findings

Preparing annual accounts is an essential part of demonstrating the stewardship of public money. The accounts show the organisation's financial performance and set out its net assets/reserves, total comprehensive income and expenditure, and cash flows. My annual audit of those accounts provides an opinion on whether the accounts were properly prepared and gave a true and fair view, in all material aspects.

My responsibilities in auditing the accounts are described in my Statement of Responsibilities publications, which are available on the Audit Wales website.

The draft accounts were presented for audit on 30 June 2025. This was in line with the deadline of 30 June 2025 set by the Welsh Government. The quality of the draft accounts presented for audit was generally good.

My audit opinion

I must report issues arising from my work to those charged with governance for consideration before I issue my audit opinion on the accounts. I reported these issues within my Audit of Accounts Report to the Governance and Audit Committee on 23 October 2025.

Accuracy of preparation

A number of changes were made to the draft accounts arising from my audit work.

There was one uncorrected misstatement remaining in the audited accounts. This related to 32 assets that incorrectly held balances in both the Revaluation Reserve and the Capital Adjustment Account, which is not permitted under proper accounting practices. The error totalled £1.561 million, which is below our materiality threshold and therefore did not affect our ability to issue an unqualified true and fair opinion.

The Council did not amend the accounts during the audit due to the immaterial nature of the misstatement and the limited time available to review supporting records prior to the certification deadline. The Council is currently correcting its records and will adjust this error in its 2025-26 accounts.

There were no other significant issues to report.

Working paper timeliness improved in many areas this year, with several documents prepared in advance of the audit. However, some key working papers were still being finalised during the early weeks of the audit window. In particular, the Valuer's report was not received until mid-August 2025, and the IFRS 16 working papers were not available until mid-October 2025.

Both areas were classified as high-risk due to their complexity, and early audit testing is essential to ensure timely completion, especially where errors may require extended testing and follow-up work.

Whilst these delays did not prevent us from meeting this year's agreed deadline, the audit window will be shorter next year, and similar delays could present a risk to achieving the revised certification deadline of 30 September.

My work did not identify any material weaknesses in internal controls, but I made several recommendations which related to both IT and Financial controls. Progress against these recommendations will be monitored during next year's audit.

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 and with my knowledge of the Council.

I concluded that the Council's accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them.

Audit completion

I issued the certificate confirming that the audit of accounts for 2024-25 was completed on 30 October 2025.

Whole of Government Accounts

I also undertook a review of the Whole of Government Accounts return. I concluded that the counterparty consolidation information was consistent with the Council's financial position on 31 March 2025 and the return was prepared in accordance with the Treasury's instructions.

Other accounts work still underway

In addition to my responsibilities for auditing the Council's accounts, I also have responsibility for the certification of several grant claims and returns.

Our audit work in relation to National Non-Domestic Rates and the Teacher's Pension subsidy have not identified any significant issues. However, we are continuing to address a backlog of Housing Benefit work arising from historic issues, and errors continue to be identified through our testing.

At the time of reporting, the audit of the 2023-24 Housing Benefit Subsidy claim is substantially complete, and audit work on the 2024-25 claim is ongoing.

Performance audit findings

Commissioning Arrangements

My team looked at how the Council's arrangements for commissioning services consider value for money and apply the sustainable development principle. This was a thematic audit carried out at all 22 local authorities.

The audit criteria emphasised that applying commissioning arrangements consistently at a corporate level can strengthen assurance that the Council is securing value for money. The Council was able to demonstrate where some services had applied these criteria, for instance, undertaking a thorough options appraisal for a large long-term commission. However, I found that this was not a consistent corporate approach, as we noted variation across the examples we examined.

I made two recommendations focused on establishing and embedding consistent corporate commissioning arrangements that can be applied proportionately to the scale and significance of the commissioned service.

Strategic Management of Balances and Reserves

My team looked at how the Council manages its reserves. It focused on governance, risk management, financial reporting, and how reserves are used strategically to make sure public money is well managed to support long-term stability.

I found that the Council effectively manages and reviews reserves regularly but would benefit from establishing formal protocols for their use and replenishment. Clearer criteria on establishing and holding reserves and forward planning their maintenance would improve long-term financial resilience.

I made one recommendation focused on formalising how the Council establishes and uses its reserves.

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use three lines of assurance to show how we achieve this. We have set up an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our Audit Quality Report 2024.



Our People

- Selection of right team
- Use of specialists
- Supervisions and review



Arrangements for achieving audit quality
Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

Further information

Audit Wales has a range of other information to support the scrutiny of Welsh public bodies and to continue to improve the services provided to the people of Wales.

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Our publications which cover our audit work at public bodies.



Information on our upcoming work and forward work programme for performance audit.



Data tools to help you better understand public spending trends.



Details of our Good Practice work and events including the sharing of emerging practice and insights from our audit work.



Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.

Archwilio Cymru
Audit Wales

Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

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