

# Cyngor Gwynedd – Annual Audit Summary 2025

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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 Cyngor Gwynedd (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 commissioning arrangements and reserves management. 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 audit findings for each of my reviews 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 the Governance and Audit Committee 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 overall were satisfactory. However, I identified opportunities for the Council to further improve the quality of some working papers and to strengthen its quality assurance processes.



I issued an **unqualified opinion** on the accounts on 19 November following approval by the Governance and Audit Committee on 13 November. This fell after the statutory deadline of 31 October, which could not be met due to the timing of the Committee meeting. Several misstatements remained uncorrected, although none were material. There were no other significant issues to report.



My performance audit work on the management of reserves found that the Council has structured governance arrangements but does not have a formal strategy to inform its decisions on the levels of those reserves. My work on commissioning found that there was room for the Council to improve its arrangements to ensure consistency.



We made recommendations for the Council to establish commissioning arrangements and to adopt a strategy to inform its decisions regarding reserves.



My audit team has completed the audit work as set out in my Audit Plan as planned for 2025.

# Audit of accounts findings

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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 in line with the deadline set by the Welsh Government. The quality of the draft accounts presented for audit was generally satisfactory.

## 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 13 November 2025.

## Accuracy of preparation

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

There were several uncorrected misstatements arising mainly from classification and valuation errors within Property, Plant and Equipment, as well as weaknesses in applying the new IFRS 16 lease accounting standard which came into effect in 2024-25.

There were no other significant issues to report.

I also reported on other matters relating to the implementation of IFRS16 Leases and the quality of certain working papers. The leases disclosure required redrafting, as it was not fully compliant with the requirements of the standard. In addition, I reported that there are still opportunities to enhance the standard of certain working papers and introducing a

strengthened quality assurance process could support this particularly in light of the ambition to bring forward the audit certification deadline to September 2026 for the 2025-26 accounts audit. These improvements should help reduce the number of corrected and uncorrected adjustments arising during the audit.

My work did not identify any material weaknesses in internal controls (as relevant to my audit), and I made no recommendations

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 19 November 2025.

## Whole of Government Accounts

I also undertook a review of the Whole of Government Accounts return and submitted the return in accordance with Treasury's instructions.

## Other accounts work

In addition to my responsibilities for auditing the Council's accounts, I also have responsibility for the certification of a number of grant claims and returns. The claims for Teachers' Pensions, Housing Benefits and Non-Domestic Rates have been certified.

Our work to date identified an issue relating to the certification of the Council's Non-Domestic Rates Assurance work. We were unable to fully complete the certification work in accordance with the requirements set out in our Certification Instruction. The original certification deadline was 17 November 2025; however, due to significant delays in receiving the required responses from the Council, we were unable to conclude the work by that date. Consequently, we completed and reported on the work undertaken by the extended deadline of 30 January 2026, as agreed with the Welsh Government.

# Performance audit findings

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## Commissioning arrangements

My team looked at how the Council's arrangements for commissioning apply value for money considerations and 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. We found that the Council uses a broad range of information from internal and external sources to develop its understanding of the current and long-term factors that are likely to impact commissioned services. It has also identified information sources that will be useful when making commissioning decisions in future and how it could improve its use of data.

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 Use of Reserves

My team reviewed 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 Cyngor Gwynedd has clear and structured governance arrangements for managing its reserves. The Council Chief Finance Officer regularly advises members and officers on reserve levels and usage. A key strength is the Council's ongoing "harvesting" process, which reviews reserves at multiple points throughout the year. However, there is no formal strategy or framework to guide decisions on reserve levels, which could help ensure that reserves are used effectively and

provide assurance that they're consistently aligned with the Council's objectives.

I made a recommendation for the Council to adopt a strategy to support decision making for when and how to establish reserves and monitor the sums of balances held.

# 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

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