

**ANNUAL REPORT
GOVERNANCE AND AUDIT COMMITTEE
CYNGOR GWYNEDD
2025–26**

FOREWORD BY THE CHAIR

The purpose of this report is to present a summary of the work of the Governance and Audit Committee during 2025/26, and to provide possible evidence of the impact of the Committee's work on Cyngor Gwynedd's governance, risk management, and accountability arrangements.

It is a privilege to present another annual report on behalf of the Committee. While the report meets statutory requirements, I hope that it goes beyond being a mere "tick-box" exercise and instead provides the reader with a clear and honest picture of the Committee's role, and the difference that a strong Governance and Audit Committee can make in improving the Council's arrangements and strengthening public confidence.

Like all local authorities and public bodies, Cyngor Gwynedd continues to face significant challenges. During 2025/26, there has been ongoing pressure on the budgets of statutory services, particularly in the care sector, together with wider uncertainty regarding the national funding situation. Within this challenging context, I believe that the Council's governance arrangements, which are subject to ongoing scrutiny by the Governance and Audit Committee, have continued to demonstrate resilience. The Committee has provided appropriate challenge where required, while also offering constructive support to the Executive and senior management as they make difficult decisions on behalf of the people of Gwynedd.

These financial pressures have meant that the Committee's role in financial scrutiny has been particularly central during the year. I am pleased that the Committee has continued to play a leading role in scrutinising the budget, monitoring overspends, challenging the use of reserves, and assessing risks to the Council's financial sustainability in the medium and long term, always with the interests of the taxpayer in mind.

I would like to sincerely thank all officers, elected Members, and lay Members for their commitment and contribution throughout the year. This work relies on effective collaboration and open, constructive working relationships. 2025/26 has been a year of strengthening and stabilising the Committee's membership, and I welcome the valuable contributions of both existing and new Members.

This report relates to the period between May 2025 and May 2026. In closing my foreword, I would also like to acknowledge that the year followed a period of significant loss for the Committee. The deaths of the late Sharon Warnes and Councillor Rob Triggs in the previous year remained very much in the Committee's thoughts. Their contribution to the Committee's work was considerable, and their dedication to public service continues to inspire us as we carry on our work.

Mrs Carys Edwards

Chair of the Governance and Audit Committee

INTRODUCTION

1. The Governance and Audit Committee plays an ongoing key role in ensuring effective arrangements for good governance. The Committee's main purpose is to provide independent assurance regarding the adequacy and effectiveness of the risk management framework and associated control environments; to undertake independent scrutiny of the authority's financial and non-financial performance insofar as it affects its exposure to risk or may undermine the control environment; and to oversee arrangements for the financial reporting process.
2. In carrying out its functions, the Committee considers and gives due regard to guidance and standards issued by various relevant external bodies and organisations, including CIPFA.
3. According to the CIPFA Position Statement on Audit Committees in Local Authorities and Police (2022), the purpose of the Governance and Audit Committee is:

To provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The Committee's role ensures that there is sufficient assurance regarding risk and governance control, thereby increasing confidence among all those responsible for governance that these arrangements are effective.

REPORTING PERIOD

4. This report covers the work of the Committee for the period between the Council's annual meeting on 22 May 2025 and the annual meeting on 1 May 2026. Six Committee meetings were held during the period under review:
 - [22 May 2025](#)
 - [11 September 2025](#)
 - [9 October 2025](#)
 - [13 November 2025](#)
 - [15 January 2026](#)
 - [3 February 2026](#)

COMMITTEE MEMBERSHIP

5. The Governance and Audit Committee consists of 12 Councillors appointed on the basis of political balance, together with six "lay members" (non-local authority members). However, several vacancies existed on the Committee during the year.
6. The attendance of members at the meetings was as follows:

Chair (Lay Member)

	22/05/2025	11/09/2025	09/10/2025	13/11/2025	15/01/2026	03/02/2026
Carys Edwards	x	✓	✓	x	✓	✓

Vice-Chair (Lay Member)

	22/05/2025	11/09/2025	09/10/2025	13/11/2025	15/01/2026	03/02/2026
Rhys Parry	x	✓	✓	✓	✓	✓

Councillors

	22/05/2025	11/09/2025	09/10/2025	13/11/2025	15/01/2026	03/02/2026
Cllr. Elfed Wyn ap Elwyn	✓	✓	✓	x	✓	✓
Cllr. Menna Baines	x	✓	✓	x	✓	✓
Cllr. Meryl Roberts	✓	x	x	✓	✓	x
Cllr. Huw Rowlands	✓	x	✓	✓	✓	✓
Cllr. Elwyn Jones	✓	✓	✓	✓	✓	✓
Cllr. Edgar Owen	✓	✓	✓	✓	✓	✓
Cllr. Arwyn Herald Roberts	✓	✓	x	✓	✓	✓
Cllr. Richard Glyn Roberts	x	x	✓	✓	✓	x
Cllr. Angela Russell	✓	✓	✓	✓	✓	x
Cllr. Rob Triggs ¹	x					
Cllr. Dafydd Meurig	x	✓	x	x		
Cllr. Ioan Thomas	✓	✓	✓	✓	✓	✓
Cllr. Wendy Cleaver			x	x	x	x
Cllr. Geraint Wyn Parry					✓	✓

¹ Cllr Rob Triggs passed away in May, 2025

Lay Membership

	22/05/2025	11/09/2025	09/10/2025	13/11/2025	15/01/2026	03/02/2026
Hywel Eifion Jones	✓	✓	x	✓	✓	✓
Dr Peter Barnes ²		✓	✓	✓	✓	✓
Dewi E Lewis ²		✓	✓	✓	✓	✓
Paul Millar Mills ²		✓	✓	✓	✓	✓

² Appointed on 3 July 2025.

FUNCTIONS OF THE COMMITTEE

7. In accordance with Part 6, Chapter 2 of the Local Government (Wales) Measure 2011, Cyngor Gwynedd must establish a Governance and Audit Committee with certain mandatory functions, and it may also undertake other appropriate functions.
8. The Council's Constitution defines the Committee's functions as follows:

Functions that cannot be delegated to the Executive

The duty to approve the authority's statement of accounts, income and expenditure, and balance sheet (or receipts and payments account where applicable), in accordance with the Accounts and Audit (Wales) Regulations 2014.

Mandatory functions under the Local Government (Wales) Measure 2011

The Committee is responsible for carrying out the following statutory functions under Section 81 of the Local Government (Wales) Measure 2011 (as amended):

- (a) to review and scrutinise the authority's financial affairs,
- (b) to make reports and recommendations in relation to the authority's financial affairs,
- (c) to review and assess the authority's arrangements for risk management, internal control, performance assessment and corporate governance,
- (d) to make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements,
- (e) to review and assess the authority's ability to deal with complaints effectively,
- (f) to make reports and recommendations in relation to the authority's ability to deal with complaints effectively,
- (g) to oversee the authority's internal and external audit arrangements, and
- (h) to review the financial statements prepared by the authority.

(i) to exercise the functions of a Governance and Audit Committee under Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (performance of principal councils and their governance).

Other Functions

The Committee will also be responsible for carrying out the following functions:

(i) promoting internal control by establishing a programme for reviewing controls, developing a culture that militates against fraud, and reviewing financial procedures;

(ii) focusing the Council's audit resources by agreeing audit plans and monitoring audit provision;

(iii) monitoring audit performance by ensuring officers' work is completed within agreed timescales, ensuring that audit reports are issued promptly and responded to in a timely manner, monitoring completion of the accounts, and ensuring that audit recommendations are implemented;

(iv) considering comments and concerns about individual services at county level, based on reports from Council officers or Audit Wales, and monitoring the response to and implementation of recommendations or findings arising from those reports.

WORK OF THE COMMITTEE DURING 2025/26

Reviewing and approving the financial statements prepared by the authority

9. At its meeting on 22 May 2025, the Committee approved the final accounts of Gwynedd Harbours for the year ended 31 March 2025, which covered the 2024/25 Revenue Income and Expenditure Account as well as the Annual Return for the year ended 31 March 2025 (subject to audit by Audit Wales).
10. The draft Statement of Accounts of Cyngor Gwynedd for 2024/25, subject to audit, was presented to the Committee at its meeting on 11 September 2025. There is no statutory requirement for elected Members to approve the draft version of the Statement of Accounts. However, presenting the draft statement to the Governance and Audit Committee for information is regarded as good practice, and provides an opportunity for Members to question finance officers on the content and to equip themselves with relevant information in order to consider relevant risks, and other matters that will be subject to audit, in context. During the discussion, the Committee challenged Finance officers on various aspects of the accounts, particularly in relation to the position on service overspends, the sustainability of reserves, and the robustness of the financial arrangements.
11. The Final Accounts for the year ended 31 March 2025, together with the relevant audit, were presented to the Committee at its meeting on 13 November 2025. After considering Audit Wales's report on the accounts (the "ISA 260" report), the Committee resolved to:
 - Receive and approve the 'ISA 260' report from Audit Wales for Cyngor Gwynedd
 - Receive and approve the 2024/25 Statement of Accounts (post-audit)
 - Authorise the Chair or Vice-Chair of the Committee, together with the Head of Finance Service, to certify the Letter of Representation electronically
 - Congratulate officers on their work in securing an unqualified audit conclusion
 - Thank Audit Wales for their cooperation and professional support

Reviewing and scrutinising the authority's financial affairs, and making reports and recommendations

Medium Term Financial Plan

12. A report by the Cabinet Member for Finance on the Medium-Term Financial Plan was presented to the Committee on 9 October 2025, in response to the ongoing financial challenges facing the Council. The purpose of the Plan is to set out projections for the Council's financial position over the next three financial years, presenting key assumptions together with proposals to address the significant financial gap facing the Council. It was highlighted that the Plan is a live document that is updated regularly as new information becomes available, and that any changes are presented to the Cabinet for consideration.
13. It was reported that the Cabinet had decided to continue to commission the Chief Executive to lead on a series of measures and workstreams in order to prepare to address the significant financial gap over the coming years. This work included considering options for funding services, identifying opportunities for savings and efficiencies, and providing a clearer picture

of the Council's medium-term financial sustainability, in order to support strategic decision-making during a challenging financial period.

14. After challenging officers and the Cabinet Member on the content of the Plan, particularly in relation to funding assumptions, the level of financial risks, and the implications for statutory services, the Committee resolved to accept the report, note the relevant risks arising from the Medium Term Financial Plan, and support the governance arrangements and the approach adopted by the Cabinet.

Revenue Expenditure

15. The Committee received regular reports on the authority's financial position during 2025/26. A Revenue Outturn report on the 2024/25 Final Accounts was presented to a meeting of the Committee on 22 May 2025 to enable the Committee to receive information, consider any risks arising from actual expenditure and income against the 2024/25 budget, and scrutinise Cabinet decisions in relation to the management of the Council's and its departments' budgets. The report detailed the Council's expenditure in 2024/25, the outturn position of underspend or overspend in individual departments, and the reasons for this. Thanks were expressed for the report and it was acknowledged that the period had been very challenging for services. A wide-ranging discussion took place in which particular concern was expressed about the continued level of overspending in statutory services, especially in the field of care, and the long-term implications for the Council's financial sustainability. The Committee noted that receiving ongoing reports on the situation was beneficial, but concern was expressed that there was a significant risk of the overspend worsening in the medium to longer term, particularly as a result of demographic pressures and increasing demand.
16. In addition to considering the outturn position at the end of the financial year, formal reviews of the revenue budget position were carried out during 2025/26, including a review at the end of August 2025 and a review at the end of November 2025. These reports were presented to the Committee at the relevant meetings to outline the latest position, the relevant financial risks, and the projections to the end of the year. On these occasions, the Committee resolved to accept the reports, note the position and the risks in relation to the Council's and its departments' budgets, and the Committee concurred with the recommendations presented by the Cabinet for addressing the forecast overspend by the end of the financial year, emphasising the need for ongoing monitoring and realistic mitigation measures.
17. Among the issues raised during these discussions was the need for the Cabinet to continue to challenge the timetable and progress of the work commissioned by the Chief Executive in order to gain a better understanding of the ongoing and exceptional overspend in the Adults, Health and Wellbeing Department. The Committee highlighted the importance of ensuring that this work is in place and sufficiently robust to support the setting of realistic budgets by the Cabinet. During 2025/26, the Statutory Director of Social Services and the Head of the Adults, Health and Wellbeing Department attended Committee meetings to provide further context and explanation on the main budget headings, detailing the significant financial pressures facing the service and the steps in place to mitigate those risks.

18. It was also noted that the continued use of reserves remains a concern for the Committee. It was emphasised that, while reserves play an important role in managing short-term pressures and responding to exceptional situations, it is necessary to ensure that any use of them is appropriate, targeted, and focused on addressing a specific need, rather than masking long-term structural problems within service budgets.

Capital Programme

19. On 22 May 2025, the Year-End Review (position as of 31 March 2025) of the 2024/25 Capital Programme was presented to the Committee. The main purpose of the report was to present the revised capital programme at the end of the financial year, together with the approval of the relevant funding sources. The Committee resolved to accept the report, noting the position and the risks in relation to the Council's Capital Programme, particularly in respect of timetable slippages, reliance on external grants, and the sustainability of the programme in the medium term.
20. Reports on the end of August 2025 review of the Capital Programme were presented to the Committee on 9 October 2025, and the end of November 2025 review to the meeting on 15 January 2026, in order to receive up-to-date information, consider the risks associated with the Capital Programme, and scrutinise Cabinet decisions. On these occasions, the Committee resolved to accept the reports, noting the position and supporting the governance arrangements for managing and monitoring the Council's capital expenditure.

Savings Programme

21. Alongside the review of the revenue budget position, the Committee also received specific reports during 2025/26 on the Council's ability to deliver its savings plans. Progress reports on the delivery of savings plans were presented to the Committee at meetings on 9 October 2025 and 15 January 2026, to enable the Committee to consider the progress made, identify general risks arising from any slippages, and scrutinise Cabinet decisions in relation to the Savings Overview.
22. The Committee suggested continuing to develop clearer and more useful ways of presenting information on savings, emphasising the value of clearly distinguishing between the historical position and the latest position, in order to identify risks to the current situation more effectively. The Committee recognised that most of the "easier" savings had already been achieved, and therefore that the savings still to be delivered in the near future would be more challenging. As a result, the need to ensure realistic implementation timescales was highlighted, as well as ensuring that departments have the opportunity to plan more strategically for the medium and long term. Despite these challenges, it was acknowledged that the information presented was detailed and set out in a clear and understandable manner, assisting the Committee in its governance role.
23. Due to the significant financial gap that the Council continues to face over the coming years, it was necessary to develop further savings plans for the 2026/27 financial year onwards. A report by the Leader of the Council was presented to a meeting of the Committee on 3 February 2026, setting out a range of proposed savings to support the setting of a balanced budget for the next financial year. The Committee was asked to consider the appropriateness

of the process for identifying the savings, and to submit comments for the Cabinet to consider before reaching a decision at its meeting on 10 February 2026. The Committee was clear that its role was not to express a view on the scale of the savings or the merits of individual proposals, but rather to ensure that the Cabinet was clear on the facts, risks, and implications associated with the proposals, so that any decision would be based on sound information. The Committee resolved:

- Those reasonable steps, in challenging financial circumstances, had been taken to develop the Savings Plan
 - That the proposed savings were reasonable and, overall, achievable
 - That the risks and implications arising from the decisions were clear
 - That the report was sufficient to enable the Cabinet to make an informed decision
 - To submit the comments from the discussion to the Cabinet for consideration when discussing and approving the Savings Plan at its meeting on 10 February 2026
 - To welcome the opportunity to attend information-sharing workshops as part of the scrutiny process
24. In addition, the Committee asked the Cabinet to consider reviewing public consultation arrangements in the future, to provide residents with an opportunity to express views on tax levels and the financial pressures facing the Council, as well as encouraging further efforts to rationalise services and identify additional opportunities for efficiency, where appropriate.

Treasury Management

25. In line with good governance arrangements and statutory requirements, the Committee received regular updates on the Council's Treasury Management activities during 2025/26. Following a quarterly update on 22 May 2025, a report was presented to the Committee meeting on 11 September 2025 on the actual Treasury Management results for 2024/25, against the Treasury Management Strategy approved by the Full Council in March 2024. Subsequently, a quarterly Treasury Management update was presented to the Committee at the meeting on 9 October 2025, together with a mid-year Treasury Management review for 2025/26 at the meeting on 13 November 2025. The purpose of these reports was to update the Committee on the Council's actual Treasury Management activity during the current financial year, and to provide assurance that arrangements continue to comply with the CIPFA Code of Practice.

Budget Setting

26. As the end of the 2025/26 financial year approached, the Committee considered a report on the 2026/27 Budget at its meeting on 3 February 2026, in order to scrutinise the information before the Cabinet recommended the 2026/27 budget to the Full Council. The Committee's role in this context was to scrutinise the information presented, ensuring that the Cabinet and the Full Council were clear on the facts, the financial assumptions, and the associated risks, so that any decision would be based on sound information. To support this work, Elected Members and Lay Members of the Committee were given the opportunity to attend a briefing

session on the financial position by the Chief Executive and the Head of Finance towards the
end of January 2026.

27. Having considered the report and its appendices, the Committee resolved to accept the report, note its contents, accept the financial robustness of the proposals and the relevant risks, and submit comments from the discussion for the Cabinet to consider when discussing and approving the 2026/27 Budget at its meeting on 10 February 2026.
28. Also at the meeting on 3 February 2026, the Committee considered the 2026/27 Capital Strategy (including the Investment and Borrowing Strategies), in order to identify and consider any risks arising from the strategy before its submission to the Full Council. It was noted that the presentation received by Committee members from Arlingclose, the Council's Treasury Management advisers, was extremely useful in supporting Members' understanding of the strategy. The Committee resolved to accept the report, note the information and the relevant risks, and support the intention of the Cabinet Member for Finance to present the Capital Strategy to the Full Council for approval in March 2026.

Promoting Internal Control; Reviewing and Assessing the Authority's Arrangements for Risk Management, Internal Control, Performance Assessment and Corporate Governance, and Producing Reports and Making Recommendations

Internal Audit Reports

29. The purpose of the Council's Internal Audit Service is "to provide assurance to the citizen and the Council regarding the Council's control environment and governance arrangements through independent and objective reporting to the Head of Finance and the Governance and Audit Committee."
30. Internal audit reports are therefore an important tool to enable the Committee to fulfil its function of reviewing and assessing the authority's arrangements for risk management and internal control.
31. The majority of Internal Audit reports assign the outcome of the work to one of four assurance levels, as shown in the table below:

ASSURANCE LEVEL	HIGH	It is possible to provide assurance of appropriateness as the internal controls in place can be relied upon to achieve objectives.
	ADEQUATE	Controls are in place to achieve objectives, but there are aspects where arrangements could be strengthened to further mitigate risks.
	LIMITED	Although controls are in place, compliance with those controls needs to be improved and/or new controls

		introduced to reduce the risks to which the service is exposed.
	NO ASSURANCE	The controls in place are considered inadequate, with a failure to achieve objectives.

32. The Head of Internal Audit's Annual Report for 2024/25 was presented to the Committee meeting on 22 May 2025. Based on the Internal Audit work completed during 2024/25, the Audit Manager was of the opinion that Cyngor Gwynedd's internal control framework operated at a reasonable assurance level in terms of the adequacy and overall effectiveness of the Authority's governance arrangements, risk management and internal control.
33. The Committee received regular updates on Internal Audit work during 2025/26. A report was presented to the Committee on 11 September 2025, providing an update on Internal Audit work for the early part of the financial year. It was highlighted that a significant number of audits had been completed under the 2025/26 Operational Plan, with the results showing a mixture of assurance levels.
34. A further report was presented to the Committee on 9 October 2025 updating Members on Internal Audit work up to the end of September 2025. It was noted that good progress had been made in completing audits, with some receiving "high assurance" and "adequate assurance" ratings, but also a number of cases where "limited assurance" was identified, particularly in sensitive service areas such as residential care and support services.
35. An additional report was presented to the Committee meeting on 3 February 2026, covering Internal Audit work up to 25 January 2026. It was highlighted that a significant number of audits within the 2025/26 operational plan had been completed, with the results reflecting ongoing challenges in compliance with processes, rather than an absence of formal control arrangements.
36. All these reports were given detailed consideration by the Committee. Where a limited assurance level was identified, requests were made for follow-up information, further clarification, and appropriate implementation timescales, in order to enable the Committee to fulfil its governance duties and ensure that appropriate improvement actions were being taken by the relevant departments.
37. The Committee resolved to accept the contents of the Internal Audit reports, note the information presented, and emphasise the need for measurable progress in areas where continuing weaknesses were identified. Attention was drawn to the value of referring specific issues to the Controls Improvement Working Group where appropriate.
38. During the meeting on 3 February 2026, a detailed discussion was held on the position of residential care services, with input from relevant officers, including the Head of Service and Corporate Directors. Among the issues raised by Members were:
- The need to ensure adequate budgets and better control over expenditure.
 - Concerns regarding administrative weaknesses and management compliance issues within some provisions.

- The need for reliable management data to monitor performance and expenditure.
 - Ensuring that improvement success is measured and visible over time.
 - The requirement for clear follow-up reports on progress and outcomes.
39. It was resolved to accept and note the progress to date, support the actions agreed by the relevant services, and confirm the need for a further update during the following year to provide assurance that improvements are being embedded and that the risks identified by Internal Audit are being effectively mitigated.

External Auditors' Reports

40. A review of the Scheme of Delegation was presented to the Committee at its meeting on 11 September 2025, with the aim of considering and supporting proposed amendments to delegation arrangements to officers in relation to property acquisition and disposal. The Committee discussed the proposed changes, considering the governance implications and the need for an appropriate balance between operational flexibility and oversight arrangements. The Committee was content to support the amendments and agreed to recommend them to the Full Council for approval, noting that the changes would strengthen clarity and compliance within the Scheme of Delegation.
41. On 22 May 2025, Audit Wales presented reports to the Committee as part of its external audit work. These reports included national reports relating to the effective use of resources and governance arrangements, as well as reports specific to Cyngor Gwynedd. Management responses were presented outlining the actions the Council intended to take in response to the recommendations, and the Committee was satisfied with the content of these responses.
42. An update on the National Fraud Initiative 2024–25 was presented to the Committee at its meeting on 13 November 2025, outlining the scope of the exercise and the arrangements in place to identify and prevent fraud. The Committee considered the information presented, provided comments on the approach and initial findings, and was content to accept the report. It was noted that the Initiative played an important role in strengthening governance arrangements, financial management, and assurance within the Council, and the Committee agreed to maintain appropriate oversight of any follow-up actions arising from the work.
43. During 2025/26, the Governance and Audit Committee considered a number of matters relating to Council Tax as part of its assurance role over the Council's financial management and revenue. At the meeting on 13 November 2025, a report on Council Tax Collection Rates was presented, providing an overview of the current performance of collection arrangements and the factors influencing them. The Committee considered the report, noting the relevant challenges and risks, and provided comments where appropriate, highlighting its support for the operational arrangements and the actions in place by the department.
44. In addition, at the Committee meeting on 15 January 2026, the Council Tax Reduction Policy under Section 13A(1)(c) of the Local Government Finance Act 1992 was presented, providing an overview of the current position and the associated risks arising from the Policy. The Committee considered the decision made by the Cabinet, discussing the financial and

governance implications, and noted the appropriateness of the arrangements, providing appropriate oversight as part of its assurance role in relation to the Council's budgetary decisions.

45. The findings of the Information Commissioner's Office (ICO) audit of the Council's arrangements for responding to requests under the Freedom of Information Act 2000 and the Environmental Information Regulations were presented to the Committee at its meeting on 22 May 2025, providing an overview of the findings and areas for improvement. The Committee considered the report, noting the governance implications and the need for robust arrangements to ensure compliance with statutory requirements. The Committee was satisfied to accept the report and recognised the importance of implementing appropriate actions to strengthen the Council's response arrangements, transparency, and information management.
46. During the year, the Committee also received specific reports from Audit Wales in relation to the Council's discharge of its statutory duties and governance arrangements, including reports examining how the Council plans and assesses the sustainability of its activities and strategic priorities. The Committee considered the reports alongside the organisational responses, and it was noted that the proposed actions were appropriate and aligned with the Council's priorities.
47. On 11 September 2025, a report on relevant external inspections, including inspections of specific services, was presented to the Committee. The Committee resolved to accept the report on the inspection findings and recommendations, noting the positive work carried out by the relevant services. Where appropriate, it was suggested that the data presented in future be further developed to strengthen the performance evidence, including consideration of areas such as Welsh-language provision.
48. Further reports from Audit Wales were presented to the Committee during 2025/26 relating to care, partnership working, and health and social services, including joint work at a regional level. It was noted that the Council plays an active role in regional arrangements and that many of the findings align with Cyngor Gwynedd's corporate priorities. The Committee resolved to accept the contents of the reports and requested further updates on progress against recommendations where appropriate.
49. At the Governance and Audit Committee meeting on 3 February 2026, the Committee considered the issue of capacity and quality within Internal Audit as part of its role in providing independent assurance. Concerns were raised regarding the Internal Audit Unit's ability to meet the Council's expectations, and a report by the Head of Finance outlining the situation and potential risks was considered. The Committee emphasised the need to ensure that Internal Audit work continues to be of a high standard and agreed to keep the situation under continuous review to ensure that the Council's governance and risk management arrangements remain robust.
50. At the meeting on 15 January 2026, the Committee considered Audit Wales reports on financial sustainability, including national and local reports assessing local authorities' ability to respond to medium- and long-term financial pressures. The Council's response to the

recommendations, including an action plan, was presented. During the discussion, it was noted, among other matters:

- The need to further develop the action plan over time, recognising that the initial steps were the beginning of the process.
- The possibility of piloting new budgeting approaches, such as zero-based budgeting, to support service transformation.
- That the reports considered the broader strategic picture of local government financial sustainability.
- That the position on the Council's reserves was accepted, but that they should be used for specific purposes and not to mask structural problems.

51. The Committee resolved to accept the national and local reports and to note the Council's response to the recommendations presented, emphasising the need to monitor progress and ensure that actions are implemented effectively.

52. At the meeting on 15 January 2026, the Committee considered the Response Plan to the report "Justice Through Our Courage". The Committee scrutinised the proposed arrangements for responding to the findings and recommendations of the report, considering the governance, accountability, and equality implications. Assurance was provided that appropriate actions had been identified, with monitoring mechanisms in place, and the Committee agreed to maintain ongoing oversight of the implementation of the response plan as part of its independent assurance role.

53. An Annual Audit Summary was presented to the Committee during 2025/26, outlining the work completed by Audit Wales since the previous Annual Audit Summary. It was noted that this summary formed part of the statutory duties of the Auditor General for Wales, and the Committee was satisfied that the report provided a clear and useful overview of external audit work relevant to Cyngor Gwynedd.

54. The Audit Wales report "Temporary accommodation – a long-term crisis?" was presented to the Committee at the meeting on 3 February 2026, providing an overview of findings and the increasing challenges facing local authorities in relation to temporary accommodation provision. It was noted that the report formed part of Audit Wales' national audit work, and the Committee recognised its relevance to the Council's governance and risk management arrangements. The Committee was satisfied that the report highlighted important long-term financial and strategic implications and noted the importance of maintaining appropriate oversight of the Council's response to the issues identified.

55. At the meeting on 15 January 2026, a report on inspections by Estyn and Care Inspectorate Wales was presented, providing an overview of recent inspection findings and their implications for Council services. It was noted that the report supported the Committee's assurance role by highlighting areas of strength and areas for improvement, and the Committee was satisfied that the information presented was relevant and useful in informing governance and oversight arrangements. The Committee accepted the report, noting the findings and the appropriate actions identified in response to the inspections.

Annual Governance Statement

56. One of the annual responsibilities of the Governance and Audit Committee is to review and approve the draft Annual Governance Statement. Although the Statement is not part of the formal accounts, it is a statutory document that must be published alongside the accounts. In accordance with the Accounts and Audit (Wales) Regulations and the CIPFA Code of Practice, every Local Authority must ensure that an appropriate statement on internal control is in place. The Chief Executive and the Leader of the Council sign the Statement, but it requires approval by the Governance and Audit Committee, which has a key role in challenging and verifying its content.
57. Cyngor Gwynedd's Annual Governance Statement for 2024/25 was presented to the Committee on 11 September 2025. The Committee considered and challenged the content of the Statement, making observations on specific risk levels and scores, particularly in areas that continued to be identified as high or medium risks. Following the discussion, and after considering the explanations provided by officers, the Committee resolved to approve the Statement and recommend that it be signed by the Leader of the Council and the Chief Executive.
58. Looking ahead, the Committee noted the need to continue to develop the Annual Governance Statement as a document that is more accessible and clearer for residents. While the Statement complies with CIPFA guidance, it was suggested that consideration be given to reviewing the questions and structure, and also the potential to strengthen the link between the Statement and Cyngor Gwynedd's Annual Self-Assessment, in order to avoid duplication of work and ensure a more coherent narrative regarding governance, risk and continuous improvement.

Controls Improvement Working Group

59. A meeting of the Controls Improvement Working Group was held during 2025/26, with a focus on strengthening control and compliance arrangements in high-risk service areas. The Chair of the Governance and Audit Committee, Carys Edwards, and the Vice-Chair, Rhys Parry, together with relevant Elected Members, Internal Audit officers, and officers from the Adults, Health and Wellbeing Department, were in attendance. The matters were referred to the Working Group following decisions by the Governance and Audit Committee to seek further assurance regarding the implementation of internal audit recommendations, particularly in relation to residential care provision.
60. It was reported back to the Governance and Audit Committee that the discussions had been beneficial, providing an opportunity for officers and service managers to respond openly and constructively to the audit findings. Ongoing concern was noted regarding the reliance on agency staff and the associated cost implications, and it was agreed that further exploration of options to strengthen recruitment and retention within the Council's employment arrangements was required, in order to reduce costs and improve stability. The Committee considered that the role of the Controls Improvement Working Group remains valuable, and it was suggested that relevant matters continue to be referred to the

Care Scrutiny Committee, as well as ensuring that Working Group reports include a clear summary of key issues and agreed actions, in order to facilitate effective oversight in the future.

North Wales Corporate Joint Committee – Establishment of a Governance and Audit Sub-Committee

61. On 9 October 2025, a report by the Head of Democratic Services was presented to the Committee, recommending that the Committee nominate one Councillor to serve on the North Wales Corporate Joint Committee's Governance and Audit Sub-Committee, and one Councillor to act as a substitute for that member. The Committee was also asked to decide whether it wished to nominate a Lay Member to serve on the relevant Sub-Committee.
62. The Committee resolved to nominate Councillor Ioan Thomas to serve on the North Wales Corporate Joint Committee's Governance and Audit Sub-Committee, and Councillor Richard Glyn Roberts as the substitute. In addition, it was resolved to nominate Carys Edwards, Chair of Cyngor Gwynedd's Governance and Audit Committee, to be considered to serve on the North Wales Corporate Joint Committee's Governance and Audit Sub-Committee as a Lay Member.

Reviewing and Assessing the Authority's Ability to Deal with Complaints Effectively, Producing Reports and Making Recommendations

63. The Annual Complaints and Service Improvement Report for 2024/25 was presented to the Governance and Audit Committee at its meeting on 11 September 2025, in order to update the Committee on the Council's arrangements for dealing with complaints, together with the content of the Public Services Ombudsman for Wales' Annual Letter.
64. Members were reminded that the Committee has a statutory duty to ensure that the Council has effective arrangements in place for handling complaints, and that these arrangements are reviewed regularly. It was noted that no fundamental changes had been made to the Concerns and Complaints Policy during the year, and therefore the arrangements continue to operate within the framework adopted by the Council.
65. Reference was made to the Ombudsman's Annual Letter, and to the comments and recommendations it contained regarding the Council's performance in handling complaints. In particular, attention was drawn to the encouragement for the Council, and the Governance and Audit Committee, to make more effective use of complaints data in order to understand trends, identify patterns, and evaluate how well complaint-handling approaches are embedded across the Authority's services.
66. Following discussion of the report, the Committee resolved to accept the Annual Complaints and Service Improvement Report, noting the information presented and recognising the importance of continuing to monitor arrangements, in order to ensure that learning from complaints is used to improve Council services and strengthen public confidence.

Reviewing and Monitoring the Authority's Internal and External Audit Arrangements

Internal Audit Work Programme

67. A revised version of the Internal Audit Charter was presented to the Committee meeting on 22 May 2025. In accordance with the requirements of the Global Internal Audit Standards, which came into force in the public sector from 1 April 2025, an Internal Audit Charter must be prepared that reflects the new standards and the CIPFA Code of Practice for Internal Audit Governance. It is the responsibility of the Governance and Audit Committee to review and approve the Charter annually as part of its oversight role.
68. Attention was drawn to the significant changes made to the Internal Audit Charter to ensure full compliance with the Global Internal Audit Standards, including clarifying the service's mandate, strengthening independence and accountability arrangements, and ensuring that the Internal Audit Service aligns more clearly with the Council's strategic priorities and corporate risks. It was also noted that the purpose of the Internal Audit Service has continued to evolve, with increasing emphasis on assurance, advisory work and supporting improvement.
69. Having considered the report and the governance implications, the Committee resolved to accept the report and approve the revised Internal Audit Charter. The contents of the Mandate and Internal Audit Charter were accepted and approved, formally adopted, and the Committee expressed its support for Internal Audit in delivering its functions at its meeting on 3 February 2026.
70. At the same meeting, the Committee approved the Internal Audit Strategy and the Annual Audit Plan for 2025/26, which had been prepared based on the Council's corporate risk assessment, strategic priorities, and the internal audit resources available, in order to ensure effective and efficient use of those resources.
71. The Committee received regular updates on progress against the 2025/26 Annual Audit Plan during the year, including at meetings on 9 October 2025 and February 2026. Reference was made to the status of audit work, the level of completion of the plan, and the time spent on each audit. The Committee approved appropriate revisions to the Audit Plan to reflect the resources available to the service and to ensure that work continued to focus on the areas of highest risk to the Council.

Audit Wales Work Programme

72. Audit Wales' Detailed Audit Plan 2025 was presented to the Committee at its meeting on 11 September 2025. The Plan outlined the work the auditors intended to undertake in order to fulfil their statutory responsibilities as the Council's external auditors, in line with their role under the Audit Wales Code of Practice. It was noted that the audit of the financial statements would focus on the Council's key risks and specific priority areas, while performance audit work would consider assurance arrangements, risk management, and

appropriate local areas of work reflecting the current challenges facing the Council

73. The Detailed Audit Plan referred to significant risks to the financial statements that are common to all Local Authorities, including the risk of management override of controls, as well as specific areas where the audit would focus, such as the valuation of land and buildings and the valuation of the Council's Pension Fund net liabilities. It was noted that these areas remain high-risk and require particular attention by external auditors.
74. During 2025/26, Audit Wales provided regular quarterly updates to the Committee on the progress of audit work and the status of delivery of the Detailed Audit Plan. These updates provided assurance to the Committee regarding progress, any changes to scope or timetable, and that external audit arrangements were being implemented in accordance with statutory and professional expectations

Functions under the 2021 Act – Council Performance

75. It is a new statutory requirement under the Local Government and Elections (Wales) Act 2021 that the Council produces a "self-assessment report" setting out its conclusions on the extent to which it has met the performance requirements established under the Act during the relevant financial year. The same legislation requires the Council to ensure that a draft version of its self-assessment report is made available to its Governance and Audit Committee (Section 91(6)).
76. Cyngor Gwynedd's draft Self-Assessment Report for 2024/25 was presented to the Governance and Audit Committee at its meeting on 9 October 2025, and a detailed discussion was held on its content. Having considered the document, the Committee resolved to accept the draft self-assessment, noting that it met the statutory requirements, but made a number of comments and suggestions with the aim of strengthening the presentation, clarity, and future value of the document.
77. Among the comments noted by the Committee was the desire to be involved earlier in the process of preparing the self-assessment, in order to ensure more meaningful input and a better opportunity to influence the content before it is finalised. It was suggested that holding a workshop with Members would be an appropriate way of facilitating deeper discussion and gathering clearer recommendations from the Committee.
78. The Committee also suggested that appropriate consultation arrangements should be considered in the future to ensure input from Gwynedd residents into the self-assessment process. In addition, it was emphasised that when presenting data and performance measures, full clarity is needed regarding context and impact. In particular, in relation to work on Increasing the Supply of Housing for Local People, the Committee suggested that the report should highlight not only numbers, but also the impact of actions on communities and the long-term sustainability of the County.

Monitoring Response and Implementation of External Audit and Regulator Recommendations

79. The Committee received an update on Recommendations and Improvement Proposals arising from External Audit and Regulator Reports at its meeting on 9 October 2025. In line with its statutory role, it is considered essential that the Committee is satisfied that appropriate and robust arrangements are in place to ensure that all relevant recommendations and improvement proposals are implemented in a timely and effective manner.
80. Based on the reports presented to the Committee, together with the challenge work and discussions undertaken during the year, the Committee was satisfied that the Council's arrangements for responding to external audit and regulator recommendations are robust, with clear departmental ownership, established reporting processes, and appropriate corporate-level oversight.
81. The Committee resolved to accept and note that appropriate arrangements and processes are in place to ensure that improvement proposals from external audit and regulator reports are implemented and monitored. The arrangements to report progress every six months to the Committee were welcomed, as was the revised approach of presenting departmental responses at Performance Challenge and Support meetings, strengthening accountability and ensuring that progress against recommendations is monitored in a more systematic and transparent manner.

Committee Effectiveness

82. During 2025/26, the Committee received regular updates on the actions taken to implement its decisions at each of its meetings, where practical. The Committee believed that this arrangement continues to be an important step in ensuring accountability, transparency, and the effective implementation of its decisions.
83. As part of its commitment to continuous improvement, the Committee continued to build on the findings of previous self-assessments, considering its effectiveness, composition, and ways of working. The Committee continued to use CIPFA guidance and standards for Audit Committees as a framework to evaluate its work, ensuring that its arrangements align with the best practices set out in the CIPFA Position Statement.
84. During the year, the Committee reviewed progress against actions arising from the self-assessment, agreeing to continue supporting measures that strengthen the Committee's effectiveness, particularly in relation to working relationships with external regulators and Internal Audit, and the Committee's role in providing challenge and adding value.
85. As part of arrangements to support ongoing effectiveness, a rolling forward work programme was presented to Committee meetings, enabling proactive planning, prioritisation of statutory and thematic items, and ensuring sufficient time is available to scrutinise key matters. The Committee considered that this approach contributed positively to the overall effectiveness of its work during 2025/26.