

Powys County Council – 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 Powys 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 commissioning arrangements, scrutiny, governance and risk management arrangements. 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 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 on 30 June 2025 in line with the statutory deadline. The quality of the draft accounts and working papers was satisfactory.



I issued an unqualified opinion on the accounts in advance of the statutory deadline of 31 October 2025. There were no uncorrected misstatements in the accounts. There were no other significant issues to report, but I did include some considerations for the Council to consider when delivering future years' financial statements within the shorter statutory deadlines.



My performance audit work found that a lack of clarity amongst officers and members regarding the purpose and value of the scrutiny function is undermining its effectiveness. I also found that the Council does not have arrangements to assure itself that it consistently secures value for money when commissioning services. Whilst the Council has strengthened its risk management arrangements, aspects of its approach still require strengthening. I also concluded that the Council's governance arrangements are not fully supporting the changes that it wants to bring about through its Sustainable Powys approach.



My audit team made recommendations to the Council in each of the reviews. These included strengthening its arrangements for risk identification, management and reporting. I also issued recommendations to the Council to establish commissioning arrangements and a collective understanding of the scrutiny function's strategic value and purpose. My recommendations around the governance arrangements to support Sustainable Powys included improving:

- forward work programming;
- timeliness and availability of reports and minutes;
- clarity of reporting;

as well as improving arrangements for monitoring the progress of service changes and their impact and outcomes.



There is still some work outstanding from my Audit Plan dated April 2025. My team expects to complete this work by June 2026.

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. This was 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 23 October 2025.

Accuracy of preparation

Eight reported changes were made to the draft accounts arising from my audit work.

There were no uncorrected misstatements.

There were no other significant issues to report, but I did include some considerations for the Council to consider when delivering future years' financial statements within the shorter statutory deadlines.

My work did not identify any material weaknesses in internal controls, but I made three recommendations which related to the simplification of the finance system's coding structure and two related to improvements that could be made to IT 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 28 October 2025.

Grants certification

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

The work to date has not identified any significant issues.

At the time of reporting, my audit team were still undertaking grants work at the Council. This work is due to be completed by June 2026.

Performance audit findings

Commissioning arrangements

My team looked at how the Council's arrangements for commissioning apply value for money considerations and the sustainable development principle.

I found that found that the Council does not have arrangements to assure itself that it consistently secures value for money when commissioning services. However, we found that some key elements of arrangements are in place in some service areas.

I made three recommendations focused on establishing commissioning arrangements, ensuring compliance with its commissioning arrangements and introducing a regular review of the Council's commissioning arrangements.

Review of corporate risk management arrangements

My team looked at whether the Council's corporate risk management arrangements support the delivery of its strategic objectives.

I found that in 2023, the Council made improvements to its risk management framework. Senior leaders promote a positive culture around risk management. This is reflected in regular discussions around risks at Senior Leadership Team (SLT) and service performance meetings. The Governance and Audit Committee (GAC) has increased its focus on the effectiveness of risk management in the Council and undertakes a rolling programme of 'deep dive' reviews. We have identified some areas for improvement to support the Council to further demonstrate the alignment between risk management and the delivery of its strategic objectives. These include, demonstrating consistent alignment of risks to the three strategic objectives – Stronger, Fairer, Greener – included in its Corporate and Strategic Equality Plan 2023-2027. Positively, the Council has defined its risk appetite and tolerance levels, and it can build on this by clearly communicating where and why certain risks sit outside of its target scores. This will also help the Council to set out the impact of control actions on its identified risks.

I made four recommendations covering risk identification, management, monitoring and reporting, as well as the Council’s evaluation of its arrangements.

Review of Scrutiny Arrangements

My team looked at the effectiveness of the Council’s scrutiny arrangements and assessed the Council’s progress in addressing previous recommendations about its scrutiny arrangements.

I found that a lack of clarity amongst officers and members regarding the purpose and value of the scrutiny function is undermining its effectiveness.

I made two recommendations focused on establishing a collective understanding of the scrutiny function’s strategic value and purpose and evaluating value for money.

Governance arrangements to support Sustainable Powys

My team looked at the Council’s governance arrangements. We considered the extent to which these arrangements support its ‘Sustainable Powys’ approach.

My team found that the Council’s governance arrangements are not fully supporting the changes that it wants to bring about through its Sustainable Powys approach. Weaknesses in arrangements include:

- limited explanation in the Council’s corporate plan of what Sustainable Powys is and how it aligns to its corporate objectives;
- the Council has not kept its constitution updated in a timely manner;
- forward work programmes for committees are not comprehensive;
- committee reports are often published late;
- reports on proposed service changes and their impacts are not always clearly set out or fully demonstrate the application of the Sustainable Powys approach;
- reports are not always provided with enough lead-in time to enable effective scrutiny; and
- the information used to monitor progress and assess the impact and outcomes of service changes is limited.

The Council had already started to take action to address some of the governance weaknesses identified.

I made eight recommendations to the Council to strengthen its governance arrangements. Those recommendations relate to: keeping key corporate documentation up to date; ensuring effective forward work programming; improving the timeliness and availability of reports and minutes; and improving the arrangements for monitoring the progress of service changes and their impact and outcomes.

Performance audit work underway

At the time of reporting, the following reviews from the 2025 Audit Plan were ongoing at the Council:

- Cyber Security
- Thematic – Recruitment and Retention
- Economic Development

In addition to the above reviews, we will also publish our regional review of Unscheduled Care Arrangements across Health and Local Government.

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.



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