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County Hall
Rhadyr
Usk
NP15 1GA

Wednesday, 8 January 2025

Notice of Meeting

Governance and Audit Committee

Thursday, 16th January, 2025 at 2.00 pm,
County Hall, The Rhadyr, Usk, NP15 1GA and remote attendance

Please note that a 30 minute pre-meeting will take place at 1.30pm for Committee Members and Audit Officers

AGENDA

Item No	Item	Pages
1.	Apologies for Absence	
2.	Declarations of Interest	
3.	Public Open Forum	
	Governance and Audit Committee Public Open Forum Guidance	
	Our Governance and Audit Committee meetings are live streamed and a link to the live stream will be available on the meeting page of the Monmouthshire County Council website	
	If you would like to share your thoughts on any matters being discussed by Governance and Audit Committee, you may attend the meeting in person (or join remotely via Microsoft Teams), or submit written representations (via Microsoft Word, maximum of 500 words).	
	The deadline for submitting representations to the Council is 5pm three clear working days in advance of the meeting. All representations received will be made available to the committee members prior to the meeting.	
	The amount of time afforded to each member of the public to speak is at the Committee Chair's discretion. We ask that contributions are no longer than 4 minutes.	
	If you would like to attend one of our meetings to speak under the Public Open Forum at the meeting, you will need to give three working days' notice by contacting GACRegistertoSpeak@monmouthshire.gov	

	<p>If you would like to suggest future topics for consideration by Governance and Audit Committee, please do so by emailing GACRegistertoSpeak@monmouthshire.gov.uk</p>	
4.	To note the Action List from the previous meeting.	1 - 2
5.	2023/24 Welsh Church Fund and Monmouthshire Farm School Endowment Trust Statement of Accounts (Final)	3 - 44
6.	ISA260 for Trust Funds	45 - 64
7.	Anti Fraud, Bribery and Corruption Risk Assessment	65 - 106
8.	Audit Wales Review of Performance Management Arrangements	107 - 122
9.	Governance and Audit Committee Forward Work Plan	123 - 124
10.	To approve the minutes of the previous meeting held on 28th November 2024	125 - 128
11.	Date of Next Meeting: 20th February 2025	

Paul Matthews
Chief Executive

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

Andrew Blackmore	<i>Lay Member</i>	
Colin Prosser	<i>Lay Member</i>	
Martin Veale	<i>Lay Member</i>	
Rhodri Guest	<i>Lay Member</i>	
County Councillor Sara Burch	<i>Cantref;</i>	<i>Labour and Co-Operative Party</i>
County Councillor John Crook	<i>Magor East with Undy;</i>	<i>Welsh Labour/Llafur Cymru</i>
County Councillor Tony Easson	<i>Dewstow;</i>	<i>Welsh Labour/Llafur Cymru</i>
County Councillor David Jones	<i>Crucorney;</i>	<i>Independent Group</i>
County Councillor Malcolm Lane	<i>Mardy;</i>	<i>Welsh Conservative Party</i>
County Councillor Phil Murphy	<i>Caerwent;</i>	<i>Welsh Conservative Party</i>
County Councillor Peter Strong	<i>Rogiet;</i>	<i>Welsh Labour/Llafur Cymru</i>
County Councillor Ann Webb	<i>St Arvans;</i>	<i>Welsh Conservative Party</i>

Public Information

Access to paper copies of agendas and reports

A copy of this agenda and relevant reports can be made available to members of the public attending a meeting by requesting a copy from Democratic Services on 01633 644219. Please note that we must receive 24 hours notice prior to the meeting in order to provide you with a hard copy of this agenda.

Watch this meeting online

This meeting can be viewed online either live or following the meeting by visiting www.monmouthshire.gov.uk or by visiting our Youtube page by searching MonmouthshireCC.

Welsh Language

The Council welcomes contributions from members of the public through the medium of Welsh or English. We respectfully ask that you provide us with 5 days notice prior to the meeting should you wish to speak in Welsh so we can accommodate your needs.

Aims and Values of Monmouthshire County Council

Our purpose

- to become a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life.

Objectives we are working towards

- Fair place to live where the effects of inequality and poverty have been reduced;
- Green place to live and work with reduced carbon emissions and making a positive contribution to addressing the climate and nature emergency;
- Thriving and ambitious place, where there are vibrant town centres and where businesses can grow and develop
- Safe place to live where people have a home where they feel secure in;
- Connected place where people feel part of a community and are valued;
- Learning place where everybody has the opportunity to reach their potential

Our Values

Openness. We are open and honest. People have the chance to get involved in decisions that affect them, tell us what matters and do things for themselves/their communities. If we cannot do something to help, we'll say so; if it will take a while to get the answer we'll explain why; if we can't answer immediately we'll try to connect you to the people who can help – building trust and engagement is a key foundation.

Fairness. We provide fair chances, to help people and communities thrive. If something does not seem fair, we will listen and help explain why. We will always try to treat everyone fairly and consistently. We cannot always make everyone happy, but will commit to listening and explaining why we did what we did.

Flexibility. We will continue to change and be flexible to enable delivery of the most effective and efficient services. This means a genuine commitment to working with everyone to embrace new ways of working.

Teamwork. We will work with you and our partners to support and inspire everyone to get involved so we can achieve great things together. We don't see ourselves as the 'fixers' or problem-solvers, but we will make the best of the ideas, assets and resources available to make sure we do the things that most positively impact our people and places.

Kindness: We will show kindness to all those we work with putting the importance of relationships and the connections we have with one another at the heart of all interactions.

Monmouthshire Governance & Audit Committee Question/Consideration Guide

Role of the Pre-meeting
<ol style="list-style-type: none">1. Why is the Committee considering this agenda item? (relevance and materiality)2. What is the Committee's role and what outcome do Members want to achieve?3. Is there sufficient information to achieve this? If not, who could provide this?4. What are the confidential views of the auditors on relevant matters? <p>- Discuss members' views/ key concerns with the papers and agree priorities</p>
Potential Questions/Considerations for the Meeting

Internal Audit (IA)

1. What is the IA functional model and is it fit for purpose?
2. Does IA have sufficient authority and influence across the Authority?
3. Is IA suitably resourced and empowered? Is the annual IA plan appropriate? On what do we make this judgement?
4. Do Chief Officers demonstrably accept and champion the role of IA? How do they do this?
5. Are IA findings acted upon energetically by Officers? How is this demonstrated? Do we effectively challenge and hold officers to account for implementing IA findings?
6. How can we be confident that the internal control environment remains appropriate?
7. Do we have confidence in overall IA effectiveness? On what do we base this?
8. Is the annual/ periodic IA opinion plausible?
9. Do we have sufficient visibility over the work, output and effectiveness of allied IA teams, e.g. TCBC?

Governance

1. Is there a codified and cohesive description of MCC's overall governance arrangements? Is it fit for purpose?
2. Is there clarity over the governance of the various oversight and scrutiny arrangements for (and effectiveness

External Audit (EA)

1. Is the EA team (financial and performance) credible?
2. Are we confident over the arrangements for developing the EA annual work plan/ timetable and is it aligned to our understanding of key risks?
3. Do Chief/ senior officers engage appropriately with EA? How is this demonstrated?
4. Is there a constructive relationship between IA, EA (and other inspectorates)? How is this evidenced?
5. Have relevant officers demonstrably considered the results/ conclusions of EA national and specific reports?
6. Do we have good visibility over emerging issues identified by EA?
7. In respect of ISA260 and equivalent EA financial reports, do officers clearly demonstrate understanding of issues raised and have a credible plan to resolve issues for next financial year?
8. Does EA have confidence in MCC's Officers and governance arrangements?

Budgeting/ Financial Risk/ Reserves

1. Is there a clearly defined, governed and checkpointed process and timetable for developing the Authority's budget?
2. Is there an appropriate suite of financial risk related policies? Are they suitable?
3. Are the key financial/ operational

<p>of) material partnerships and collaborations?</p> <ol style="list-style-type: none"> Is there clarity over the apportionment of responsibilities and decision making authorities? How are governance/ control breaches identified and reported? Are we confident that the arrangements for material expenditure (tendering, contracting and capital procurement) are robust? Do we have confidence in whistleblowing (and similar arrangements) for raising concerns? <p><u>Corporate Risks</u></p> <ol style="list-style-type: none"> Have key accountabilities for the identification, assessment, monitoring and management of risks been adequately defined and implemented? Has the approach to risk management been designed and implemented effectively? How can the Committee be confident that the Corporate Risk Register captures all significant risks facing the Authority? Are the risk mitigation action plans credible and sufficient so as to achieve the desired outcomes? 	<p>assumptions understood, credible, documented and stress tested?</p> <ol style="list-style-type: none"> Does the Finance function have suitable capabilities and capacity to manage financial risk/ meet statutory requirements and obligations to the Council? Do we have confidence that the budgetary process is likely to produce a plausible budget/ MTFP? Are there suitable arrangements in place to manage and report on overall financial performance? <p><u>Financial Statements/ Misstatement Risk</u></p> <ol style="list-style-type: none"> Is there a shared understanding as to the purpose of the Committee in reviewing draft financial statements? <ol style="list-style-type: none"> Are the Notes to the Accounts reasonable? Are the narrative reports, including the Annual Governance Statement reasonable and accord with the committee's view? Are we comfortable with EA's work and audit opinion?
<p>Questions for the Committee to conclude...</p>	
<p>Do we have the necessary information to form conclusions/make recommendations/ escalate matters to the executive, council, relevant scrutiny committee?</p> <p>Do we need to follow up? If so, how?</p>	

Governance and Audit Committee Action List
28th November 2024

Action	Subject/ Meeting	Officer	Outcome	Due date	Action Status	Recommended to close Action Yes/No
1	Treasury Report	Jonathan Davies	Request to circulate details of the 3 charters that organisations can voluntarily sign up for to ensure that the minimum level of Environmental, Social and Governance responsibility are being met.	Before next meeting on 16 th January	OPEN	Yes

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AGENDA ITEM TBC

SUBJECT:	AUDITED / EXAMINED STATEMENT OF ACCOUNTS 2023/24 – CHARITABLE TRUST FUNDS
MEETING:	Governance and Audit Committee
DATE:	16th January 2025
DIVISIONS/WARD AFFECTED:	All

1. PURPOSE:

- 1.1. The purpose of this report is to provide the results of the external audit or examination of the statement of accounts for The Welsh Church Act Trust Fund and Independent Examination Report for The Monmouthshire Farm School Endowment Trust Fund for 2023/24, subsequent to the process undertaken by Audit Wales.

2. RECOMMENDATIONS:

- 2.1 That the audited 2023/24 statement of accounts for The Welsh Church Act Fund (**Appendix 1**) are approved in conjunction with the Audit Wales ISA260 Audit of Accounts report for The Welsh Church Act Fund.
- 2.2 That the independently examined financial statements for The Monmouthshire Farm School Endowment Trust Fund for 2023/24 (**Appendix 2**) are approved in conjunction with the Independent Examination Report for The Monmouthshire Farm School Endowment Trust Fund.

3. KEY ISSUES

- 3.1 Governance & Audit Committee received the draft 2023/24 statement of accounts for the trust funds at their meeting on 31st of July 2024. The external audit process has subsequently taken place culminating in the audit report and examination report being presented at this meeting, and audited statement of accounts being brought forward.
- 3.2 In respect of the Welsh Church Act Fund, Governance and Audit Committee approval of the audited accounts should follow the audit process, and under the current Charity Commission guidelines the audited accounts should be filed with them by the 31st of January 2025.
- 3.3 In respect of the Monmouthshire Farm School Endowment Trust Fund, Governance and Audit Committee approval of the audited accounts is undertaken in conjunction with their presentation to the Trust Funds Management Board on the 20th of January 2025.
- 3.4 The audited statements have been produced within required timescales and as to enable the statements to be lodged with the relevant committees as required.

- 3.5 The meeting of the required deadlines has required a joint effort between the Trusts management and Audit Wales, and management would like to acknowledge the professional and supportive approach in which Audit Wales undertake their audit.

Audit Findings - The Welsh Church Act Trust Fund

- 3.6 The auditors intend to provide an unqualified audit report on The Welsh Church Act Trust Fund accounts for 2023/24.
- 3.7 No significant errors or areas of concern have been raised in the ISA 260 audit of accounts report, with minor amendments identified as shown below in **figure 1** and within the ISA 260 report itself. These have been adjusted for within the final audited statements shown at **Appendix 1**.

Figure 1 – Corrections and misstatements identified

Value of correction	Accounts areas	Explanation
Various	Some minor amendments were made to the financial statements relating to revisions to disclosures of information, narrative changes, casting errors or typos.	Our audit has identified some minor financial, narrative and presentational amendments throughout the final accounts which have now been corrected
£9,661	<u>Note 12 Creditors</u> Other creditors was increased by £9,661	Our audit has identified that 'Other Creditors' failed to include £9,661 of creditors. This amendment impacts the creditors disclosure note only and not the primary statements.

Audit Findings - The Monmouthshire Farm School Endowment Trust Fund

- 3.8 The auditors intend to provide an unqualified examiners report on the Monmouthshire Farm School Endowment Trust Fund accounts for 2023/24.
- 3.9 No significant errors or areas of concern have been raised in the examiner's report, with minor misstatements identified as part of the process adjusted for within the final statements shown at **Appendix 2** and as noted in the examiner's report.

4. REASONS

- 4.1 To receive and approve the audit reports and final statement of accounts as presented enabling the lodging of the accounts with the relevant bodies within required timescales.

5. CONSULTEES

Head of Finance (Acting Section 151 Officer)

6. BACKGROUND PAPERS

Appendix 1: The Welsh Church Act Fund audited statement of accounts 2023/24

Appendix 2: Monmouthshire Farm School Endowment Trust Fund final statement of accounts 2023/24

7. AUTHORS:

Dave Jarrett

Finance business partner – Central Finance

8. CONTACT DETAILS

Email: davejarrett@monmouthshire.gov.uk

Tel: (01633) 644567

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**The Monmouthshire County Council
Welsh Church Act Fund**

**Annual Report and Financial Statements for the year
ended the 31 March 2024**

Registered Charity Number: 507094

The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024

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**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024**

Trustee, Officers, and Advisors

Trustee

Monmouthshire County Council

Secretary

James Williams

Chief Officer, Law & Governance (Monitoring Officer)

Monmouthshire County Council

Registered Office

County Hall

The Rhadyr,

Usk

NP15 1GA

Auditors

Audit Wales

1, Capital Quarter,

Tyndall Street,

Cardiff

CF10 4BZ

Solicitor

James Williams

Chief Officer, Law & Governance (Monitoring Officer)

Monmouthshire County Council

Investment Custodian

Monmouthshire County Council

General Management

Mr Peter Davies

'Acting' Chief Executive

Monmouthshire County Council

Bankers

Barclays Bank

1-5 St David's Way

St David's Centre

Cardiff

CF10 2DP

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024**

Report of the Trustee for the year ended 31 March 2024

The Trustee presents its annual report and the audited financial statements for the year ended 31 March 2024 of The Monmouthshire County Council Welsh Church Act Fund ('the Charity').

The information with respect to the Trustee, officers and advisors set out on page 1 forms part of this report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on the 1st January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the UK Generally Accepted Practice as it applies from the 1st January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 1st January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Structure, Governance and Management

The Charity is governed by the Welsh Church Act 1914 and the Welsh Church Act (Designation and Specification) Order 1996 and is registered with the Charity Commissioners under charity number 507094.

The Charity covers the Council administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and the City of Newport, with Monmouthshire County Council being designated as the host Authority. The Monmouthshire Welsh Church Act Fund was established on 1 April 1996, from the former Gwent Welsh Church Act Fund and part of the former Mid Glamorgan Welsh Church Act Fund.

Monmouthshire County Council as the Corporate Body is the Trustee for the Welsh Church Fund and therefore there are no policies and procedures adopted for the induction and training of trustees. The trustees also have regard to the Charity Commission's guidance on public benefit.

The management of the Charity Fund is undertaken by officers of the Council and a calculated proportion of their time is charged to the Fund.

Objectives

The primary object of the Charity for each year, as stated in its governing document, is to assist public groups and individuals for educational, social, recreational, and

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2024

other charitable benefit purposes. Grants are available from the Fund for capital or revenue purposes. Capital grants may be awarded to assist organisations in the furnishing and upkeep of buildings. Revenue grants are designed to further the aims of societies and to assist individuals in their various pursuits.

Grants allocation policy

An annual budget set by the Trustee for grant payments is split between the administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and Newport on a population basis.

A Committee set up by the Trustee approves grant applications on a basis in line with full Council meetings or as deemed required by the participating authorities. Grants are made in pursuance of the Charity's objectives.

The grant allocation of each financial year is considered in line with the long-term financial viability of the trust and to maintain the ability to generate funds in future years for distribution by maintaining sufficient capital assets.

Review of activities and future developments

The statement of financial activities for the year is set out on page 7 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Fund has increased in value by £16,603 during the year, a (£479,749 loss in 2022/23). This increase is primarily due to unrealised gains in investments of £83,718 at the 31st March 2024 valuation date following improvement in fund performance over the year.

Income is principally comprised of investment income of £226,373 (£212,453 in 2022/23). This has increased slightly in regard to distributions from the pooled investments funds held on the financial markets. The Charity has utilised the Trustee's own investment managers to manage the other individual market investments, thus, controlling management fees and therefore maximising returns whilst at the same time maintaining a balanced capital risk strategy.

Resources expended during the year amounted to £293,488 (£219,230 in 2022/23) and principally comprised grant distribution payments of £267,391 (£204,850 in 2022/23). This increase was predominantly due to Caerphilly and Newport Councils allocating brought forward unspent grant balances from previous financial years.

Net gains on investments held amounted to £83,718 (£472,972 net loss in 2022/23). These non-realised investment gains have been due to an improving economic outlook impacting on the financial markets through the year. The 'Trusts' current investment strategy of diversifying the portfolio across several investment categories has enabled a certain degree of stability amid the volatility in the financial markets. The long-term projections on these charity fund investments as indicated by the Trustees' Treasury consultants continue to offer a balanced risk portfolio between income generation and asset growth.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024**

Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Charity about the future or that are otherwise uncertain. Estimates have been made considering historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Charity's Balance Sheet at 31st March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

The revaluation of investment property and property funds

Valuation techniques are used to determine the carrying amount of pooled property funds and investment property. Investment assets have been revalued as at the 31st March 2024 reporting date.

Changes in the valuation assumptions used, together with significant changes in rental growth could affect (increase or decrease) the fair value of property-based investments. As the investments are held on a long-term strategy basis, the fund does not foresee any long-term negative effect in the generation of future income streams.

Income generation

The Charity's investment income was £226,373 compared to £212,453 in 2022/23. The diverse external pooled fund investment strategy that replaced the pooled investment strategy with Monmouthshire County Council has continued to produce consistent returns in the financial markets due to investment in more specific charitable investment funds. This income generation forms the main basis of the following years grant allocations to ensure continuity and non-degradation of the funds capital assets and to perpetuate the charity as a 'going concern.'

Bad debt provision

There are no bad debts arising in the year of account.

Investment powers, policy, and performance

Under the terms of the Trust Deed, the Trustee has general powers of investment, subject to the provisions of The Trustee Act 2000. The investment policy of the Trust is to maximise the rate of investment return, whilst employing a risk strategy that minimises any potential reduction in the capital value of the Fund.

The Trustee reviewed its investment strategy and produced an investment and fund strategy for 2023/24, which was approved by Monmouthshire County Council in its capacity as sole and corporate trustee, on 1st March 2023.

Financial market investments have been restated at the financial year-end to reflect their current open market value.

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2024

Changes in fixed assets

The fixed asset investments were re-valued in the 2023/24 financial year in line with the Investment Asset policy of revaluation every year.

Reserves

The Trustee's policy is to maintain the level of investments at a level that provides sufficient annual income to fund the Charity's charitable expenditure. The level of funds held at 31st March 2024 is £5,217,894 (£5,201,291 in 2022/23). The Trustee reviewed its Fund strategy and produced an investment and fund strategy for 2023/24, which stated that the purpose of reserves is to maintain investments such that they realise sufficient income to provide grants to organisations at a consistent level. Whilst the strategy is to ensure that there is no long-term detrimental effect on overall reserve balances, recommendations made by the Charity Commission has resulted in grants allocations being made in line with investment returns.

Governance of the Charity

Representative Councillors from each of the five administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and Newport are appointed by their respective councils annually to form a committee to oversee fund management. Members are appointed to the committee for the term of the Council.

Risk management

The Trustee has undertaken a review of the major risks to which the Charity is exposed, and its risk management and internal control procedures should be updated to ensure that systems are in place to mitigate the risks identified. The risk assessment was considered by Monmouthshire County Council on 1st March 2023 and no risks were identified.

Auditors

Audit Wales were appointed as auditors to the Welsh Church Act Fund in 2007/08.

Statement of Trustee's responsibilities

The Trustee is responsible for preparing financial statements for each financial year, which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity and its financial activities for that period.

In preparing those financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024**

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The Trustee confirms that it has complied with the above requirements in preparing the financial statements.

The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Charities Act 1993. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee certifies that:

- as far as it is aware, there is no relevant information of which the Charity's auditors are unaware; and
- as Trustee of the Charity, it has taken all the steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

By order of the Trustee

**Mr Jonathan Davies
Head of Finance
'Acting' S151 Officer - Monmouthshire County Council**

Date:

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024**

The independent auditor's report of the Auditor General for Wales to the trustees of Monmouthshire County Council Welsh Church Act Fund

Opinion on financial statements

I have audited the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2024 under the Charities Act 2011.

The financial statements comprise the Statement of Financial Activities, Balance Sheet and Statement of Cash Flows and related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2024

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the financial statements is inconsistent in any material respect with the trustee report.

Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee's responsibilities set out on page 2, the trustee is responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the trustee determine is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee anticipate that the services provided by the charity will not continue to be provided in the future.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024**

Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, including obtaining and reviewing supporting documentation relating to Monmouthshire County Council Welsh Church Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- Obtaining an understanding of Monmouthshire County Council Welsh Church Act Fund's framework of authority as well as other legal and regulatory frameworks that the Monmouthshire County Council Welsh Church Act Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Monmouthshire County Council Welsh Church Act Fund.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024**

- reading minutes of meetings of those charged with governance and the trustees;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Monmouthshire County Council Welsh Church Act Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Adrian Crompton
Auditor General for Wales
21 January 2025

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024

Statement of financial activities (Sofa) for the year ended 31 March 2024

	Notes	2023/24 Total Unrestricted Funds £	2022/23 Total Unrestricted Funds £
Income & Endowments from:			
Investment income	2	226,373	212,453
Other incoming resources		0	0
Total income & Endowments		226,373	212,453
Resources Expended			
Raising funds:			
Investment Property		(570)	(480)
Professional fees			
Management and administration		(14,637)	(2,550)
		(15,207)	(3,030)
Charitable expenditure			
Costs of activities in furtherance of the Charity's objects			
Grants payable	3,4	(267,391)	(204,850)
Management and administration		(2,620)	(5,095)
Other			
Governance Costs	5	(8,270)	(6,255)
Total Resources Expended		(293,488)	(219,230)
Gains/(losses) on investment	9,10	83,718	(472,972)
Net Income /(Expenditure)		16,603	(479,749)
Net movement in funds		16,603	(479,749)
Fund balances brought forward April 2023		5,201,291	5,681,040
Fund balances carried forward 31 March 2024	13	5,217,894	5,201,291

All incoming resources and resources expended are derived from continuing activities.
There are no recognised gains or losses other than those disclosed above.

The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024

Balance Sheet as at 31 March 2024

	Notes	2023/24	2022/23
		Unrestricted	Unrestricted
		Funds	Funds
		£	£
Fixed assets			
Investment Land	9	493,000	475,750
Investments	10	4,720,791	4,654,323
		5,213,791	5,130,073
Current assets			
Debtors: amounts falling due within one year	11	52,295	47,159
Cash at bank	8	225,434	228,458
		277,729	275,617
Current Liabilities			
Creditors: amounts falling due within one year	12	(273,626)	(204,399)
Net current assets or liabilities		4,103	71,218
Net assets or liabilities		5,217,894	5,201,291
The Funds of the Charity:			
Unrestricted Funds	13	5,217,894	5,201,291
Total Charity funds		5,217,894	5,201,291

These accounts were approved by the Trustee on 16th January 2025 and signed on their behalf by:

By order of the Trustee

Mr Jonathan Davies
Head of Finance
'Acting' S151 Officer – Monmouthshire County Council

Date:

The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024

Statement of Cash flows as at 31 March 2024

	Total Funds £	Prior Year Funds £
Cash flows from operating activities		
<i>Net cash provided by operating activities</i> <i>'Note 7'</i>	(229,397)	(155,262)
Cash flow from investing activities		
Dividends and rents from investments	226,373	212,453
Cash received from pooled funds with MCC	0	0
<i>Change in cash and cash equivalents in the reporting period</i>	(3,024)	57,191
Cash and cash equivalents at the beginning of the reporting period	228,458	171,267
<i>Cash and cash equivalents at the end of the reporting period</i>	225,434	228,458

Notes to the financial statements for the year ended 31 March 2024

1 Principal accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

A summary of the principal accounting policies, which have been applied consistently, are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the inclusion of investments and tangible fixed assets at market value. During the year, the Charity reviewed its accounting policies in accordance with FRS 102 'Accounting Policies'. No accounting policies have been changed as a result.

Incoming Resources

All income is accounted for on an accrual's basis.

Cash Balances

Cash is sums of money available for immediate use by the Welsh Church Fund. Such items are deemed to be cash balances held in the Fund's bank accounts (less unrepresented cheques). The Welsh Church Fund does not hold Cash in Hand.

Resources expended

All expenditure is accounted for on an accrual's basis. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Grants payable

Grants payable are accounted for in full as liabilities of the Charity when approved by the Trustee and accepted by the beneficiaries.

Management and administration

Management and administration costs include expenditure on administration of the Charity and, an appropriate apportionment of overheads based upon a time allocation.

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024**

Governance Costs

Governance costs comprise costs involving the compliance with constitutional and statutory requirements. These costs relate to audit fees payable to the appointed external auditor.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Debtors/ Creditors

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Fund accounting

Funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment Land and Property

Capitalisation, Replacement and Valuation

The Trust's policy is to revalue its Investment land on an annual basis in line with the Charities SORP. Valuations will also be undertaken where identified that there have been material movements between formal valuations, as holdings are Investment Land not tangible fixed assets.

All land Investments were valued internally by a qualified land surveyor as at 31st March 2024 and all assets held at year-end are included in the accounts at that valuation date. Vacant properties are valued at open market value.

Depreciation

Land is not depreciated. The Fund currently has no buildings on the fixed asset register.

Investments

Any realised and unrealised gains and losses on revaluation or disposals of investments are included in the statement of financial activities. The Authority is authorised to invest any surplus income or dispose of any investments when it deems appropriate. Investments are strategically placed in external pooled fund investment funds specifically designed for charitable organisations. The basis of valuation on the market-based investments held with CCLA, M&G, UBS, and Schroder's, is the open market value of the unit holdings on the 31st March 2024 multiplied by the units held. Investment performance is reviewed periodically in light of prevailing economic changes. The Treasury Stock 2024 valuation is based upon the market value of the

The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024

Treasury Gilt at the 31st of March 2024 as listed on the dmo.gov website. The value of the 'pooled' investment with Monmouthshire County Council is the cash value as at the 31st March 2024.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.

Cash flow statement

The Charity has produced a cash flow statement under Financial Reporting Standard 102 under section 7 on the basis that it meets the relevant conditions and size criteria specified in the Companies Act.1985.

2 Investment income

	2024	2023
	£	£
Investments with Monmouthshire County Council	21,112	0
Investment Property Rental Income	4,138	4,138
External Investments	201,123	208,315
	226,373	212,453

3 Grants Payable

	2024	2023
	£	£
Grants have been paid to the following administering Local Authorities for them to make to groups and individuals on behalf of the Fund:		
Monmouthshire County Council	19,789	18,750
Torfaen County Borough Council	37,055	24,925
Newport City Council	71,394	56,038
Blaenau Gwent County Borough Council	23,052	22,800
Caerphilly County Borough Council	116,101	82,337
	267,391	204,850

The management and administration cost of the fund and grants distributed were £13,374 during the year.

The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024

4 Analysis of Grants

	Grants to Organisations	Grants to Individuals
	£	£
The Advancement of Education	2,375	2,940
The Advancement of Religion	103,374	0
The Relief of Poverty	43,055	0
Other Purposes Beneficial to the Community	115,647	0
Total	264,451	2,940

Unspent balances are retained for distribution in subsequent financial years. Grants to Churches and other religious establishments totaled £103,374 and Community Organisations £115,647 respectively during the financial year. Grants of essential equipment and furnishings to the value of £43,055 were allocated to individuals for the relief of families deemed to be in poverty. No organization or individual received more than one grant award during 2023/24.

5 Governance Costs

	2024 £	2023 £
Auditor's remuneration	8,270	6,255
	8,270	6,255

No indemnity insurance for Trustee's liability has been purchased by the Charity however the Fund is covered by Monmouthshire County Councils' fidelity guarantee insurance. Insurance covers financial losses incurred, as a result of fraudulent acts conducted by Authority employees but does not cover the Trustee for any wrong decisions that may have been made.

6 Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity is not separately registered for VAT because it falls within the Local Authority's VAT Registration as corporate trustee and accordingly, all their expenditure is recorded exclusive of any VAT incurred.

7 Reconciliation of net income/ (expenditure) to net cash flow from operating activities as at 31 March 2024

	Current Year £	Prior Year £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	16,603	(479,749)
Adjustments for non-cash transactions		
(Gains) / losses on investments	(83,718)	472,972
Dividends, Interest & Rents from investments	(226,373)	(212,453)
(Increase) / decrease in debtors / bad debts	(5,135)	(2,348)
Increase / (decrease) in creditors	69,226	66,316
Net cash provided and (used in) operating activities	(229,397)	(155,262)

8 Analysis of cash and cash equivalents as at 31 March 2024

	Current Year £	In Year Movement £	Prior Year £
Cash at bank	225,434	(3,024)	228,458
Total cash and cash equivalents	225,434	(3,024)	228,458

The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024

9 Investment Land and Property

	Total
	£
Valuation	
At 1 April 2023	475,750
Disposals	0
Revaluation	17,250
At 31 March 2024	493,000
Depreciation	
At 1 April 2023	0
Charge in year	0
Disposals	0
At 31 March 2024	0
Net book Value	
At 1 April 2023	475,750
At 31 March 2024	493,000

Tangible Investment assets solely consist of freehold land. Valuations were conducted in accordance with the valuation policy in the 2023/24 financial year and thereafter on an annual rolling basis.

10 Investments

	2024	2023
	£	£
CCLA - COIF Property Fund	906,388	968,824
UBS Multi Asset Income Fund	532,736	525,558
M&G Charibond Fund	617,340	612,365
Schroders Income Maximiser	361,322	359,688
M&G Charifund	506,657	516,083
CCLA - COIF Investment Fund	1,379,696	1,257,721
Treasury Stock 2024 2.5%	116,652	114,084
Invested with Monmouthshire County Council	300,000	300,000
	4,720,791	4,654,323

The Trust has externally managed investments held with UBS, M&G, Schroeder's,

The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024

CCLA, and HM Treasury. The pooled investment with Monmouthshire County Council is managed by the Authority's treasury management team, aided by their appointed external treasury management advisors. Returns from Monmouthshire County Council are generated on a "pooled" basis. The average rate of interest generated on the pooled funds from Monmouthshire was 4.84% for 2023/24 (2.28% for 2022/23).

There were no additions or disposals of investments during the financial year. None of the Investments are held outside of the territorial limits of the United Kingdom and the cost of the revaluations is contained within the charity management fee charged annually from Monmouthshire County Council.

11 Debtors

	2024	2023
	£	£
Amounts falling due within one year		
<i>Prepayment & accrued income</i>		
Investment Income	52,295	47,159
Other Debtors	0	0
MCC Bank Transfer	0	0
<i>Trade debtors</i>		
Rental income	0	0
Bad debt provision for loss of rental income	0	0
<i>Other Debtors</i>		
HM Revenue and Customs	0	0
Other Debtors	0	0
	52,295	47,159

All investment interest due from the trustee was paid in year in 2023/24.

12 Creditors

	2024	2023
	£	£
Amounts falling due within one year		
Grant creditors	254,602	190,400
Other creditors	19,024	13,999
	273,626	204,399

Grant creditors are recognised as the amounts awarded by the five constituent authorities of the Welsh Church Fund unpaid at the financial year-end. Other creditors are fees reimbursable for professional services utilised during the financial year by the Charity.

The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2024

13 Funds

	Balance 1 April 2023	Incoming Resources resources	Expended	Other Unrealised Gain / (Loss)	Balance 31 March 2024
	£	£	£	£	£
Unrestricted funds	5,201,291	226,373	(293,488)	83,718	5,217,894

14 Related party transactions

During the year transactions with related parties arose as follows:

	2024		2023	
	Receipts	Payments	Receipts	Payments
	£	£	£	£
Monmouthshire County Council	21,112	13,374	10,110	5,095

Members of the Authority have direct control over the Welsh Church Fund's financial and operating policies. Where work or services have been commissioned, or where grants were made during the financial year in which members had an interest, members have a duty to declare such an interest. The Welsh Church Fund must ensure that grants allocated were in full compliance with the Authority's standing orders and that grants were made with proper consideration of declarations of such interests.

During the financial year, members who declared an interest did not take part in any discussion or decision relating to grants made or works or services commissioned. Details of all interests declared are recorded in minutes or relevant meetings and recorded in the Register of Members' Interest, open to public inspection at County Hall, Usk.

There are outstanding balances for expenditure of £13,374 with Monmouthshire County Council. The Trust also held a £300,000 investment fund balance with Monmouthshire County Council at the year-end.

15 Trustee's Expenses, Remuneration and Benefits

No Expenses, Remuneration or Benefits were incurred during the year of account

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Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31 March 2024

Registered Charity Number: 525649

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2024

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Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

Trustees, officers and advisers

Trustees

P Murphy
Monmouthshire County Council

D W H Jones
Monmouthshire County Council

M. Cross
Blaenau Gwent County Borough Council

Dr W O C Symondson
University of Wales College Cardiff

R Clark
Torfaen County Borough Council

M Rees
Coleg Gwent
Started 23rd January 2024

M Groucutt
Monmouthshire County Council

J McKenna
Monmouthshire County Council

M. Stevens
Monmouthshire County Council

L. Wright
Monmouthshire County Council

P. James
University College Wales Aberystwth

Helen Morgan
Director Usk Campus – Coleg Gwent

C. Andrews
Caerphilly County Borough Council

Investment custodian
Monmouthshire County Council

Secretary
James Williams
Head of Legal Services
Monmouthshire County Council

Bankers
Barclays Bank
1-5 St David's Way
St David's Centre
Cardiff
CF10 2DP

Registered Office

County Hall, The Rhadyr, Usk, NP15 1GA

Solicitors
James Williams
Head of Legal Services
Monmouthshire County Council

Independent Examiners
Audit Wales, 1 Capital Quarter, Tyndall Street
Cardiff CF10 4BZ

Report of the Trustees for the year ended 31st March 2024

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

The Trustees present their annual report and the independently examined financial statements for the year ended 31st March 2024 of The Monmouthshire Farm School Endowment Trust Fund. The information with respect to the Trustees, officers and advisers set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 and Charity Act 2011. The financial statements comply with the Charity's trust deed.

Status and administration

The Charity is governed by the 1959 Principal Scheme as amended by the Altering Scheme of 1971, although the governing body may rightly claim a history stretching back to 1894. The Fund is registered with the Charity Commission under Charity number 525649. The Trustees also have regard to the Charity Commission's guidance on public benefit.

Objects

The primary object of the Charity, as stated in its governing document, is to make awards to students in need of assistance to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects. The governing body can use its discretion to apply any unawarded income to provide funding towards the cost of facilities or amenities at Usk College which would benefit these students. The grants awarded have allowed the beneficiaries to pursue land based courses to enhance career opportunities. The area of benefit is clearly defined; household income is a consideration when making the award. The total grant awards were £5,178 (£3,871 in 2022/23).

Review of activities and future developments

The statement of financial activities for the year is set out on page 5 of the financial statements. A summary of the financial results and the work of the Charity is set out below.

The Fund has increased in value by £11,895 (£61,321 decrease in 2022/23) over the financial year as a result of losses on unrealised investments which exceeded income resources.

Income consists of dividends and interest from investments and cash held of £29,876 (£26,287 in 2022/23), and £465 (£1,077 2022/23) in respect of the annual payment from the Roger Edwards Educational Trust. Expenditure of £8,451 (£5,839 in 2022/23) primarily comprised grants payable of £5,178 (£3,871 in 2022/23) in line with the Charity's objects. An unrealised investment loss of £9,995 (£82,846 loss in 2022/23) was made in relation to investments held.

The current strategy is to ensure that there are sufficient funds to meet the needs of beneficiaries. This income generation forms the main basis of the following year's grant allocations to ensure continuity and non-degradation of the fund's capital assets and to perpetuate the Charity as a going concern.

Investment powers, policy and performance

Under the terms of the Trust Deed, the Trustees have general powers of investment, subject to the provisions of the Trustee Act 2000. The Trustees have reviewed their investment strategy and produced an investment and fund strategy for 2022/23 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 1st March 2023. Investments are strategically placed in low-risk investments. Investment performance is reviewed periodically in light of prevailing economic changes.

Grant making policy

Grants are made in pursuance of the Charity's objectives in assisting students in need to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects.

Changes in fixed assets

The movements in fixed asset investments during the year are set out in note 7 to the financial statements.

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

Reserves

The Fund consists primarily of the sale proceeds of the Former Monmouthshire Farm School by the governing body of the school to Monmouthshire County Council. The Fund is entitled to receive an annual payment from The Roger Edwards Educational Trust (Charity Number 525638) equivalent to two thirds of the net annual investment and rental income accrued to the Trust.

The Trust has reviewed its fund strategy and produced an investment and fund strategy for 2023/24 which states that it is the Trust's policy to maintain funds at approximately the current level and utilise the annual income received to fund its charitable expenditure. This was approved by Cabinet on the 1st March 2023.

Governance of the Charity

Representative Trustees appointed by Monmouthshire County Council have a term of office equivalent to the term of a County Council (five years); the other representative Trustees have a term of office of three years and the co-opted Trustees have a term of office of five years. County Council Trustees are elected to the board of Trustees. Trustees that represent other organisations are internally appointed. The Trustees are listed on page 1.

Risk management

Monmouthshire County Council as appointed administrator of the Trust Fund periodically review the major risks to which the Charity is exposed as part of the Authority's overall risk management processes. The Roger Edwards Educational Trust has historically provided significant income to this trust to be used for the distribution of grants. This income is received after the independent examination of the accounts and therefore this is usually late in the financial year. A risk assessment policy was approved by Cabinet on 1st March 2023.

Independent examiners

Audit Wales are the appointed independent examiners to the Charity.

Trustees' responsibilities

The Trustees are required by Charity law to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of the net incoming/outgoing resources of the Charity as at the end of the financial year.

The Trustees confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 2024. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Trustees

Trustee:

Date:

Report of the independent examiner to the Trustees of Monmouthshire Farm School Endowment Trust Fund

I report on the accounts of Monmouthshire Farm School Endowment Trust Fund for the year ended 31

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

March 2024, which are set out on pages 4 to 11.

Responsibilities and basis of report

As the charity's Trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act). You are satisfied that the accounts are not required to be audited by charity law and have chosen instead to have an independent examination.

I report in respect of my examination of your charity's accounts as carried out under section 145 of the Act; In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Adrian Crompton
Auditor General for Wales
21 January 2025

1 Capital Quarter
Cardiff
CF10 4BZ

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2024

Statement of financial activities (Sofa) for the year ended 31st March 2024

	Notes	2024 Unrestricted Funds £	2023 Unrestricted Funds £
Income & Endowments from:			
Investment income	2	29,876	26,287
Income from Roger Edwards Educational Trust		465	1,077
Total income & Endowments		30,341	27,364
Resources Expended			
Charitable expenditure			
Costs of activities in furtherance of the Charity's objects			
Expenditure on charitable activities	3	(5,178)	(3,871)
Other expenditure	3 & 4	(3,829)	(1,968)
Total Resources expended		(9,007)	(5,839)
(Losses) on investment assets	5	(9,995)	(82,846)
Net Income / (Expenditure)		11,339	(61,321)
Net movement in funds		11,339	(61,321)
Fund balances brought forward 1 April 2023		622,649	683,970
Fund balances carried forward 31 March 2024		633,988	622,649

All incoming resources and resources expended are derived from continuing activities. There are no recognised gains or losses other than those disclosed above.

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2024

Balance Sheet as at 31 March 2024

	Notes	2024	2023
		Unrestricted Funds	Unrestricted Funds
		£	£
Fixed assets			
Investments	7	550,760	560,755
		550,760	560,755
Current assets			
Debtors: amounts falling due within one year	8	2,620	1,138
Cash at bank and in hand		82,831	62,819
		85,451	63,957
Current Liabilities			
Creditors: amounts falling due within one year	9	(2,223)	(2,063)
Net current assets		83,228	61,894
Net assets		633,988	622,649
The Funds of the Charity:			
Unrestricted Funds	10	633,988	622,649
Total Charity funds		633,988	622,649

The financial statements were approved by the Trustees on 22nd 2024 and signed on their behalf by:

Trustee:

Date:

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2024

Notes to the financial statements for the year ended 31st March 2024

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16th July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic (FRS 102) and Charity Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102. The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Incoming Resources

All income received is accounted for on a receivable basis and has been classified under the appropriate categories. The income from the Roger Edwards Educational Trust is an estimate of the income to be received for the year.

Grants payable

Grants payable are accounted for in full as liabilities of the Charity when approved by the Trustees and accepted by the beneficiaries.

Management and administration

Monmouthshire County Council administer the Trust Fund on behalf of the Trustees. Management and administration costs include expenditure on administration of the Charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of support service recharges and overhead apportionments. The basis of the apportionment is a fixed fee agreed with the Trustees of £200 per year.

Debtors/ Creditors

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fund accounting

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity. Investment income and gains are allocated to the appropriate fund.

Investments

Investments are included at market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities.

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Trust about the future or that are otherwise uncertain. Estimates have been made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The items in the Trust's Balance Sheet at 31st March 2024 for which there is a significant risk of adjustment in the forthcoming financial year are as follows:

The revaluation of investment property and property funds

Changes in the valuation assumptions used, together with significant changes in rental growth could affect (increase or decrease) the fair value of property-based investments. Indicative net asset statements for property funds are subject to uncertainty at the reporting date and the valuation for pooled property funds and investment property is less reliable than usual. As the investments are held on a long-term strategy basis, the fund does not foresee any long-term negative effect in the generation of future income streams.

Cash flow statement

The Charity has taken exemption from preparing a cash flow under Charities SORP FRS 102 Update Bulletin 1.

2 Income from Investments

	2024	2023
	£	£
Interest on cash balances	0	1,072
Income from Investments	29,876	25,215
	29,876	26,287

3 Expenditure on Charitable Activities

	2024	2023
	£	£
Grants payable	(5,178)	(3,871)
Management & administration	(3,829)	(1,968)
	(9,007)	(5,839)

Grants payable comprise numerous payments to individual students in respect of full time and part-time courses attended. It is not possible to provide further details due to restrictions of confidentiality.

4 Governance Costs

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2024

	2024	2023
	£	£
Net incoming resources is stated after charging:		
Independent Examiner's remuneration	(2,016)	(1,458)
	(2,016)	(1,458)

No indemnity insurance for Trustees liability has been purchased by the Charity. Though no specific indemnity insurance has been purchased by the Charity, the Fund is covered by Monmouthshire County Council's fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustees for any wrong decisions that may have been made. Governance costs have remained the same during the year as a result of the Public Audit Wales Act and in particular the duty placed on the Wales Audit Office to ensure full cost recovery in its audit fees. The audit fee is included in the management and administration spend as per note 3.

5 Gains and losses on revaluation and disposal of investment assets

	Market Value 2023	Market Value 2024	Gain/(Loss)
	£	£	£
M&G Charibond	208,660	210,355	1,695
UBS Multi-Asset Income Fund	141,092	143,019	1,927
COIF Charities Property Fund	211,003	197,386	(13,617)
Total	560,755	550,760	(9,995)

6 Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity falls with Monmouthshire County Council regulations for VAT, and therefore any liability is accounted for within Monmouthshire County Council.

7 Fixed asset investments

Total

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

	£
Valuation at 1 April 2023	560,755
Purchase	0
Net revaluation loss	(9,995)
Valuation at 31 March 2024	550,760

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2024. The historical cost of the investments at 31st March 2024 was £639,000. All of the Charity's investments are quoted in the UK. The details of these are disclosed in the table below, being Charibond, COIF and OEIC Fund.

Investments with a market value greater than 5% of the total portfolio market value at 31st March 2024 are as follows:

	£	%
COIF Charities Property Fund	197,386	36%
M&G Charibond	210,355	38%
UBS Multi-Asset Income Fund	143,019	26%

The percentage shown above is the percentage of the total portfolio market value as at 31st March 2023.

8 Debtors

	2024	2023
	£	£
Amounts falling due within one year		
Roger Edwards Educational Trust	464	1,077
Other	2,154	61
	2,619	1,138

9 Creditors

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2024

	2024 £	2023 £
<hr/>		
Amounts falling due within one year		
Accruals and deferred income	(2,223)	(2,063)
	(2,223)	(2,063)

The amounts owed relate to audit fees and payments to Monmouthshire County Council to administer the trust.

10 Unrestricted Funds

	Balance 1 April 2023 £	Incoming resources £	Resources Expended £	Investment Gain/(Loss) £	Balance 31 March 2024 £
<hr/>					
Permanent endowed funds	622,649	30,341	(9,007)	(9,995)	633,988

11 Related party transactions

No remuneration directly or indirectly out of the funds of the Charity was paid or payable for the year to any Trustees. Payments have been made to Monmouthshire County Council respect of management and administration expenses.

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Audit of Accounts Report – The Monmouthshire County Council Welsh Church Act Fund

Audit year: 2023-24

Date issued: January 2025

Document reference: 4639A2024



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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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.

About Audit Wales

Our aims and ambitions

Assure



the people of
Wales that public
money is well
managed

Explain



how public
money is being
used to meet
people's needs

Inspire



and empower
the Welsh
public sector to
improve



Fully exploit
our unique
perspective,
expertise and
depth of insight



Strengthen our
position as an
authoritative,
trusted and
independent
voice



Increase our
visibility,
influence and
relevance



Be a model
organisation for
the public sector
in Wales and
beyond

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Introduction

I have now completed my audit in line with my Audit Plan 2024 dated September 2024.

This Audit of Accounts Report summarises the main findings from my audit of your 2023-24 annual report and accounts. My team have already discussed these issues with the Finance Business Partner.

We are proposing to give an unqualified opinion on the accounts.

We have nothing to report under the other sections of my report, i.e. those relating to going concern; other information; other matters; or matters I report by exception.

I am very grateful to your officers for their support in undertaking this audit.



Adrian Crompton

Auditor General for
Wales

Financial statements' materiality



Materiality £54,841

My aim is to identify and correct material misstatements, ie those that might otherwise cause the user of the accounts to be misled.

Materiality is calculated using:

- 2023-24 gross assets of £5.484 million
- Materiality percentage of 1%

I apply the materiality percentage to gross assets to calculate materiality.

I will report to you any misstatements above £2,742, calculated as 5% of materiality (called the 'trivial level').



Areas of specific interest

Related Parties are subject to a lower materiality level of £5,000, given its relative importance to users of the accounts.

Ethical compliance



Compliance with ethical standards

We believe that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

Proposed audit opinion



Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 1**.



Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is specified as being necessary by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 2**.

Issues Arising During the Audit



Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 3**.



Other significant issues

In the addition to misstatements identified during the audit we also report other significant issues to you.

There were no such issues identified during the audit.

Appendix 1

Proposed audit report

The independent auditor's report of the Auditor General for Wales to the trustees of Monmouthshire County Council Welsh Church Act Fund

Opinion on financial statements

I have audited the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2024 under the Charities Act 2011.

The financial statements comprise the Statement of Financial Activities, Balance Sheet and Statement of Cash Flows and related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the financial statements is inconsistent in any material respect with the trustee report.

Responsibilities of the trustee for the financial statements

As explained more fully in the statement of trustee's responsibilities set out on page 2, the trustee is responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the trustee determine is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee anticipate that the services provided by the charity will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, including obtaining and reviewing supporting documentation relating to Monmouthshire County Council Welsh Church Fund's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;
- Obtaining an understanding of Monmouthshire County Council Welsh Church Act Fund's framework of authority as well as other legal and regulatory frameworks that the Monmouthshire County Council Welsh Church Act Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Monmouthshire County Council Welsh Church Act Fund.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the trustees;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Monmouthshire County Council Welsh Church Act Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Adrian Crompton
Auditor General for Wales
21 January 2025

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Appendix 2

Final Letter of Representation

Auditor General for Wales

Wales Audit Office

1 Capital Quarter

Cardiff

CF10 4BZ

16 January 2025

Representations regarding the 2023-24 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2024 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and Charities SORP 2015; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and

- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Monmouthshire County Council Welsh Church Act Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware;

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions.

Representations by the Trustee

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Trustee on 16 January 2025.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Jonathan Davies
Acting S151 Officer

Andrew Blackmore,
Chair, Governance and Audit Committee

Date: 16 January 2025

Date: 16 January 2025

Appendix 3

Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Value of correction	Accounts areas	Explanation
Various	Some minor amendments were made to the financial statements relating to revisions to disclosures of information, narrative changes, casting errors or typos.	Our audit has identified some minor financial, narrative and presentational amendments throughout the final accounts which have now been corrected
£9,661	<u>Note 12 Creditors</u> Other creditors was increased by £9,661	Our audit has identified that 'Other Creditors' failed to include £9,661 of creditors. This amendment impacts the creditors disclosure note only and not the primary statements.

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 a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD*, and our Chair acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

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

Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

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

Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.






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

* QAD is the quality monitoring arm of ICAEW.

Supporting you

Audit Wales has developed a range of resources to support the scrutiny of Welsh public bodies and to support those bodies in continuing to improve the services they provide to the people of Wales.

Visit our website to find

	our Good Practice work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our newsletter which provides you with regular updates on our public service audit work, good practice, and events.
	our publications which cover our audit work completed at public bodies.
	information on our forward performance audit work programme 2023-2026 which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various data tools and infographics to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).



Audit Wales
1 Capital Quarter
Tyndall Street
Cardiff CF10 4BZ

Tel: 029 2032 0500
Fax: 029 2032 0600
Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and
telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a
galwadau ffôn yn Gymraeg a Saesneg.



**SUBJECT: MONMOUTHSHIRE COUNTY COUNCIL
COUNTER FRAUD, CORRUPTION &
BRIBERY RISK ASSESSMENT**

DIRECTORATE: Resources
MEETING: Governance & Audit Committee
DATE: January 2025
DIVISION/WARDS AFFECTED: All

1. PURPOSE

- 1.1 To consider the adequacy and appropriateness of Council's first Counter Fraud, Corruption and Bribery Risk Assessment.

2. RECOMMENDATION(S)

- 2.1 That the Governance and Audit Committee comments on and endorses the Council's Counter Fraud, Corruption and Bribery Risk Assessment.
- 2.2 The Governance & Audit Committee recognises the Council's commitment to a zero tolerance approach to Fraud, Corruption and Bribery and requires that all Members, Lay Members and Officers of the Council complete the required e-Learning in this area as soon as possible and at the latest by the end of June 2025.
- 2.3 That the Governance and Audit Committee receive an updated report and assessment during the 2025/26 financial year (September 2025).

3. KEY ISSUES

- 3.1 Fraud is considered a significant risk to the public sector and various estimates have been made as to the total loss to the public purse. However, it is clear that financial losses due to fraud diverts funds from essential services and may also result in reputational damage and loss of confidence.
- 3.2 Monmouthshire County Council has a zero-tolerance culture and attitude to fraud, bribery, and corruption.
- 3.3 In accordance with the Council's Risk Appetite Statement, Monmouthshire County Council is 'risk averse' when it comes to fraud, bribery and corruption.
- 3.4 The purpose of the Risk Assessment is to systematically identify, assess, and mitigate potential fraud risks within the Council's operations, ensuring the integrity and trust in public services. It will encompass all departments and activities like procurement, grant allocations, and service delivery.

- 3.5 This assessment is designed to safeguard the resources and reputation of Monmouthshire County Council complementing the Anti-Fraud, Corruption and Bribery Policy which was approved by Cabinet in January 2024.

4. REASONS

- 4.1 The Auditor General for Wales in 2019 noted that the sums lost annually in the Welsh public sector to fraud and error are significant – and could be anywhere between £100 million and £1 billion.
- 4.2 Fraudsters are becoming more sophisticated and evaluating opportunities and risks in real time. New fraud threats are continually emerging, both globally and nationally.
- 4.3 The Auditor General released a report in July 2020, [‘Raising Our Game’ Tackling Fraud in Wales](#), requiring public sector bodies to ensure that their arrangements for preventing and detecting fraud are effective. This Risk Assessment is part of our response to this report.
- 4.4 In addition to completion of the Risk Assessment, as part of the restructure of the Internal Audit team in April 2024, it was agreed that a Counter Fraud Officer position would be added to the structure. This has been recruited to and forms another part of our response.
- 4.5 Local Government Employees have a range of powers and functions, from licensing and housing to awarding contracts for local amenities. It makes them targets for people and organisations who seek to either gain an unfair advantage or are looking to exploit information they hold.
- 4.6 An e-Learning module covering Fraud, Corruption and Bribery has been developed by the Chief Internal Auditor for the Council’s Thingi learning management system. It has been deemed necessary to mark the completion of this module as being mandatory for all Members and Officers of the Council. The completion of the module will be monitored and reported to the Senior Leadership Team. Completion statistics will be reported to the Governance & Audit Committee within the Internal Audit End of Year report (May 2025).
- 4.7 The Fraud Risk Assessment has identified the key areas of potential fraud and the mitigations to reduce the risk of fraud. These are included within the Fraud Risk Register as detailed in Appendix 1 of the document.
- 4.8 Monmouthshire County Council will continue to take an active role in the National Fraud Initiative, conducting investigations and recording outcomes where necessary. MCC and its Senior Leadership Team are fully committed to the NFI process.
- 4.9 The Audit Wales National Fraud Initiative Self-Appraisal Checklist has been completed (Appendix 2) and actions highlighted to improve the Council’s work in this area.

- 4.10 An Action Plan (Appendix 3) has been developed to improve Monmouthshire County Council's response to Fraud, Corruption & Bribery.
- 4.11 The Fraud Risk Register and Action Plan will be reviewed and updated regularly, and an annual report will be presented to the Governance and Audit Committee in accordance with the Council's Counter Fraud, Corruption and Bribery Policy. As this is a major review of the current arrangements an additional interim review and report will be presented to the Committee during the year.

5. RESOURCE IMPLICATIONS

Internal Audit team resource in proactively investigating allegations and data matches resulting from the National Fraud Initiative.

6. CONSULTEES

Acting Chief Executive & Chief Officer – Resources
Head of Finance (Acting S151 Officer)
Performance & Data Insight Manager

7. BACKGROUND PAPERS

MCC Counter Fraud Risk Assessment
MCC Fraud Risk Register
Audit Wales National Fraud Initiative Self-Appraisal Checklist

8. AUTHOR AND CONTACT DETAILS

Jan Furtek, Acting Chief Internal Auditor
Telephone: 01600 730521
Email: janfurtek@monmouthshire.gov.uk

FRAUD, CORRUPTION & BRIBERY RISK ASSESSMENT

DECEMBER 2024

Date of Report Issue

12th December 2024

Report Status

Draft v5

Report Author(s)

Jan Furtek, Acting Chief Internal Auditor

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1. Introduction

- 1.1 Fraud is considered a significant risk to the public sector and various estimates have been made as to the total loss to the public purse. However, it is clear that financial losses due to fraud diverts funds from essential services and may also result in reputational damage and loss of confidence.
- 1.2 **Monmouthshire County Council has a zero-tolerance culture and attitude to fraud, bribery, and corruption.**
- 1.3 Monmouthshire County Council commits to investigating all allegations of Fraud, Corruption and Bribery at all levels of the organisation. This will include actions being taken under the Council's disciplinary policy and referrals to the Police and external regulators when necessary. The Council will look to recover all money and assets subject to proven fraudulent processes.
- 1.4 In accordance with the Council's Risk Appetite Statement, Monmouthshire County Council is 'risk averse' when it comes to fraud, bribery and corruption.
- 1.5 The purpose of this document is to systematically identify, assess, and mitigate potential fraud risks within the Council's operations, ensuring the integrity and trust in public services. It will encompass all departments and activities like procurement, grant allocations, and service delivery.
- 1.6 Local Government Employees have a range of powers and functions, from licensing and housing to awarding contracts for local amenities. It makes them targets for people and organisations who seek to either gain an unfair advantage or are looking to exploit information they hold.
- 1.7 Members of the public and suppliers of the Council may seek to obtain an unfair advantage or personal gain through defrauding Monmouthshire County Council. We commit to investigating all instances and are dedicated to data matching exercises such as the National Fraud Initiative.
- 1.8 This assessment is designed to safeguard the resources and reputation of Monmouthshire County Council complementing the Anti-Fraud, Corruption and Bribery Policy which was approved by Cabinet in January 2024.

2. Risk Identification

Including but not limited to:

2.1 Internal Risks:

- *Employee Fraud*: Unauthorized use of funds, manipulation of financial records, or fraudulent expense claims, possibly motivated by financial need or opportunity.
- *Resource Misuse*: Employees using Council resources, such as vehicles or office supplies, for personal gain.
- *Conflicts of Interest*: Situations where employees have undisclosed interests in companies that are awarded contracts, leading to biased decision-making.

2.2 External Risks:

- *Contractor/Supplier Fraud*: Overbilling, delivering substandard goods or services, providing kickbacks, or collusion with internal staff to manipulate contract awards.
- *Beneficiary Fraud*: Individuals or organizations falsely claiming benefits, grants, or public services through deception or forged documents.
- *Cyber Fraud*: Individuals or organisations looking to illegally acquire sensitive information or monetary gain.

3. Risk Analysis & Fraud Risk Register

- 3.1 It is intended that this initial risk register, its findings and methodology will be, from the 2025/26 financial year, embedded into individual Service Business Plans across the Council. These plans will be aligned to this risk assessment, with service managers encouraged to consider fraud, corruption and bribery when completing their service risk register. Information included in service plans will then help inform the MCC fraud risk register and also the annual Internal Audit Plan.
- 3.2 A copy of the Fraud Risk Register can be found as Appendix 1 to this report. All risks identified have been assessed against;
- 3.3 **Likelihood**: Measured as, unlikely, possible, likely, almost certain based on historical data, trends, expert judgment and time.
- 3.4 **Impact / Consequence**: Assesses the potential consequences of each risk. For example:
- a. *Financial Loss*: Quantify the possible monetary loss.
 - b. *Reputational Damage*: Evaluate the impact on public trust and confidence.

- c. *Operational Disruption*: Measure the potential disruption to service delivery.

Major (4)	Low (4)	Medium (8)	High (12)	High (16)
Substantial (3)	Low (3)	Medium (6)	Medium (9)	High (12)
Moderate (2)	Low (2)	Low (4)	Medium (6)	Medium (8)
Minor (1)	Low (1)	Low (2)	Low (3)	Low (4)
	Unlikely (1)	Possible (2)	Likely (3)	Almost certain (4)

- 3.5 Risks with a score of 1-4 are considered to be low risk; a score of 6-9 is considered medium risk; and a score of 12-16 is considered to be high risk.
- 3.6 A number of control / mitigation processes including management controls and other processes have been considered for each of the identified risks, and the residual risk remaining following these mitigations is reflected in the Risk Register.
- 3.7 Fraud risk identification is essential to understand the specific exposures to different types of risk and changing patterns of threat and consequences. The risk assessment is designed to identify those areas with the greatest potential for the risk of fraud.

4. Control Measures

4.1 Preventive Controls:

- *Internal Controls*: Implement policies that define acceptable use of resources, enforce segregation of duties, and restrict access to sensitive information.
- *Regular Audits*: Schedule regular internal and external audits to review compliance and detect anomalies.
- *Due Diligence*: Conduct thorough background checks on employees and contractors.

4.2 Directive Controls:

- *Policies*: These dictate how certain activities should be conducted within the organization.
- *Training*: Regular training sessions to ensure that employees are aware of the policies and procedures.
- *Code of Conduct*: A set of rules outlining the responsibilities and proper practices for individuals within the organization.

- *Culture & Raising Awareness*: Regularly communicating and promoting the importance of compliance and ethical behaviour.

4.3 Detective Controls:

- *Monitoring Systems*: Employ technology to monitor transactions and identify unusual patterns indicative of fraud.
- *Whistleblower Mechanisms*: Create confidential reporting channels for employees and the public to report suspected fraud, ensuring protection against retaliation.

4.4 Corrective Controls:

- *Investigation Protocols*: Develop step-by-step procedures for investigating suspected fraud, including timelines and responsibilities.
- *Disciplinary Actions*: Define clear, consistent consequences for fraudulent activities, including termination of employment and legal prosecution where appropriate.

5. Risk Mitigation

5.1 Training and Awareness:

- Conduct regular, mandatory training sessions for all employees on fraud awareness, detection, and prevention.
- Promote a culture of integrity, where ethical behaviour is valued and expected.

5.2 Policy Development:

- The Council has an Anti-Fraud, Corruption and Bribery Policy which was approved by Cabinet in January 2024.
- Ensure policies are regularly reviewed and updated to reflect new risks and emerging trends.

5.3 Collaboration:

- Partner with external bodies such as the National Fraud Initiative to share information and best practices.
- Foster relationships with other local Councils, Welsh Government and Central Government to learn from their experiences and collaborate on initiatives.

National Fraud Initiative

- 5.4 The National Fraud Initiative (NFI) is a biennial UK-wide counter-fraud exercise. The NFI matches electronic data within and between public and private sector bodies to prevent and detect fraud. Monmouthshire County Council takes an active part in this exercise and has submitted data as

required in October 2024. The resulting data matches are due to be returned in January 2025 for review / investigation.

- 5.5 Data matching involves comparing computer records held by one body against other computer records held by the same or another body to see how far they match. This is usually personal information. Computerised data matching allows fraudulent claims and payments to be identified. Where a match is found it indicates that there is an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.
- 5.6 Beyond any financial savings, the benefits of participation and reviewing data matches include the assurance that NFI results can provide around systems of internal control.
- 5.7 Monmouthshire County Council has historically reported a relative low instance of fraud through these exercises. This demonstrates the strength of our internal control mechanisms, however, it is acknowledged that there is always room for improvement in this area and a full review of the 2024/25 NFI data matches will be undertaken.
- 5.8 The Council has completed the Audit Wales recommended NFI Self Appraisal Checklist (Appendix 2). Required actions have been identified through this to strengthen the usage of the NFI within Monmouthshire. These will be implemented as part of the Fraud Action Plan (Appendix 3).

6. Monitoring and Review

6.1 Regular Assessments:

- Schedule periodic fraud risk assessments, at least annually, to re-evaluate risks and update control measures.
- Use findings from audits and investigations to inform assessments and identify areas for improvement.

6.2 Continuous Improvement:

- Incorporate lessons learned from past incidents and near-misses.
- Stay updated with emerging fraud trends and techniques through training, research, and collaboration with external partners.

7. Reporting

7.1 Documentation:

- Maintain detailed records of all fraud risk assessments, control measures implemented, and incidents of fraud.
- Ensure documentation is thorough and accessible for review by internal and external auditors.

7.2 Reporting Mechanisms:

- Establish clear, accessible channels for reporting suspected fraud internally and externally.
- Publicize reporting mechanisms widely to ensure they are trusted and utilized by employees and the public.

7.3 In accordance with the Councils Counter Fraud, Corruption & Bribery Policy. Members and Officers of the Council along with members of the public and Council suppliers are able to raise any concerns via the following methods;

- The Chief Executive, Chief Officers, Heads of Service, or the Council's Monitoring Officer, who will report such concerns to the Chief Internal Auditor;
- Directly to the Chief Internal Auditor;
- Where line management is suspected of fraud, directly to the Chief Officer or Chief Internal Auditor;
- External Auditor (Audit Wales), who, depending upon the nature of the concern will liaise with the Chief Internal Auditor;
- Trade Union Representative;
- The MCC Whistleblowing Policy.

8. Conclusion

- 8.1** The Fraud Risk Assessment has identified the key areas of potential fraud and the mitigations to reduce the risk of fraud. These are included within the Fraud Risk Register as detailed in Appendix 1.
- 8.2** An Action Plan (Appendix 3) has been developed to improve Monmouthshire County Councils work in this area.
- 8.3** Monmouthshire County Council will continue to take an active role in the National Fraud Initiative, conducting investigations and recording outcomes where necessary.
- 8.4** The Fraud Risk Register and Action Plan will be reviewed and updated regularly, and an annual report will be presented to the Governance and Audit Committee in accordance with the Councils Counter Fraud, Corruption and Bribery Policy. As this is a major review of the current arrangements an additional interim review and report will be presented to the Committee during the year.

Appendix 1 – Fraud Risk Register

Ref	Business Area	Risk	Root Cause	Consequence	Pre-Mitigation Risk Likelihood		Pre-Mitigation Risk Impact		Overall Pre-Mitigation Risk Risk	Control Measures	Post-Mitigation Risk Likelihood		Post-Mitigation Risk Impact		Overall Post-Mitigation Risk Residual	Risk Owner
1	HR	Authority employs worker who does not have the right to work in the UK / has provided false identification documents to demonstrate the right to work in the UK.	Ineffective pre employment checks due to lack of staff awareness / training / policies / procedures. Job advert does not state that applicants must hold the right to work within the UK.	Reputational risk. Fine from Border Agency - £60k per employee. Cost of re-running recruitment process. Cost of interim staff.	Almost Certain	4	Major	4	16	Staff training. Policies / procedures include adequate guidance. Job adverts include wording re right to work in UK. Adequate eligibility checks undertaken. Regular ongoing eligibility checks. Consider as appropriate criminal/civil proceedings.	Possible	2	Moderate	2	4	Chief Officer - People, Policy & Performance
2	HR	Authority employs worker who does not have the required experience / qualification for the role, or has provided false or misleading information e.g. false identification, employment history, qualifications.	Ineffective pre employment checks due to lack of staff awareness / training / policies / procedures.	Reputational risk. Cost of re-running recruitment process. Cost of interim staff.	Almost Certain	4	Major	4	16	Staff training. Policies / procedures include adequate guidance. 2 references obtained. Adequate I.D. checks undertaken. Adequate qualification checks undertaken. Consider as appropriate criminal/civil proceedings.	Possible	2	Moderate	2	4	Chief Officer - People, Policy & Performance

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3	Payroll	Creation of fictitious 'ghost' employees.	Lack of oversight / segregation of duties.	Financial loss. Reputational Damage.	Likely	3	Substantial	3	9	Regular payroll internal audits. Segregation of duties upon setting up new employees on the payroll system. Regular staff budget monitoring across departments. Take appropriate action such as appropriate criminal/civil proceedings.	Unlikely	1	Minor	1	1	Chief Officer - People, Policy & Performance
4	Payroll	Unauthorised changes to payroll e.g. pay rate alteration.	Lack of oversight / segregation of duties.	Financial loss. Reputational Damage.	Likely	3	Substantial	3	9	Regular payroll internal audits. Segregation of duties for changes on payroll system. Regular staff budget monitoring across departments. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Unlikely	1	Minor	1	1	Chief Officer - People, Policy & Performance

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5	Payroll	Prolonging the pay of a leaver and/or redirecting their pay into a fraudster's account.	Lack of oversight / segregation of duties.	Financial loss. Reputational Damage.	Likely	3	Substantial	3	9	Regular payroll internal audits. Segregation of duties throughout payroll system. Regular staff budget monitoring across departments. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Unlikely	1	Minor	1	1	Chief Officer - People, Policy & Performance
6	Procurement	Bid Rigging / Cover pricing.	Lack of competition. Insufficient oversight. Lack of training / awareness. Collusion.	Financial Loss. Reputational damage. Lack of value for money / poor goods / services.	Almost Certain	4	Substantial	3	12	Management checks. Tendering process. Well communicated financial regs / standing orders. Internal audit checks. Encourage whistleblowing.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) ARDAL Procurement Partnership

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7	All Service Areas	False declarations of mileage expenses.	Lack of authorisation process. Lack of expenses policy.	Financial loss. Reputational Damage.	Almost Certain	4	Minor	1	4	Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. Managers authorisation of expenses. Regular checks by Internal Audit. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Possible	2	Minor	1	2	Chief Officer - People, Policy & Performance Strategic Leadership Team

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8	All Departments	False declarations of overtime hours.	Lack of authorisation process.	Financial loss. Reputational Damage.	Almost Certain	4	Moderate	2	8	Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. Managers authorisation of overtime / additional hours. Regular checks by Internal Audit. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Possible	2	Minor	1	2	Chief Officer - People, Policy & Performance Strategic Leadership Team

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9	All Service Areas	Employees undertaking alternative work while sick.	Employees who are disengaged / dissatisfied at work. Lack of sickness policy / attendance monitoring. Cost of living crisis.	Financial loss. Cost of supply / cover staff. Delay / halt / decline in quality of service delivery. Reputational damage.	Likely	3	Moderate	2	6	Foster a positive work environment. Clear and well communicated sickness / managing attendance policies. Conducting regular reviews of absence patterns. Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. NFI data matching. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Possible	2	Minor	1	2	Chief Officer - People, Policy & Performance Strategic Leadership Team

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10	Procurement	Bribery / kick backs Procurement official collusion.	Financial incentives. Pressure to meet targets. Weak internal controls. Culture. Close supplier relationships.	Financial Loss. Reputational damage. Lack of value for money / poor goods / services.	Almost Certain	4	Substantial	3	12	Management checks. Tendering process. Well communicated financial regs / standing orders. Internal audit checks. Anti bribery policy. Rotation of duties Encourage whistleblowing.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) ARDAL Procurement Partnership
11	All Service Areas	Employee working for a third party on Council time.	Lack of monitoring by management. Cost of living crisis. Disengaged employees.	Reputational Damage. Poor work performance. Decline in service delivery.	Likely	3	Moderate	2	6	Regular performance monitoring. Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. NFI data matching. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Possible	2	Minor	1	2	Chief Officer - People, Policy & Performance Strategic Leadership Team

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12	All Departments	Abuse of position.	Lack of management oversight. Cultural values and expectations. Bullying.	Financial losses, reputational damage, poor performance and sickness or high staff turn over. Reputational damage.	Likely	3	Moderate	2	6	Regular performance monitoring. Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing.	Possible	2	Minor	1		Chief Officer - People, Policy & Performance Strategic Leadership Team
13	Insurance	False insurance claims. Exaggerated insurance claims. Duplicate insurance claims.	Ineffective claim checks. Ineffective supporting evidence checks. Lack of procedures / staff training.	Financial loss. Drain on staff resource.	Almost Certain	4	Moderate	2	8	Experienced claim handlers. Rigorous authenticity checks. NFI data matching.	Possible	2	Minor	1	2	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
14	Grants	Any fraud that involves the false payment of grants, loans or financial support to any private individual, company, charity etc through fake applications / collusion.	Ineffective claim checks. Ineffective supporting evidence checks. Lack of staff training.	Financial loss. Reputational damage. Operational disruption (investigations / remedial action can divert resource away from other services / functions.	Almost Certain	4	Substantial	3	12	Educate / train staff on risks of grant fraud / ethical behaviour. Regular checks by Internal Audit. Well communicated procedures for grant distribution.	Possible	2	Minor	1	2	Deputy Chief Executive & Strategic Director Resources (S151 Officer)

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15	Procurement	Overcharging.	Insufficient oversight to identify inflated invoicing / falsified cost reports / unapproved charges.	Financial Loss. Reputational damage. Lack of value for money / poor goods / services.	Almost Certain	4	Substantial	3	12	Management checks / Internal Audit checks / well communicated procedures / regulations.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) ARDAL Procurement Partnership
16	Procurement	False claims and variations.	Insufficient oversight. Lack of staff awareness / training. Lack of procedures / regulations.	Financial Loss. Reputational damage. Lack of value for money / poor goods / services.	Almost Certain	4	Substantial	3	12	Management checks / Internal Audit checks / well communicated procedures / regulations.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) ARDAL Procurement Partnership
17	All Service Areas	Theft of Council information / intellectual property.	Insufficient cyber security measures. Phishing attacks. Employees misconduct. Lack of training / awareness. Inadequate security / access controls. Out of date software.	Financial loss. Reputational damage. Large fines / sanctions.	Likely	3	Major	4	12	Security policy. Restricted access to buildings. Encryptions. Password controls. Access controls. Staff awareness / training.	Possible	2	Major	4	8	Strategic Leadership Team Heads of Service Head of Info Technology & Security

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18	Procurement	Cheaper materials substituted for those specified in contracts. The use of sub-standard materials may also carry health and safety risks and environmental risks.	Lack of sufficient checks. Lack of staff awareness / training / procedures / regulations.	Financial Loss. Reputational damage. Lack of value for money / poor goods / services. Fines / sanctions.	Almost Certain	4	Substantial	3	12	Management checks / Internal Audit checks / well communicated procedures / regulations. Inspections of materials.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) ARDAL Procurement Partnership
19	Finance	Bank mandate fraud.	Lack of staff awareness / training / procedures for dealing with requests to change supplier bank details.	Financial loss. Reputational damage.	Almost certain	5	Major	4	20	Staff awareness - emails / training.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
20	Finance	Treasury management unauthorised investments and loans.	Lack of policies and procedures, lack of training. Lack of segregation of duties. Poor authorisation controls and inappropriate access to banking and finance systems.	Financial loss, possibly high value. Reputational damage.	Almost Certain	4	Major	4	16	Robust policies, strict access controls segregation of duties and authorisation policies. Regular Internal Audit reviews.	Likely	3	Substantial	3	9	Strategic Director - Social Care & Health Head of Adult Services
21	Adult Social Services	Non-declaration of capital which can involve the transfer or disguise of property in order to avoid paying for residential or domestic care provision.	Lack of checks. Lack of staff awareness / training / procedures.	Financial loss. Increased resource intensive investigations. Costly legal proceedings. Reputational damage.	Almost Certain	4	Major	4	16	Sound staff understanding of the legal framework and processes.	Likely	3	Substantial	3	9	Strategic Director - Social Care & Health Head of Adult Services

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22	Adult Social Services	Theft of residents cash.	Lack of segregation of duties. Not adhering to Financial Regulations.	Reputational damage. Financial loss. Loss of staff. Cost of cover / re-employment of new staff.	Almost Certain	4	Major	4	16	Well communicated financial regulations. Robust internal controls i.e. segregation of duties / recording of transactions. Regular internal audit inspection.	Likely	3	Substantial	3	9	Strategic Director - Social Care & Health Head of Adult Services
23	Adult Social Services	Theft of residents valuables.	Lack of segregation of duties. Not adhering to Financial Regulations.	Reputational damage. Financial loss. Loss of staff. Cost of cover / re-employment of new staff.	Almost Certain	4	Major	4	16	Well communicated financial regulations. Robust internal controls i.e. segregation of duties / recording of transactions. Regular internal audit inspection.	Likely	3	Substantial	3	9	Strategic Director - Social Care & Health Head of Adult Services
24	Finance	Cyber crime including Ransomware, Whaling, hacking and Denial of Service attack. Human error is a high risk factor.	Lack of staff awareness / training / procedures for dealing with attacks. Insufficient cyber security measures.	Financial loss. Loss of access to systems essential to service delivery. Data breaches. Reputational damage. Large fines / sanctions. Operational disruption.	Almost certain	5	Major	4	20	Data Protection training for all staff and members (mandatory). Multifactor Authentication. Firewalls and Email filtering / anti phishing tools. Restricted access. Continuous monitoring. Penetration testing. Vendor due diligence.	Likely	3	Major	4	12	Head of Info Technology & Security

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25	Finance	Duplicate invoices.	Weak controls over payment and authorisation of invoices. Lack of staff training / awareness.	Financial loss. Reputational damage.	Almost Certain	4	Major	4	16	Staff training. Robust internal controls. Segregation of duties. Regular internal audit checks.	Possible	2	Moderate	2	4	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
26	Finance	Fictitious suppliers.	Weak controls surrounding the creation, payment of suppliers. Lack of staff training / awareness.	Financial loss. Reputational damage.	Almost Certain	4	Major	4	16	Staff training. Robust internal controls. Supplier verification checks. Segregation of duties. Regular internal audit checks.	Possible	2	Moderate	2	4	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
27	Finance	Payments to bank / bank employee accounts relatives accounts.	Weak controls surrounding the creation, payment of suppliers. Lack of staff training / awareness.	Financial loss. Reputational damage.	Almost Certain	4	Major	4	16	Staff training. Robust internal controls. Segregation of duties. Strict authorisation process. Regular internal audit checks.	Possible	2	Moderate	2	4	Deputy Chief Executive & Strategic Director Resources (S151 Officer)

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28	Council Tax	Council Tax discount and exemption fraud.	Inadequate checks / evidence requests. Lack of staff awareness / training / procedures.	Financial loss. Increased costs of investigations. Resource diversion. Loss of public trust. Service cuts.	Almost Certain	4	Major	4	16	NFI participation/use of Datatank to verify SPD's. Other revalidation done on a cyclical basis. Trained staff. Regular internal audit. Raised staff and public awareness. Encouragement to report suspected cases of fraud. Proactive recovery of discounts and exemptions wrongly claimed. Identify cases that should attract premiums.	Likely	3	Substantial	3	9	#VALUE!

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29	Property	Sale or lease of high value assets, land or buildings at undervalue.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures. Collusion.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	4	Major	4	16	Asset registers up to date. Independent valuations obtained where appropriate. Policies and procedures in place. High value transactions subject to member approval. Maintenance of a managed and monitored Corporate Asset management plan.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) Head of Landlord Services
30	All Service Areas	The increasing sophistication of Artificial Intelligence leading to 'fake' documents or communications.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures. Collusion.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	5	Major	5	25	Staff awareness of what 'real' documents look like. Ensuring a culture of challenge is in place across the Council.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) Head of Info Technology & Security Head of Digital Services

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31	All Service Areas	False sickness claims.	Employees who are disengaged / dissatisfied at work. A workplace culture that tolerates the use of sick leave for non medical issues. Employees using sick leave to address personal issues.Lack of sickness policy / attendance monitoring.	Financial loss. Cost of supply / cover staff. Delay / halt / decline in quality of service delivery.	Almost Certain	4	Moderate	2	8	Foster a positive work environment. Clear and well communicated sickness / managing attendance policies. Conducting regular reviews of absence patterns. Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Likely	3	Moderate	2	6	Chief Officer - People, Policy & Performance Strategic Leadership Team

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32	All Service Areas	Employee abuse of flexitime or annual leave systems.	Employees who are disengaged / dissatisfied at work. Lack of policy / leave monitoring.	Financial loss. Cost of supply / cover staff. Delay / halt / decline in quality of service delivery. Reputational damage.	Almost Certain	4	Moderate	2	8	Foster a positive work environment. Clear and well communicated flexi / leave policies. Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Likely	3	Moderate	2	6	Chief Officer - People, Policy & Performance Strategic Leadership Team
33	Adult Social Services	Blue Badge fraud.	Appropriate checks not undertaken. Lack of awareness / training / procedures.	Reputational damage. Effect quality of life for disabled residents / visitors.	Almost Certain	4	Minor	1	4	NFI participation. Enforcement Officer checks.	Likely	3	Minor	1	3	Strategic Director - Social Care & Health Head of Adult Services

Appendix 1 – Fraud Risk Register

Ref	Business Area	Risk	Root Cause	Consequence	Pre-Mitigation Risk Likelihood		Pre-Mitigation Risk Impact		Overall Pre-Mitigation Risk Risk	Control Measures	Post-Mitigation Risk Likelihood		Post-Mitigation Risk Impact		Overall Post-Mitigation Risk Residual	Risk Owner
34	All Service Areas	Theft of assets and equipment.	Financial difficulties. Employer dissatisfaction. Perceived harmlessness. Lack of consequence. Poor inventory maintenance. Lack of cash reconciliation.	Financial loss. Disruption to service delivery. Reputational damage. Negative impact on employee morale.	Almost Certain	4	Substantial	3	12	Regular reconciliation of inventory / cash. Regular stock checking. Segregation of duties. Encourage confidential reporting of suspicious activity. Asset labelling / security marking of equipment. Regular internal audit checks. Restricted access to buildings / asset storage.	Likely	3	Moderate	2	6	Strategic Leadership Team Heads of Service
35	All Service Areas	Unauthorised sale of assets and equipment.	Financial difficulties. Employer dissatisfaction. Perceived harmlessness. Lack of consequence. Poor inventory maintenance.	Financial loss. Disruption to service delivery. Reputational damage. Negative impact on employee morale.	Almost Certain	4	Substantial	3	12	Regular reconciliation of inventory / cash. Regular stock checking. Segregation of duties. Encourage confidential reporting of suspicious activity. Asset labelling / security marking of equipment. Regular internal audit checks. Restricted access to buildings / asset storage.	Likely	3	Moderate	2	6	Strategic Leadership Team Heads of Service

Appendix 1 – Fraud Risk Register

Ref	Business Area	Risk	Root Cause	Consequence	Pre-Mitigation Risk Likelihood		Pre-Mitigation Risk Impact		Overall Pre-Mitigation Risk Risk	Control Measures	Post-Mitigation Risk Likelihood		Post-Mitigation Risk Impact		Overall Post-Mitigation Risk Residual	Risk Owner
36	Finance	Improper use of corporate purchase cards including personal use.	Lack of controls / not adhering to Purchase Card Regulations. Poor authorisation process.	Financial loss. Reputational damage.	Almost Certain	4	Substantial	3	12	Staff must sign Purchase Card User / Authoriser Regulations /Agreements. Segregation of Duties. Regular internal audit checks. Robust controls. Staff must produce receipt / invoice for every transaction.	Likely	3	Moderate	2	6	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
37	Adult Social Services	Direct payment fraud.	Lack of monitoring of compliance with policies and best practice by management.	Irrecoverable financial loss. Potential for financial abuse of vulnerable adults. HMRC fraud.	Likely	3	Moderate	2	6	Monitoring and support, training and guidance.	Likely	3	Moderate	2	6	Strategic Director - Social Care & Health Head of Adult Services

Appendix 1 – Fraud Risk Register

Ref	Business Area	Risk	Root Cause	Consequence	Pre-Mitigation Risk Likelihood		Pre-Mitigation Risk Impact		Overall Pre-Mitigation Risk Risk	Control Measures	Post-Mitigation Risk Likelihood		Post-Mitigation Risk Impact		Overall Post-Mitigation Risk Residual	Risk Owner
38	Housing Benefit	Benefit fraud.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	4	Substantial	3	12	Trained staff. NFI participation. Internal Audit. Documentary evidence. Raised staff and public awareness. Encouragement to report suspected cases of fraud. Share information with DWP and support investigations conducted by DWP. Actively recover overpayments. Take sanction action where appropriate.	Likely	3	Moderate	2	6	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
39	Council Tax Benefit	Council Tax Benefit (Council Tax reduction scheme) fraud.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	4	Substantial	3	12	Trained staff. NFI participation. Internal Audit. Documentary evidence. Raised staff and public awareness. Encouragement to report suspected cases of fraud.	Likely	3	Moderate	2	6	Deputy Chief Executive & Strategic Director Resources (S151 Officer)

Appendix 1 – Fraud Risk Register

Ref	Business Area	Risk	Root Cause	Consequence	Pre-Mitigation Risk Likelihood		Pre-Mitigation Risk Impact		Overall Pre-Mitigation Risk Risk	Control Measures	Post-Mitigation Risk Likelihood		Post-Mitigation Risk Impact		Overall Post-Mitigation Risk Residual	Risk Owner
40	NNDR	Flase claim for rate relief, incorrect occupancy information supplied.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	4	Substantial	3	12	Trained staff. Internal Audit. Documentary evidence. Raised staff and public awareness. Encouragement to report suspected cases of fraud.	Likely	3	Moderate	2	6	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
41	Housing	Tenancy Fraud including subletting or manipulation of sucession.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	4	Substantial	3	12	Trained staff. NFI participation. Internal Audit. Documentary evidence. Raised staff and public awareness. Recover properties where tenancy fraud is identified. Undertake criminal prosecutions (Prevention of Social Housing Fraud Act 2013). Encouragement to report suspected cases of fraud.	Likely	3	Moderate	2	6	Head of Housing, Strategic Partnerships & Reform

Appendix 1 – Fraud Risk Register

Ref	Business Area	Risk	Root Cause	Consequence	Pre-Mitigation Risk Likelihood		Pre-Mitigation Risk Impact		Overall Pre-Mitigation Risk Risk	Control Measures	Post-Mitigation Risk Likelihood		Post-Mitigation Risk Impact		Overall Post-Mitigation Risk Residual	Risk Owner
42	All Service Areas	Abuse of trust / power / position.	Lack of a segregation of duties.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk. Negative impact on employee morale.	Almost Certain	3	Moderate	2	6	Regular reconciliation of inventory / cash. Regular stock checking. Segregation of duties. Encourage confidential reporting of suspicious activity. Asset labelling / security marking of equipment. Regular internal audit checks. Restricted access to buildings / asset storage. Robust financial monitoring. Documenting of key decisions with detailed reasoning / business cases in support.	Likely	3	Minor	1	3	Chief Executive, All Strategic Directors, Chief Officers and Heads of Service.



National Fraud Initiative Self-Appraisal Checklist

Date issued: November 2024

Version: Final

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About the National Fraud Initiative

- 1 The National Fraud Initiative (NFI) is a biennial UK-wide counter-fraud exercise. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, that might suggest the existence of fraud or error.
- 2 Fraud, error and overpayment outcomes valued at £7.1 million were recorded by participants for the [NFI 2022-23 exercise](#). Beyond any financial savings, the benefits of participation and reviewing data matches include the assurances that NFI results can provide around systems of internal control. NFI results may also highlight areas for improvement.
- 3 The [Public Sector Fraud Authority](#) (PSFA) – part of the UK Government's Cabinet Office and HM Treasury – oversees the NFI across the UK. Audit Wales leads the exercise in Wales under the Auditor General's powers in the [Public Audit \(Wales\) Act 2004](#). The Auditor General's [Code of Data Matching Practice](#) summarises the key legislation, and controls, governing the exercise in Wales.
- 4 The Auditor General has mandated that unitary local authorities, NHS bodies, police forces, and fire and rescue authorities participate in the NFI. Other organisations participate on a voluntary basis, such as the Welsh Government and some Welsh Government arm's length bodies.
- 5 Information about the NFI is also available on the [Audit Wales website](#).

About this document

- 6 The NFI is one aspect of an organisation's counter-fraud arrangements. We have prepared this checklist to help participating bodies self-appraise how they are engaging with the NFI.
- 7 We encourage all participating bodies to complete the checklist and present it to those charged with governance to support scrutiny of their NFI arrangements.

Self-appraisal checklist

		Yes / Partly / No	Comments / action required	If action is required, who by and when?
Leadership, commitment, and communication				
1	Are we committed to the NFI? Has the council / board, those charged with governance and senior management expressed support for the exercise and has this been communicated to relevant staff?	Yes	The Councils Governance & Audit Committee and Senior Management of the Council support the NFI. This has been communicated to all staff via 'Fraud Awareness Week' (November 2024) and will be reiterated through Anti-Fraud, Corruption & Bribery training due to be launched in January 2025.	n/a
2	Have we committed specific resources to support the overall management of the NFI? If information is available, how much time was spent by the Key Contact on the last exercise, and how much has been allocated for the next exercise?	Yes	As part of the restructure of the Internal Audit team in April 2024 a dedicated Counter Fraud Officer was added to the structure. This was recruited to in October 2024 with the postholder due to start with MCC in January 2025. Resource also sits with the Shared Benefit Service with Torfaen CBC to investigate Council Tax and Housing Benefit data match's. The data is not available for how long the Key Contact spends directly on NFI. The Key Contact takes a lead in ensuring appropriate coverage and completion to statutory deadlines.	n/a
3	Is our NFI Key Contact the appropriate officer for that role, ie has sufficient authority to ensure the NFI exercise is delivered effectively?	Yes	The Key Contact is the Chief Internal Auditor. As per the Internal Audit Charter the Chief Internal Auditor has a direct reporting line to the Chief Executive, Chair of the Council and the Chair of the Governance & Audit Committee to report issues arising.	n/a
4	Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Yes	As detailed, the Chief Internal Auditor co-ordinates and monitors the exercise on behalf of Monmouthshire County Council. Issues raised through the NFI exercise are followed-up as per the agreed Internal Audit protocol with the Governance & Audit Committee.	n/a

			The Internal Audit team will for the 2024/25 exercise have a dedicated resource.	
Planning and preparation				
5	Do we plan properly for all aspects of the NFI exercise and set our own internal deadlines?	Yes	<p>Planning took place for the 2024 collection of data and regular communication and reminders were issued to key staff for the data sets to ensure compliance with the specification.</p> <p>Internal deadlines were set to allow data to be returned and quality checked by the Internal Audit team prior to upload. All statutory deadlines were met with time to spare.</p> <p>Internal deadlines for the review of data match's will be set once the data has become available.</p>	n/a
6	For the NFI 2024-25 exercise, did we provide all NFI data on time using the secure data file upload facility properly?	Yes	<p>All data was submitted 14th October 2024.</p> <p>Deadline was 25th October 2024.</p> <p>Data was password protected as per the security guidance and uploaded via the secure data file upload facility.</p>	n/a
		Yes / Partly / No	Comments / action required	If action is required, who by and when?
7	For the NFI 2024-25 exercise, did we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?	Yes	<p>Compliance was confirmed 09th August 2024 via the secure website.</p> <p>Deadline was 30th August 2024</p>	n/a
8	Do we review our Data Quality results before starting our investigations? ¹	n/a	This checklist is being completed prior to starting 2024/25 investigations.	Chief Internal Auditor January 2025

¹ The Data Quality module could indicate that there are issues with the data submitted that may have affected some of the matches. The module can be accessed from the relevant National Exercise page of the web app.

			Action: Ensure that we review our Data Quality results before starting our investigations.	
9	Do staff take time to read the guidance that is provided on how to follow up the NFI matches (which are especially important for those users encountering the NFI for the first time), and do they consult the NFI team if they are unsure about how to record outcomes?	Yes	<p>Guidance has been provided to team members.</p> <p>NFI System Training has been arranged via the Cabinet Office for January 2025 for the new Counter Fraud Officer and also as a refresher for the Chief Internal Auditor and Senior Auditor prior to reviewing the 2024/25 data matches.</p> <p>The NFI helpdesk has been contacted where queries existed and MCC will continue to do so as and when required.</p>	n/a
10a	Have we considered using the point of application data matching service offered by the NFI team (AppCheck) to improve internal controls and prevent fraud and error from happening?	No	<p>To be considered as part of the Councils Counter Fraud Arrangements once the new Counter Fraud Officer is in post. A mid-year review of the Councils Counter Fraud Risk Assessment will include this review once the main NFI exercise has been completed.</p> <p>Action: To consider the use of AppCheck as part of the mid year review of the Counter Fraud Risk Assessment.</p>	Chief Internal Auditor September 2025
10b	If not using AppCheck, is there a clear rationale for this?	As above	As detailed above. This is work in progress.	See 10a
Effective follow-up of matches				
11	Have we documented our approach for risk assessing data match reports and investigating data matches? ²	Partly	The approach used by MCC in previous exercises has been to investigate ALL high risk matches followed by a sample of medium / low risk's based on auditor judgement. Matches not investigated were clearly marked as such. This approach will be formally documented for the 2024/25 exercise.	Chief Internal Auditor February 2025

² We do not expect organisations to look at every data match or report. Instead, they should prioritise which matches to look at and the order in which they are followed up. They may want to assess your matches by fraud risk area and then by match risk scores. Alternatively, they may want to set up bespoke filters using the filter tool. Matches not investigated should be Closed – Not Selected for Investigation.

			Action: To formally document the approach to assessing data match reports and investigating data matches in conjunction with the Shared Benefits Service.	
		Yes / Partly / No	Comments / action required	If action is required, who by and when?
12	Does our approach give priority to local fraud risks? ³	Yes	The completion of this document has formed part of the Councils Counter Fraud Risk Assessment which considers the organisations fraud risk register and wider control environment. Internal Audit planning prioritises areas where concerns exist regarding the internal control environment or where historical instances of fraud have occurred both within Monmouthshire County Council and the wider region / Wales / Country.	n/a
13	Does our approach give priority to following up high-risk matches, those that become quickly out of date and those that could cause reputational damage if a fraud or error is not stopped quickly? ⁴	Yes	All high risk matches are reviewed as priority. This will be documented and refined as per the action stated for control 11.	See action for control 11.
14	Are sufficient resources and expertise available at the right time to maximise the outcomes of the NFI exercise? ⁵	Yes	Counter Fraud Officer has been recruited to for 2024/25 exercise. Resource also sits with the Shared Benefit Service.	n/a
15	Does the Key Contact coordinate investigations across internal departments to prevent duplication of effort or delays in	Yes	Data matches relating to Council Tax and Housing Benefit are reviewed by the dedicated resource within the Shared Benefit Service.	n/a

³ We suggest that the NFI Key Contact (with support from Internal Audit/Counter Fraud) should review the organisation's overall control environment and systems. Existing internal audit reports and/or your organisation's risk register should assist this review. We advise prioritising data match reports that are linked to areas that have unknown or weak internal controls or areas that have had historical instances of fraud. Organisations should also look back to see which reports in a previous exercise gave them outcomes.

⁴ Use the tools within the web application, such as the filter and sort options or data analysis software, to help prioritise matches deemed the highest risk.

⁵ When nominating users to investigate matches, organisations should choose the person with the most knowledge about the dataset. For example, trade creditors matches are best dealt with by a nominated person in internal audit or the accounts payable team. We also suggest assigning a user to act as lead dataset contact for each dataset your organisation submits, so that, if necessary, other NFI participants can contact the most suitable person to assist their investigation. If organisations do not nominate a lead dataset contact, the default contact will be the Key Contact.

	identifying overpayments and ensure all relevant actions are taken, for example, organising joint investigation of single person discount matches involving housing benefit?		All other data reviews are conducted initially by the Internal Audit team with investigations co-ordinated when required across departments.	
		Yes / Partly / No	Comments / action required	If action is required, who by and when?
16	(In health bodies) Are we drawing appropriately on the help and expertise available from NHS Counter Fraud Service Wales?	n/a	n/a	n/a
17	Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?	Yes	A full investigation will be conducted for each match to satisfy the Officer. Reasons will be documented where a 'no issue' outcome has been recorded.	n/a
18	Do we review how frauds and errors arose and use this information to improve our internal controls?	Yes	A continual process of review is undertaken. The outcomes of the 2024/25 NFI exercise will help inform the mid-year review of the Councils Anti-Fraud Risk Assessment. The Council commits to highlighting where fraud has occurred to help improve it's internal control environment.	n/a
19	Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Police or NHS Counter Fraud Service Wales) or errors are identified, eg recovering funds?	Yes	During the previous NFI exercise a case was investigated under the Councils disciplinary policy. This will remain the case, when appropriate, during 2024/25. When necessary reports to the Police will be made. All overpayments / fraud will be recovered.	n/a
20	Do we respond promptly to enquiries from other organisations that take part in the NFI? ⁶	Yes	Internal deadline will be set for 2024/25 exercise. We will look to provide a response within 5 working days. This will be monitored by the Chief Internal Auditor.	n/a
Recording and reporting				
21	Are we recording outcomes properly in the secure website and keeping it up to date?	Yes	Ongoing once data matches for 2024/25 have been returned and investigations commence.	n/a

⁶ The web application shows the number of shared comments which require a response (Outstanding Actions). These responses should be prioritised if they relate to an ongoing investigation so that it can be progressed promptly.

			Outcomes have been properly reported via the secure website in previous years.	
22	Do we provide appropriate and regular feedback to senior management, board / council members and those charged with governance on NFI activity and outcomes?	Yes	Memo issued following previous NFI exercise to senior management and assurance opinion reported through Governance & Audit Committee. A similar feedback mechanism will be completed for the 2024/25 exercise but with the addition of direct reporting through an SLT meeting and through the Councils mid-year review of the Fraud Risk Assessment.	n/a
		Yes / Partly / No	Comments / action required	If action is required, who by and when?
23	Do we provide those charged with governance assurances that the reasons for fraud and error happening are understood and that action is taken to address them and improve internal controls?	Yes	As part of the Counter Fraud Risk assessment which this review is part of.	n/a
24	Where we have not submitted data or not used the matches returned to us, eg council tax single person discounts, are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?	Yes	Ongoing review by the Shared Benefits Service.	n/a
25	Do we publish, as a deterrent, internally and externally the outcomes of the NFI exercise?	No	Has not been published previously but will be included as part of future reporting and awareness campaigns. Action: To include in future awareness campaigns.	Chief Internal Auditor September 2025
26	If, out of preference, we record some or all outcomes outside the secure website, have we made arrangements to inform the NFI team about these outcomes? ⁷	n/a	All outcomes are reported to the NFI via the secure website.	n/a

⁷ Although preferable for all NFI work to be recorded within the secure web application, we appreciate there may be instances when organisations need to do work on the matches outside it. As soon as data is extracted from the secure NFI web application organisations are responsible for the security of the data, including avoiding inappropriate disclosure and ensuring it is destroyed when no longer needed. Therefore, we only advise exporting data when it is essential to do so.

Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Appendix 3 – Counter Fraud, Corruption & Bribery Action Plan

Identified Need	Action	Implementation Date	Responsible Officer
To raise awareness across the Council of Fraud, Corruption and Bribery.	<ul style="list-style-type: none"> To ensure regular staff communications are sent highlighting fraud risks and sign-posting to the Policy. Taking part in International Fraud Week 	<p>Quarterly</p> <p>November 2025</p>	Chief Internal Auditor
Organisational wide training.	<ul style="list-style-type: none"> Develop a mandatory training module on Thinqi for all Members and Officers of the Council. Monitor completion and report to Governance & Audit Committee. 	<p>January 2025</p> <p>IA Annual Report – May 2025</p>	Chief Internal Auditor
Specific counter fraud training for Council staff.	<ul style="list-style-type: none"> Ensure a sufficient number of staff have completed formal Counter Fraud Training such as CIPFA Accredited Counter Fraud Specialist. 	September 2025	Chief Internal Auditor
Improve the organisational response to Fraud.	<ul style="list-style-type: none"> Recruitment to Counter Fraud Officer post. Ongoing review of current arrangements. Look to embed fraud management arrangements within Service Business Plan guidance. 	<p>January 2025</p> <p>October 2025</p>	<p>Deputy Chief Executive / Strategic Director (Resources)</p> <p>Head of Finance (Acting S151 Officer)</p> <p>Chief Internal Auditor</p>
Strengthen the approach to the National Fraud Initiative across Monmouthshire.	<ul style="list-style-type: none"> Implement the required actions from the NFI Self Appraisal Checklist. (Appendix 2) 	Included within NFI Self Appraisal.	Chief Internal Auditor
Promptly investigate data matches arising from the National Fraud Initiative. Investigate and record outcomes where necessary.	<ul style="list-style-type: none"> Following data matches being returned in January 2025, ensure dedicated resource is available to promptly 	April 2025	<p>Deputy Chief Executive / Strategic Director (Resources)</p> <p>Head of Finance (Acting S151 Officer)</p> <p>Chief Internal Auditor</p>

Review of Performance Management Arrangements – Monmouthshire County Council

Audit year: 2023-24

Date issued: December 2024

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

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Why we did this audit

Our audit duties

- 1 This audit was undertaken to help fulfil the Auditor General's duties under section 17(2)(d) of the Public Audit (Wales) Act 2004 and Section 15 of the Well-being of Future Generations Act (Wales) 2015.

Our objectives for this audit

- 2 Our objective for this audit was to:
 - gain assurance that the Council has proper arrangements to manage its performance; and
 - identify areas of the arrangements that can be strengthened.

What we looked at

- 3 This audit focused on the Council's arrangements for managing its performance at a corporate and service level. It did not cover the Council's arrangements for individual/staff performance.
- 4 We have recently undertaken a review of performance information¹ focusing on outcomes and service user perspective information, and this review looked at what the Council is doing to respond to the recommendations we made in that report. We did not review the Council's scrutiny arrangements as part of this work.
- 5 We set out to answer the question: Does the Council have proper arrangements in place to manage its performance?
- 6 We did this by exploring the following questions:
 - Does the Council have a clear performance management framework that supports delivery of its corporate objectives?
 - Does the Council have arrangements to effectively monitor and challenge performance?
 - Has the Council reviewed the effectiveness of its performance management arrangements?
- 7 **Appendix 1** sets out the detailed questions we set out to answer along with the audit criteria we used to arrive at our findings.

¹ Use of performance information: service user perspective and outcomes – Monmouthshire County Council



Our audit methods and when we undertook the audit

- 8 Our review was informed by document reviews and interviews with officers and members. We also held a focus group with officers.
- 9 We undertook the review during the period September 2024 to October 2024.

Why performance management is important

- 10 It is important for councils to have effective performance management arrangements to help them understand their performance and progress towards achieving their objectives, and to act where necessary. As councils are increasingly facing significant financial and demand pressures, performance management arrangements are vital to help councils focus on achieving outcomes and to help determine if public money is being spent wisely. Performance management arrangements also help to hold members and officers to account.
- 11 The Local Government and Elections (Wales) 2021 Act² sets out a new improvement regime for councils. The Statutory Guidance on Part 6, Chapter 1³ of this Act, which focuses on the exercising of performance and governance functions, underlines that the Act firmly defines councils as self-improving organisations through a system based on self-assessment and panel performance assessments. This approach is intended to build on and support a culture in which councils continuously challenge the status quo, ask questions about how they are operating, and consider best practice in Wales and wider. It is about 'seeking to ensure the best outcomes for the people they serve.'
- 12 Under the Act, the Council is required to keep under review the extent to which it is fulfilling the 'performance requirements' – that is, the extent to which:
 - it is exercising its functions effectively;
 - it is using its resources economically, efficiently, and effectively; and
 - its governance is effective for securing the above.

What we found

- 13 Overall, we found that **the Council has proper arrangements in place to manage its performance and is proactive in identifying areas for improvement.** We set out below why we reached this conclusion.

² [Local Government and Elections \(Wales\) Act 2021](#)

³ [Performance and governance of principal councils – Statutory guidance on Part 6, Chapter 1 of the Local Government and Elections \(Wales\) Act 2021](#)

The Council has a maturing performance management system that supports delivery of its corporate objectives

- 14 The Council has clearly defined its intended outcomes in its Community and Corporate Plan 2022-28 and details how it will measure progress against them. Measures include a mix of inputs, outputs and outcomes, and the supporting Performance Management Framework enables the cascade of activity to the relevant service plans.
- 15 The Council has a service plan template that is applied consistently across most services. There are plans to continue to improve consistency through the existing quality assurance process.
- 16 The Council has a maturing performance management culture and is responding to recommendations made in Audit Wales's review of performance information⁴¹. Officers recognise there is a risk of optimism bias when assessing performance and the Council has adopted structured tiers of challenge at directorate and corporate level to mitigate this risk.
- 17 Members' and officers' roles in relation to performance management are clearly defined and understood. Officers can access a range of relevant guidance on the intranet and both officers and members spoke highly of the support available on request from the corporate team.

Inconsistent levels of detailed explanation for poor performance hinder otherwise effective arrangements to monitor and challenge performance

- 18 The Council's arrangements enable it to recognise good performance and identify what it needs to improve. The comprehensive six-monthly reports and quarterly updates of performance dashboards and service plans enable members and officers to have sight of in-year pressures and issues that may require remedial decisions. But whilst performance reporting is moving towards being more balanced, there are examples where underperformance is not presented in as much detail as positive performance. This makes scrutiny of performance more challenging as it is not always clear what the reasons for underperformance are and how these are being addressed.
- 19 The Council reviews progress over a balance of timescales where data allows. Comparison of performance against other authorities is limited, but it is recognised that comparable information across Wales has been less readily available in recent years.

⁴ Use of performance information: service user perspective and outcomes – Monmouthshire County Council

- 20 Corporate and directorate performance is partially aligned to financial and wider resource planning, with some reports being presented to members at the same time. By considering finances and performance together, members who are scrutinising performance get a more rounded view of whether the Council is achieving value for money. The Council could further strengthen its arrangements by presenting risk reports at the same time.

The Council has reviewed the effectiveness of its performance management arrangements and identified areas for improvement

- 21 The Council conducts an annual self-assessment of its performance management arrangements to understand areas that may be further strengthened. Our review of the latest assessment found it to be an honest reflection which identifies relevant areas for improvement. Governance and Audit Committee receives the report and has the opportunity to challenge and comment on arrangements.
- 22 The Council has directorate level examples of engaging with other councils on performance management arrangements. This includes professional networks and wider engagement through the Welsh Local Government Company, DataCymru.
- 23 Whilst the Council has not formally explored learning opportunities at a corporate level, this does not appear to have had an immediate effect on its ability to self-reflect and seek opportunities for improvement.



Our recommendations for the Council

Exhibit 1: our recommendations for the Council

Recommendations

- R1 The Council should ensure that its performance management arrangements continue to support transparent and robust scrutiny of performance. In order to continue the progress already made, it should:
- increase the consistency of service planning;
 - promote the training resources and support available; and
 - ensure that areas of underperformance are consistently and adequately mitigated with robust explanation.

Appendix 1

Audit questions and criteria

Below are the questions we sought to answer in carrying out this audit, along with the audit criteria we used to arrive at our findings.

Main audit question: **Does the Council have proper arrangements in place to manage its performance?**

Exhibit 2: audit questions and audit criteria

Level 2 questions	Level 3 questions	Criteria
Does the Council have a clear performance management framework that supports delivery of its corporate objectives?	Has the Council clearly defined its intended outcomes and how it will measure progress against these?	<p>The Council's Corporate Plan clearly articulates aims, priorities and intended outcomes.</p> <p>The Council has a Performance Management Framework that maps out how the Council plans and monitors progress against its objectives.</p>
	Does the Council have service/action plans to support delivery of its corporate objectives?	<p>Service plans show clear alignment to the Council's corporate plan, demonstrating how the service will help meet corporate objectives where relevant.</p> <p>Arrangements are in place to quality assure service plans.</p>

Level 2 questions	Level 3 questions	Criteria
	Is there a performance management culture within the organisation?	<p>Senior leaders drive the focus on, and underline the importance of, performance management.</p> <p>There is open and constructive debate about performance using an evidence-based approach to facilitate learning and accountability.</p> <p>Performance management is an integral part of how the Council operates.</p> <p>Members and officers have clearly defined roles in relation to managing performance.</p> <p>The Council provides performance management training to members and officers.</p>
Does the Council have arrangements to effectively monitor and challenge performance?	Does the Council provide regular and robust performance reports that enable it to understand its progress against its corporate objectives and whether it is achieving its intended impact?	<p>The Council produces regular (eg quarterly or biannual) performance reports that are evaluative and clearly show its progress against its objectives.</p> <p>The Council uses a wide range of performance information (qualitative and quantitative) to monitor and manage performance.</p> <p>The Council is addressing the recommendations we made in our performance information report (strengthening its outcomes</p>

Level 2 questions	Level 3 questions	Criteria
		and service user perspective performance information)
	Is the Council reviewing progress against a balance of short (one year), medium (one to three years) and longer-term (three to five years) objectives/outcomes?	<p>The Council produces performance reports that show progress against expected time points.</p> <p>The Council includes comparative information, trends, and forecasts.</p>
	Is Corporate and Directorate performance reporting aligned to financial and wider resource planning?	<p>Performance management is integrated with the Council's resource and risk management arrangements to ensure there is a rounded focus on delivery against the Council's objectives and to help it understand if it is achieving value for money.</p> <p>The Council presents its budget monitoring reports at the same meeting as performance reports to enable Members to consider resources and performance together.</p>
	Do the Council's arrangements enable it to recognise and learn from good performance, and tackle poor performance?	There is evidence of the Council taking action to address poor performance.

Level 2 questions	Level 3 questions	Criteria
		The Council can provide examples of where its performance management arrangements have had a positive impact on service delivery.
	Is there effective oversight of performance?	<p>Cabinet and Scrutiny make use of performance information to inform decision making and to enable them to understand and challenge performance.</p> <p>There is regular review and discussion of performance at senior management and Cabinet level.</p> <p>There are arrangements to manage performance at Directorate level and to escalate issues when necessary.</p> <p>There is accountability for performance.</p>
Has the Council reviewed the effectiveness of its performance management arrangements?	Has the Council explored and learnt from how other organisations manage performance?	The Council has actively looked into how other organisations are managing their performance and can demonstrate the application of any learning from this.

Level 2 questions	Level 3 questions	Criteria
	Has the Council reviewed and updated its performance management arrangements?	The Council has evaluated its arrangements to understand what works and what needs to improve and has taken action to strengthen its performance management arrangements as a result.



Audit Wales

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Management response form



Report title: Review of Performance Management Arrangements – Monmouthshire County Council

Completion date: December 2024

Document reference:

Ref	Recommendation	Management response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	<p>The Council should ensure that its performance management arrangements continue to support transparent and robust scrutiny of performance. In order to continue the progress already made, it should:</p> <ul style="list-style-type: none">• increase the consistency of service planning;• promote the training resources and support available; and	<p>The Council's performance management arrangements have continued to be developed in the last few years to meet the performance requirements of Local Government and Elections (Wales) Act 2021. The recommendation in the report will be used to inform our plans for further improvement of these arrangements.</p> <p>To address the recommendations, we will:</p> <p>Complete annual quality assurance of Service Business Plans and support managers to implement the findings.</p>	<p>Annual Quality Assurance process following Quarter 2</p>	<p>Performance & Data Insight Manager</p>

ensure that areas of underperformance are consistently and adequately mitigated with robust explanation.

Review and update, where necessary, using feedback gathered, the service business plan principles and guidance and further develop training and support available for plans.

Identify the potential for making performance management training available via the Council's online Learning Management System (Thingji)

Review and update, using feedback gathered, the Self-assessment process, including aiming to strengthen the application of a self-evaluative mindset when assessing performance and arrangements to explain areas of underperformance or improvement.

– December 2024 & December 2025

April 2025

June 2025

Develop the self-assessment process for 2024/25 – April 2025

Self-Assessment report for 2024/25 produced – September 2025.

Performance & Data Insight Manager

Chief Officer – People, Performance and Partnerships

Performance & Data Insight Manager

16TH JANUARY 2025

Reports to be with Peter by – 20th December 2024
 Reports to be with Wendy Barnard/Chair prior to pre-meeting – 2nd January 2025
 Pre-meeting – 6th January 2025
 Finalised reports to committee section – 7th January 2025
 Despatch by committee section – 8th January 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
2023/4 WCF/Mon Farm Statement of Accounts Final	Jon Davies	✓				
ISA260 for trust funds	Rachel Freitag/Jon Davies					✓
Anti Fraud, Bribery & Corruption Risk Assessment	Jan Furtek				✓	
Audit Wales review of performance management arrangements	Audit Wales					✓

20TH FEBRUARY 2025

Reports to be with Peter by –
 Reports to be with Wendy Barnard/Chair prior to pre-meeting –
 Pre-meeting – 10th February 2024
 Finalised reports to committee section –
 Despatch by committee section –

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
2024/25 Q3 Treasury report	Jon Davies	✓				
Statement on the robustness of the budget process and the adequacy of reserves	Peter Davies	✓				
2025/26 Capital Strategy and Treasury Strategy	Jon Davies	✓				
Cyber Security	Sian Hayward		✓			
Self Assessment of Performance Management arrangements	Richard Jones		✓			
MCC Fraud, Corruption & Bribery Risk Assessment and NFI Self Assessment	Peter Davies					
Internal Audit Quarterly Progress report (Q3)	Jan Furtek					✓

13TH MARCH 2025

Reports to be with Peter by –

Reports to be with Wendy Barnard/Chair prior to pre-meeting –
Pre-meeting –
Finalised reports to committee section –
Despatch by committee section –

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Draft Internal Audit Plan 2025/26	Jan Furtek				✓	

TO BE PUT ON A FUTURE MEETING AGENDA BUT DATES NOT YET CONFIRMED
Presentation on Global Internal Audit Standards/Update of Public Sector Internal Audit Standards
Review of MCC Internal Audit Charter

Public Document Pack Agenda Item 10

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Governance and Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 28th November, 2024 at 2.00
pm**

PRESENT: Andrew Blackmore, (Chairman)
County Councillor Tony Easson, (Vice Chairman)

Lay Members: Colin Prosser, Martin Veale, Rhodri Guest,

County Councillors: Sara Burch, John Crook, David Jones,
Phil Murphy, Peter Strong and Ann Webb

OFFICERS IN ATTENDANCE:

Annette Evans	Customer Relations Manager
Peter Davies	Acting Chief Executive
Jan Furtek	Acting Chief Internal Auditor
Jane Rodgers	Chief Officer for Social Care, Safeguarding and Health
Wendy Barnard	Democratic Services Officer
Richard Jones	Performance and Data Insight Manager
Jonathan Davies	Head of Finance
Rachel Freitag	Audit Wales Officer
Hannah Carter	Performance Analyst
Daniel Francis	Accountant
Matthew Gatehouse	Chief Officer People, Performance and Partnerships.

APOLOGIES:

County Councillor Malcolm Lane

1. Declarations of Interest

No declarations of interest were made.

2. Public Open Forum

No members of the public were present.

3. To note the Action List from the previous meeting.

The Action List from the previous meeting was noted.

<https://www.youtube.com/live/Fh0p0Tql6a4?si=mmyXnp7iDqPuFI7T&t=46>

1. Active Travel: Relevant scrutiny committee to review the success of Active Travel schemes/ the expectations and aspirations of local residents: CLOSED

4. 2024/25 Treasury Report

The Head of Finance/Section 151 Officer presented the 2024/25 Treasury Report. Members were invited to make comments and ask questions.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 28th November, 2024 at 2.00 pm

<https://www.youtube.com/live/Fh0p0Tql6a4?si=hcZsjMo4llnMS-pe&t=74>

The Governance & Audit committee reviewed the results of treasury management activities and the performance achieved in quarter 2 as part of their delegated responsibility to provide scrutiny of treasury policy, strategy and activity on behalf of Council.

ACTION: The Head of Finance was requested to circulate details of the 3 charters that organisations can voluntarily sign up for to ensure that all are meeting minimum level of Environmental, Social and Governance responsibility.

The report was noted.

5. 2023/24 MCC Statement of Accounts (Final)

Items 6 and 7 were considered together. The Head of Finance/Section 151 Officer presented the 2023/24 Statement of Accounts (Final). In doing so, the work of the Finance Team was recognised, also the co-operation between the Team and Audit Wales. Following presentation of the reports, Members were invited to ask questions.

<https://www.youtube.com/live/Fh0p0Tql6a4?si=IZU4hW3lnQSk9bEF&t=878>

The report recommendations were agreed, as follows:

- 1.1. The committee noted that the accounts have been amended since the draft version was published to reflect the outcomes of the external audit process, as detailed within the Audit Wales ISA 260 Audit of Accounts Report.
- 1.2. The Governance and Audit committee approved the final audited Monmouthshire County Council Statement of Accounts for 2023/24.

6. Audit of Accounts report - Audit Wales

This item was considered at the same time as the previous item.

<https://www.youtube.com/live/Fh0p0Tql6a4?si=IZU4hW3lnQSk9bEF&t=878>

7. Effectiveness of Strategic Risk Management Framework and summary of wider arrangements

The Performance and Data Insight Manager and Performance Analyst presented a report on the Effectiveness of the Strategic Risk management Framework and summary of wider arrangements. Following presentation of the report, Members were invited to ask questions.

<https://www.youtube.com/live/Fh0p0Tql6a4?si=aiWkOW7dNZzFvRCm&t=1632>

As per the report recommendations, Members used the assessment to seek assurance about the effectiveness of the authority's risk management arrangements.

8. Whole Authority Annual Complaints Report

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 28th November, 2024 at 2.00 pm

The Customer Relations Manager and Chief Officer, People, Performance and Partnerships presented the Whole Authority Annual Complaints Report. Following the report, Members were invited to comment and ask questions.

https://www.youtube.com/live/Fh0p0Tql6a4?si=7q41_FW4Svr622Ng&t=2639

As per the report recommendations, it was agreed that the committee used the report, which covers the 12 month period up to 31 March 2024, to seek assurance about the effectiveness of the authority's processes for dealing with complaints and compliments and makes recommendations where it identifies any shortcomings.

9. The Ombudsman's Annual Letter

The Customer Services Manager presented the Ombudsman's Annual Letter. Following presentation of the report, Committee Members were invited to ask questions.

<https://www.youtube.com/live/Fh0p0Tql6a4?si=0-s2lxJqYbo498nf&t=3835>

As in the report recommendations the Governance & Audit Committee:

1. Noted the content of the Public Sector Ombudsman for Wales (PSOW) annual letter (Appendix 1) and agreed to the PSOW of their considerations and any proposed actions. The PSOW is aware that due to the scheduling of meetings there would be a delay in responding to them.
2. Agreed that the authority continues to engage with the PSOW complaints standards work, access training for staff and provide the PSOW with complaints data. We have also fully implemented the PSOW's model complaints policy.

10. CPR Exemptions - 6 monthly update to 30th September 2024

The Acting Chief Internal Auditor presented the report on CPR Exemptions – 6 monthly update to 30th September 2024. Following presentation of the report, Members were invited to ask questions.

<https://www.youtube.com/live/Fh0p0Tql6a4?si=IRTDl87ppg8FEEOV&t=4245/>

As contained in the report recommendations:

1. The Governance and Audit Committee accepted and acknowledged the justifications for the exemptions provided by operational officers.
2. If the justifications are not accepted, then consideration should be given to calling in the respective operational officer and their respective Head of Service to further account for the reasons why they could not comply with the Council's Contract Procedure Rules at the time of the procurement.
3. That the Governance and Audit Committee receive an updated report in 6 month's time.

11. Internal Audit Quarterly Progress Report (Q2)

The Acting Chief Internal Auditor presented the Internal Audit Quarterly Progress Report (Q2). The Chief Officer, Social Care, Safeguarding and Health also attended the meeting to provide

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 28th November, 2024 at 2.00 pm

an update on progress with the audit report for Mardy Park Resource Centre/Residential and Severn View. Following presentation of the report, Members were invited to ask questions.

<https://www.youtube.com/live/Fh0p0Tql6a4?si=ol4Q54bp8GXARXp9&t=4926>

As in the report recommendations

1. The Committee considered and noted the audit opinions issued.
2. The Committee noted the progress made by the Section towards meeting the 2024/25 Operational Audit Plan and the Section's performance indicators at the 6 month stage of the financial year which are currently ahead of the profiled target.

12. Governance and Audit Committee Forward Work Plan

The Governance and Audit Committee Forward Work Plan was noted.

<https://www.youtube.com/live/Fh0p0Tql6a4?si=PSLrd5TvSmHyOchap&t=6532>

13. To approve the minutes of the previous meeting held on 17th October 2024

The minutes of the previous meeting were approved as an accurate record.

<https://www.youtube.com/live/Fh0p0Tql6a4?si=HO1A2FA0ixOCGdoR&t=6526>

14. Date of Next Meeting:

16th January 2025 at 2.00pm

Meeting ended at 3.50 pm