

Public Document Pack



County Hall
Rhadyr
Usk
NP15 1GA

Dydd Gwener, 23 Mai 2025

Notice of Meeting

Pwyllgor Llywodraethu ac Awdit

Dydd Llun, 2ail Mehefin, 2025 at 2.00 pm,
Neuadd Y Sir, Y Rhadyr, Brynbuga, NP15 1GA

***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.	Ethol Cadeirydd	
2.	Penodi Is-gadeirydd	
3.	Ymddiheuriadau am absenoldeb	
4.	Datganiadau o Fuddiant	
5.	Fforwm Agored i'r Cyhoedd Canllawiau ar gyfer Fforwm Agored i'r Cyhoedd y Pwyllgor Llywodraethu ac Awdit Mae ein cyfarfodydd Pwyllgor Llywodraethu ac Awdit yn cael eu ffrydio'n fyw a bydd dolen i'r ffrwd fyw ar gael ar dudalen cyfarfod gwefan Cyngor Sir Fynwy Os hoffech rannu eich barn ar unrhyw faterion sy'n cael eu trafod gan y Pwyllgor Llywodraethu ac Awdit, gallwch fynychu'r cyfarfod yn bersonol (neu ymuno o bell drwy Microsoft Teams), neu gyflwyno sylwadau ysgrifenedig (drwy Microsoft Word, uchafswm o 500 gair). Y dyddiad cau ar gyfer cyflwyno sylwadau i'r Cyngor yw 5pm, a hynny dri diwrnod gwaith clir cyn y cyfarfod. Bydd yr holl sylwadau a dderbynnir ar gael i Aelodau'r Pwyllgor cyn y cyfarfod. Mae'r amser a roddir i bob aelod o'r cyhoedd i siarad yn ddibynnol ar Gadeirydd y Pwyllgor. Gofynnwn i gyfraniadau beidio â bod yn hwy na 4	

	munud.	
	Os hoffech fynychu un o'n cyfarfodydd i siarad o dan y Fforwm Agored i'r Cyhoedd yn y cyfarfod, bydd angen i chi roi tri diwrnod gwaith o rybudd drwy e-bostio GACRegistertoSpeak@monmouthshire.gov.uk	
	Os hoffech awgrymu pynciau yn y dyfodol i'w hystyried gan y Pwyllgor Llywodraethu ac Awdit, e-bostiwch GACRegistertoSpeak@monmouthshire.gov.uk	
6.	Nodi'r Rhestr Weithredu o'r cyfarfod diwethaf.	1 - 2
7.	Adroddiad Hunanasesu o Drefniadau Rheoli Perfformiad	3 - 22
8.	Rhaglen Waith Archwilio Cymru: Adroddiad Cynnydd y Cyngor	23 - 38
9.	Diweddariad ar Raglen Waith ac Amserlen Chwarter 4 Archwilio Cymru	39 - 54
10.	Cynllun Archwilio Blynyddol Archwilio Cymru 2025/26	55 - 78
11.	Cynllun Archwilio Mewnol 2025/26	79 - 102
12.	Gweithredu argymhellion Archwilio Mewnol y cytunwyd arnynt	103 - 110
13.	Siarter, Mandad a Strategaeth Archwilio Mewnol	111 - 150
14.	Blaengynllun y Pwyllgor Llywodraethu ac Archwilio	151 - 154
15.	Cymeradwyo cofnodion y cyfarfod blaenorol.	155 - 158
16.	Dyddiad y cyfarfod nesaf - 12fed Mehefin 2025	

Paul Matthews
Chief Executive

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

Andrew Blackmore

Colin Prosser

Rhodri Guest

County Councillor Sara Burch

County Councillor John Crook

County Councillor Tony Easson

County Councillor David Jones

County Councillor Malcolm Lane

County Councillor Phil Murphy

County Councillor Peter Strong

County Councillor Ann Webb

*Cantref; Labour and Co-Operative
Party*

*Magor East Welsh Labour/Llafur Cymru
with Undy;*

Dewstow; Welsh Labour/Llafur Cymru

Crucorney; Independent Group

Mardy; Welsh Conservative Party

Caerwent; Welsh Conservative Party

Rogiet; Welsh Labour/Llafur Cymru

St Arvans; Welsh Conservative Party

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
16th February 2025

Action	Subject/ Meeting	Officer	Outcome	Due date	Action Status	Recommended to close Action Yes/No
1	Draft Internal Audit Plan	Jan Furtek	Circulate to Committee Members	1st May 2025	OPEN	Yes
2	Update of Contract Procedure Rules	Wendy Barnard	Advise Leader of the Committee's Comments regarding the report	27 th February 2025	OPEN	Yes

This page is intentionally left blank

SUBJECT:	Self-assessment of Performance Management Arrangements
MEETING:	Governance and Audit Committee
DATE:	1st May 2025
DIVISIONS/WARDS AFFECTED:	All

1. PURPOSE:

- 1.1 To ensure that members of the committee have an understanding of the council's performance framework.
- 1.2 To present an update on the current effectiveness of the authority's performance management arrangements.

2. RECOMMENDATIONS:

- 2.1 That members use the update provided to inform their understanding of the effectiveness of the operation of the authority's performance management arrangements and identify any areas where they feel action needs to be taken or further information provided.

3. KEY ISSUES:

- 3.1 Performance management is about establishing a shared understanding of what needs to be achieved and making sure that it happens. The council currently has an established performance framework; this is the way in which we translate our purpose into action and ensure that everyone is pulling in the same direction to deliver real and tangible outcomes. The components of the framework are shown visually in appendix 2.
- 3.2 Our performance framework: Translates our purpose into the council's own well-being objectives; Places an expectation on teams to align to deliver these objectives through setting specific, measurable actions in their service business plans; Contains a broad range of data to monitor impact and measure the performance of services. Other key processes that are part of and/or facilitate aspects of the framework include the Whole Authority Strategic Risk Assessment and self-evaluation arrangements.
- 3.3 There have been considerable adjustments to the council's performance framework in the last few years due to the need to meet requirements of the Local Government and Elections (Wales) Act 2021. The Act requires each council in Wales to keep under review the extent to which it is meeting the 'performance requirements', that is the extent to which; it is exercising its functions effectively; it is using its resources economically, efficiently and effectively; its governance is effective for securing these.
- 3.4 Appendix 1 provides an assessment of the arrangements that make up the current performance framework to ensure that Governance and Audit Committee are able to

take an overview of their effectiveness. This includes an assessment of how well we are doing, how we know this and planned actions for the future along with timescales.

3.5 A summary of the conclusion of the assessment for each arrangement is provided below:

- Well-being Objectives - The council has set six well-being objectives in the Community and Corporate Plan. This has ensured that there is a clear direction for the council, that is fed through the performance management framework. Enabling strategies aligned to deliver the well-being objectives have been developed. There is a need to ensure arrangements are in place to evaluate performance of these strategies.
- Service Business Plans - The Service Business Plan process has principles, supporting templates and guidance in place that are regularly reviewed. A quality assurance process continues to be undertaken and has supported the improvement in quality of plans and will aim to further improve consistency of plans. There is a need to provide further training and support on the planning process.
- Self-evaluation - The self-assessment process informed the completion of a self-assessment report of the Council's performance in 2023/24. The reported facilitated scrutiny of the Council's performance. There remains a need to strengthen self-evaluation through the council's performance management framework, particularly in services business plans, and providing more detailed explanations of underperformance.
- Performance Data and Information – The use of performance data in the Council's performance management framework is being strengthened. The measurement framework of the Community and Corporate Plan has been reviewed to increase the focus on outcomes, where possible, and dashboards have been developed to present performance information. There is a need to improve the council's data maturity, with data accuracy being an important part.
- Strategic Risk Management – The council's strategic risk management policy and guidance has been updated, agreed and is being implemented through the performance management framework. The council has also defined its risk appetite. The strategic risk register is regularly updated and reported.

3.6 This report on the continued effectiveness of the council's strategic planning framework is presented annually to Governance and Audit Committee and is important in ensuring the necessary checks and balances are in place around the arrangements for performance planning, monitoring and evaluation. It will also inform the Council's annual self-assessment process and report, part of which includes an assessment of Corporate Planning, Performance and Risk Management arrangements.

3.7 The council also places reliance on regulatory assessments as a vital part of our framework. These are Audit Wales, who examine the authority's corporate arrangements; Estyn, in relation to education provision; and the Care Inspectorate Wales, in relation to social services. Where applicable, the most recent findings of regulatory work have been factored into the appraisal of arrangements.

4. RESOURCE IMPLICATIONS:

- 4.1 There are no additional resource implications as a result of this report. However, there may be resource implications in undertaking further actions as directed by Strategic Leadership Team or as recommended by Governance and Audit Committee.

5. AUTHORS:

Richard Jones, Performance and Data Insight Manager

Hannah Carter, Performance Analyst

6. CONTACT DETAILS:

E-mail: richardjones@monmouthshire.gov.uk

E-mail: hannahcarter@monmouthshire.gov.uk

Appendix 1: Self-Assessment of Performance Management Arrangements

Well-being Objectives			
<p>The Council has a responsibility under the Well-being of Future Generations (Wales) Act 2015 to set well-being objectives. To achieve this, we must:</p> <ul style="list-style-type: none"> • Set and publish well-being objectives • Take all reasonable steps to meet those objectives • Publish a statement about the well-being objectives • Detail arrangements to publish an annual report of progress <p>The Council publishes a Corporate Plan every five years. This plan contains the wellbeing objectives of the Council and sets out the actions it will take to achieve them over the time of the plan. Alongside these actions, measures and targets are set that the Council will use to track progress. An evaluation of the Council's performance and progress in meeting these targets is published in our annual Self-Assessment Report.</p>			
	How well are we doing?	How do we know?	Action & timescale
Are there defined council well-being objectives that are communicated and understood?	<p>The Community and Corporate Plan was approved in April 2023. This plan sets out the council's six well-being objectives which include the aims we want to achieve, the actions we will take and how performance will be measured. The Community and Corporate Plan has been promoted and published on the website for residents and internally for staff.</p> <p>The approval of the plan has ensured that there is a clear direction for the council, which has fed through our performance management framework. A suite of enabling strategies have been developed and aligned to deliver the objectives in the plan.</p> <p>An Audit Wales review of our performance management arrangements found 'The Council has a maturing performance management system that supports delivery of its corporate objectives'.</p>	<p>Community and Corporate Plan 2022-28</p> <p>Audit Wales review of performance management arrangements (December 2024)</p>	No further action identified.

Are the well-being objectives embedded in the performance management framework?	<p>An Audit Wales review of our performance management arrangements found ‘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.’</p> <p>Supporting and Enabling strategies aligned to deliver the objectives in the Community and Corporate Plan have been developed. These are important to enable the delivery of the ambitions of the plan. We need to ensure there are clear mechanism and arrangements to monitor the impact of these strategies and regularly evaluate performance against their outcomes.</p> <p>Quality assurance of service business plans undertaken in Q2 of 2024/25 shows the actions to deliver the community and corporate plan objectives are mostly embedded, and progress updated, within service business plans. Feedback and support has been provided to managers on the importance of aligning their plans with the Community and Corporate Plan and this will be regularly monitored.</p>	<p>Audit Wales review of performance management arrangements (December 2024)</p> <p>Enabling Strategies</p> <p>Service business plans quality assurance</p>	Complete an annual evaluation of performance of the enabling strategies – July 2025
Is progress and performance in delivering the well-being objectives monitored and held to account?	<p>The actions to deliver the Community and Corporate Plan objectives are updated quarterly within service business plans.</p> <p>A six-month Community and Corporate Plan progress update is produced and scrutinised. This was presented to Cabinet in December as part of their continuous monitoring of how effectively the council is delivering its objectives and to Performance and Overview Scrutiny Committee who scrutinised</p>	Community and corporate plan 2024/25 six-month progress update	Produce a self-assessment report for 2024/25 – September 2025

	<p>the council's performance and used the report to inform their work plan. Assessing progress within the year has allowed officers and members to identify where services are not on track to meet the targets and identify any remedial actions that may be required.</p> <p>A further annual self-assessment of our progress in meeting our well-being objectives will be undertaken at the end of the financial year in the form of a self-assessment report. A process has been developed and agreed, based on previous assessments and experience. This will clearly identify how well are we doing, how do we know (the evidence we have used) and what and how can we do better.</p>		
--	--	--	--

Service Business Plans			
<p>A Service Business Plan is a planning tool which all service areas are required to complete. It allows services to set a plan for the next three years, assess what went well, learn from what didn't and measure the impact the service has made on people and places of Monmouthshire. Service business plans ensure clear alignment between the council's priorities and objectives, and detail the actions the service will be undertaking, performance measures to assess progress and risks facing the service and mitigating actions. Service business planning and regular evaluation of our performance is fundamental to how we operate.</p>			
	How well are we doing?	How do we know?	Action & timescale
Is the service business plan process robust, communicated and understood?	<p>Service Business plan principles, supporting templates and guidance are in place and regularly reviewed. The documents are available on the intranet, the Hub.</p> <p>An Audit Wales review of our performance management arrangements found '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</p>	<p>Service business plan principles, supporting information and guides.</p> <p>Services Business plan Quality Assurance.</p> <p>Feedback from service managers.</p>	<p>Make mandatory performance management training available via the Council's online Learning Management System (Thinqi) – June 2025</p>

	<p>quality assurance process.’ An Internal Audit Review of Service Business Plans has also been completed in the last year and was given a reasonable assurance rating.</p> <p>Feedback from Service managers has shown there is a need to provide further training and support on the process. The Audit Wales review of our performance management arrangements recommended to promote the training resources and support available to continue to strengthen performance management arrangements.</p> <p>The service business plan principles and guidance have been updated, where necessary, using feedback gathered. The use of training videos for managers to aid the completion of service business plans has not yet been completed as initially planned. The potential for making performance management training available via the Council’s online Learning Management System is being explored to facilitate this training. Once complete, this training will be mandatory for those officers with a responsibility for completing service business plans.</p>	<p>Audit Wales review of performance management arrangements (December 2024)</p> <p>Internal Audit Service Business Plan Review (August 2024)</p>	
Are service business plans complete, up to date and of good quality?	<p>Service business plans completion rates within timescales remains varied, which was identified within the Internal Audit review, however there has continued to be improvement. For recent quarters, approximately sixty percent of the plans were updated in the timescale. Consistent reminders to update plans are needed to continue the increasing trend of timely updates.</p> <p>A quality assurance process has been developed to assess whether plans are meeting the planning principles, the quality of updates and whether they are aligned with wider council commitments. This facilitates officers to easily identify which</p>	<p>Service business plans completion rates.</p> <p>Services Business plan Quality Assurance.</p> <p>Feedback from service managers.</p> <p>Audit Wales review of performance</p>	<p>Make mandatory performance management training available via the Council’s online Learning Management System (Thinqi) – June 2025</p> <p>Complete annual quality assurance of Service</p>

	<p>areas of their plan need improvement, helping them to focus on key aspects.</p> <p>The most recent quality assurance was completed during Q2 of 2024/25. This has found that there has continued to be improvement in the quality of plans, though many plans still require improvement in parts of their completion. Some common areas for development remain the completion of risk registers, use of performance indicators and robust assessment of progress and impact. This is consistent with the findings of the internal audit review.</p> <p>The Audit Wales review of our performance management arrangements recommended the need to increase the consistency of service planning to strengthen performance management arrangements.</p> <p>The quality assurance reports have been shared with all chief officers, managers and officers completing service plans in November 2024 and further support made available to support improvements identified.</p>	<p>management arrangements (December 2024)</p> <p>Internal Audit Service Business Plan Review (August 2024)</p>	<p>Business Plans and support managers to implement the findings – October 2025</p>
--	---	---	---

Self-evaluation
<p>Self-evaluation is a way of evaluating, critically and honestly, the current position to make decisions on how to secure improvement for the future. It needs to be embedded across the organisation to help the council continually learn and achieve sustainable improvement and better outcomes for citizens, service users and its own workforce. Self-evaluation allows us to assess our actions openly and honestly, and to consider whether the actions taken helped to reach our desired goals and objectives. This process helps us to learn what went well and what didn't, informing our future actions.</p>

The Local Government and Elections (Wales) Act 2021 requires each local authority in Wales to keep under review the extent to which it is meeting the 'performance requirements'. Under the Act, the mechanism for a council to keep its performance under review is self-assessment, with a duty to publish a report setting out the conclusions of the self-assessment once in respect of every financial year.			
	How well are we doing?	How do we know?	Action & timescale
Is the self-assessment process robust, communicated and understood?	<p>A process for completing self-assessment was developed and adhered to. The self-assessment process for 2023/24 was informed by a review of the previous year's self-assessment process. This included directorate workshops, which provided the opportunity for heads of service to reflect on their service area and assess activity against the Community and Corporate Plan objectives.</p> <p>The 2023/24 self-assessment report evaluates the council's performance under each of the six Well-being Objectives set out in the Community and Corporate Plan, and the programme of work that supports their delivery. The self-assessment report demonstrates the progress the council has made in achieving its intended outcomes and identifies any further areas for development.</p> <p>The self-assessment report was informed by a range of evidence including the output from the workshops along with other elements of the performance framework, such as Chief Officer reports, scrutiny, external regulation and the Annual Governance Statement.</p> <p>An Audit Wales review of our performance management arrangements found '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</p>	<p>Self-assessment report 2023/24</p> <p>Audit Wales review of performance management arrangements (December 2024)</p>	Produce a self-assessment report for 2024/25 – September 2025

	<p>members and officers to have sight of in-year pressures and issues that may require remedial decisions. However, 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.'</p> <p>A self-assessment process and template for 2024/25 has been developed and agreed, based on feedback on the previous year's report, including importantly strengthening the application of a self-evaluative mindset when assessing performance.</p>		
Is self-assessment embedded through the performance framework?	<p>The Self-Assessment process has been embedded in the council's performance management framework. The self-assessment process has facilitated the completion of the self-assessment report.</p> <p>Quality assurance on service business plans has shown that self-evaluation continues to not be completed consistently when updating service business plans. The Internal Audit review of service business plans has also identified the need to improve the completion of self-assessments within plans. Strengthening self-evaluation within plans is a continuing action, this will inform evidence in the self-assessment report.</p>	<p>Service business plans</p> <p>Service business plans quality assurance</p> <p>Internal Audit Service Business Plan Review (August 2024)</p>	<p>Ensure that managers apply a self-evaluative mindset when updating and completing service business plans – October 2025</p>
Is the outcome of self-assessment monitored and performance held to account?	<p>The self-assessment evidence has been reviewed, further challenged, and collated into a corporate level evaluative self-assessment.</p>	<p>Self-assessment report 2023/24</p> <p>Audit Wales review of performance</p>	<p>Self-Assessment report for 2024/25 produced – September 2025</p>

	<p>The draft self-assessment report is presented to Performance and Overview Scrutiny Committee, with Governance and Audit Committee having approval of the final draft, as per legislation. Both committees scrutinised the 2023/24 report and found that overall, it was a fair and balanced assessment of performance during the year. The report was subsequently approved by Council.</p> <p>The Audit Wales review of our performance management arrangements recommended the need to ensure that areas of underperformance are consistently and adequately mitigated with robust explanation. In developing the 2024/25 report, there is a need to ensure areas of underperformance or areas for improvement are fairly identified or explained.</p> <p>The self-assessment report includes an action plan that focuses specifically on what and how the council can do better for the significant conclusions of the assessment. The actions are monitored through the year in service business plans and the next self-assessment report will include an assessment of the progress made on these actions.</p>	management arrangements (December 2024)	
--	---	---	--

Performance Data and Information			
Data and information are essential to our performance framework. This comprises of nationally and locally set indicators that services have developed to measure the impact of their service. As well as maximising the use of data we hold to inform how we plan, manage, and deliver services. All staff and members need to regularly access and use performance data and analysis of performance to evaluate the progress and impact of services.			
	How well are we doing?	How do we know?	Action & timescale

<p>Is performance data used to monitor and evaluate the council's performance?</p>	<p>Performance data is embedded in the Council's performance management framework. The Community and Corporate Plan has an agreed measurement framework. This is allowing us to measure our performance on areas that can be directly affected by the council and the progress of wider outcomes that are not directly in the council's control. This facilitates performance to be held to account and identifies where services are not performing as planned.</p> <p>We have reviewed the measurement framework to increase the focus on outcomes, where possible. This was agreed by cabinet in September 2024 along with targets against these measures that demonstrate the ambition of the council to residents. This also responds to the Audit Wales review on the council's use of performance information which found 'The council provides some performance information to enable senior leaders to understand the perspective of service users, but information on outcomes is limited restricting their ability to manage performance effectively.'</p> <p>The Audit Wales review of our performance management arrangements found the 'Council has a maturing performance management culture and is responding to recommendations made in Audit Wales's review of performance information.'</p> <p>The performance measures are updated quarterly in the community and corporate plan dashboard and form part of the six-monthly progress report and annual self-assessment report. This allows officers and members to regularly assess performance and take action accordingly.</p>	<p>Community and corporate plan measurement framework & dashboard</p> <p>Directorate performance dashboards</p> <p>Service Business Plans</p> <p>Audit Wales review of performance information (March 2024)</p> <p>Audit Wales review of performance management arrangements (December 2024)</p>	<p>Embed the revised measurement framework for the community and corporate plan in the self-assessment report– September 2025</p>
--	--	--	---

	<p>Performance dashboards are also in place for each directorate, displaying their key performance indicators. These dashboards are supporting performance data to be further embedded in the decision-making process.</p> <p>Service business plan principles require services to use appropriate performance data and measures to monitor and evaluate performance. Quality assurance of service business plans shows there remains variability in the use of performance indicators within services to assess performance. This can limit the ability of services to robustly assess their performance. Feedback and assistance are being provided to services, where required, to strengthen their planning.</p>		
Is the council's performance data on its services/ processes/outcomes relevant, accurate and up to date?	<p>The community and corporate plan 'measurement framework' identifies measure we can have a direct and measurable effect on and measures we will track for longer term changes that our contribution is only one part of. This allows us to track service, process and outcome level progress and performance.</p> <p>Our self-assessment concludes there remains a need to further develop self-assessment arrangements to focus on outcomes and embed an evaluative mindset. This includes the use of outcome measures identified in the revised community and corporate plan measurement framework.</p> <p>Quality assurance of service business plans shows there remains variability in the overall quality and timeliness of completion of performance indicators within services to assess performance. This was also identified in the Internal Audit of service business plans. Feedback and assistance are being provided to services, where required, to strengthen their planning.</p>	<p>Community and corporate plan measurement framework.</p> <p>Self-Assessment report 2023/24.</p> <p>Service business plans quality assurance.</p> <p>Audit Wales review of performance information (March 2024)</p> <p>Internal Audit Service Business Plan Review (August 2024)</p>	<p>Embed the revised measurement framework for the community and corporate plan in the self-assessment report– September 2025</p> <p>Undertake targeted action to improve the council's data maturity – December 2025 and ongoing</p>

	<p>Performance measures and target setting guidance is in place and embedded in service business plan principles. Performance measure definitions and proformas are used for collating performance measures in the community and corporate plan. Also, Internal audit reviews will look to ensure that performance information is reviewed when it is appropriate to do so.</p> <p>While arrangements are in place to support the production of accurate performance data, our assessments show we need to continue to focus on improving our data maturity, with data accuracy being an important part. This forms an integral part of the Council's Digital and Data Strategy. Data quality was also identified as an area for improvement through the Audit Wales use of performance information review. We will focus on improving our data accuracy as part of our wider work on developing the council's data maturity.</p>		
--	---	--	--

Strategic Risk Management			
<p>The strategic risk register captures the high and medium level strategic risks that face the council in line with the council's risk management policy. This ensures that:</p> <ul style="list-style-type: none"> • Strategic risks are identified and monitored by the authority • Risk controls are appropriate and proportionate • Senior managers and elected members systematically review the strategic risks facing the authority 			
	How well are we doing?	How do we know?	Action & timescale
Is there a collective view of the council's strategic risk management arrangements and risk appetite that is	The council's strategic risk management policy and guidance has been updated and agreed. The council has also defined its risk appetite and agreed a risk appetite statement. These documents are available on the council's intranet.	<p>Strategic risk management policy and guidance</p> <p>Risk appetite statement</p>	Embed the updated strategic risk management policy within risk reporting arrangements – June 2025

communicated and understood?	<p>The policy is being embedded in the council, the requirements have been integrated as part of the Council's performance management framework, including in the service business planning process.</p> <p>The awareness of the policy, and the importance of adhering to it, needs to be further embed through the organisation. There is a need to develop a risk management training offer to support the effective discharge of risk management responsibilities.</p>		Develop strategic risk management training and guidance – July 2025
Is strategic risk management embedded in the council?	<p>The strategic risk register is updated regularly and available to all members and officers to view at any time. There are arrangements to formally review and report the whole strategic risk register six monthly.</p> <p>Directorate risk registers are being developed to strengthen the management of risks at a directorate level and facilitate risk identification and mitigation between a service (service business plan) and strategic (risk register) level. These haven't all been completed by April as initially planned. Further support is being provided to directorates to establish and develop directorate risk registers in line with the strategic risk management policy.</p> <p>The starting point for identifying risks are often service business plans, where heads of service and service managers identify risk to their service. Quality assurance of these plans has continued to show service-based risk registers are often not robust enough or fully completed. This shows strategic risk management remains not consistently embedded at a service level. Further strategic risk management training, as part of implementing the updated risk management policy will be undertaken.</p>	<p>Strategic risk management policy and guidance</p> <p>Strategic risk register</p> <p>Service business plans risk registers</p>	<p>Work with directorates to establish and develop all six directorate risk registers – September 2025</p> <p>Develop strategic risk management training and guidance – July 2025</p>
Is there a shared understanding of the	The strategic risk register identifies high and medium level strategic risks and ensures risk levels are assessed, and mitigating actions are	Strategic risk register	Embed the updated strategic risk

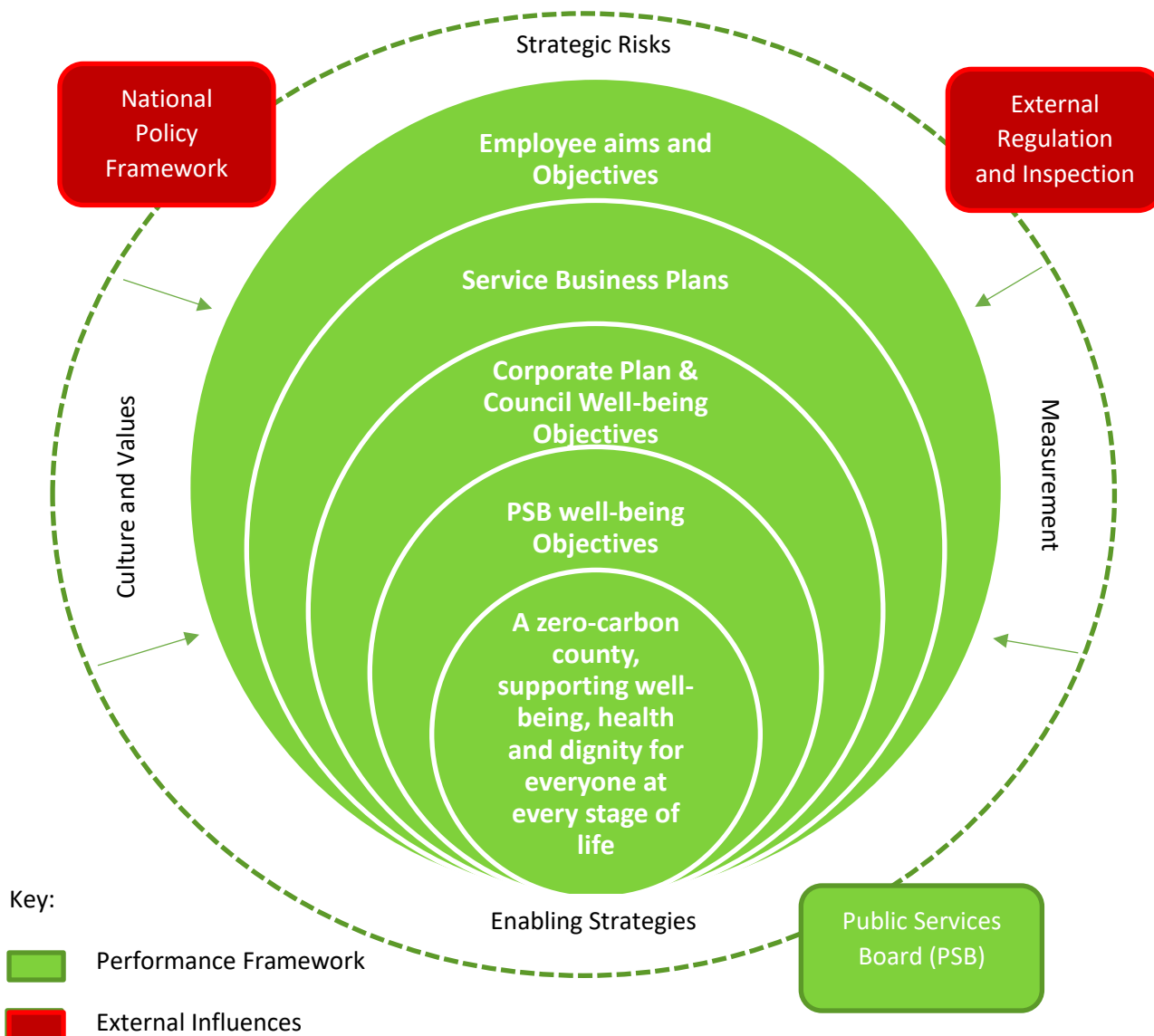
most significant corporate risks?	<p>identified. The register is updated regularly, which ensures it remains focussed on the most significant strategic risks facing the council. It is available to all members and officers to view at any time and has regular reporting arrangements in place. This ensures there is a shared understanding of strategic risks facing the council.</p> <p>The latest update of the strategic risk register has embedded some of the requirements of the new policy, including risk category, appetite level and treat/tolerate categories. Further work is needed to embed the remaining requirements of the policy in the register, including target risk scores. This will be completed as part of the continued planned implementation of the policy.</p> <p>Service business plans not being robust enough or fully complete impacts on the effectiveness of service risk identification and management. This may subsequently be having an impact on the effective identification and management of strategic risks, although other arrangements in place, including the development of directorate risk registers, will limit this, strengthening service risk registers remains important.</p> <p>A Risk Radar is being developed to identify any emerging risks and opportunities that are relevant to the council. This report will be used to inform risk identification at all levels and will be regularly presented to the Strategic Leadership Team alongside reviews and updates to the Strategic Risk Register to ensure awareness of possible emerging risks.</p>	Service business plans risk register	<p>management policy within risk reporting arrangements – June 2025</p> <p>Develop strategic risk management training and guidance – July 2025</p> <p>Develop a Risk Radar to inform risk identification – June 2025</p>
Is there integration with other risk control arrangements that facilitate the management of risk?	Strategic risk management is an integral part of the Council's activities to support decision-making in achieving its objectives. The updated strategic risk management policy identifies other corporate risk control arrangements that the council has in place through which risks are identified and managed and need to integrate with strategic risk	Strategic risk management policy	Assess progress in implementing the actions to develop or strengthen risk control

	<p>management policy. These are Health and Safety, Emergency Planning, Insurance, Finance, Internal Audit, Information Governance & Cyber Security.</p> <p>An assessment of the effectiveness of each of these risk control arrangements, following the same process that is used to evaluate the strategic risk management arrangements, was completed in August 2024 and reported to the committee in September 2024. The assessment demonstrates the arrangements in place to identify, respond, monitor and report risk. The assessment identifies actions that need to be completed to develop or strengthen the arrangements. An update on the progress with implementing these actions will form part of the next assessment of the effectiveness of risk control arrangements reported to Governance & Audit Committee.</p>	Overview of the effectiveness of risk control policies	arrangements – June 2025
Is there a robust risk management assurance framework in place?	<p>There are arrangements to formally review the whole strategic risk register six monthly. These are facilitated by the performance and data insight team in liaison with risk owners and include review reports to Strategic Leadership Team and cabinet. The strategic risk register is formally reported to Governance & Audit Committee, Performance & Overview scrutiny committee and Cabinet. This provides assurance on the robustness of risk management framework in place.</p> <p>Directorate risk registers are being developed to strengthen the management of risks at a directorate level. These are being facilitated by the performance and data insight team in coordination with Directorate Management Teams.</p> <p>An internal audit review of risk management has been completed and was given a reasonable assurance rating. This identified strengths and some weaknesses. Actions to respond to the recommendations have been agreed and are being implemented. The findings from the review</p>	<p>Strategic risk register</p> <p>Strategic risk management reports</p> <p>Internal Audit review of risk management (March 2024)</p>	<p>Embed the updated strategic risk management policy within risk reporting arrangements – June 2025</p> <p>Complete actions in response to the internal audit review recommendations – June 2025</p>

	<p>have informed the development of the updated strategic risk management policy.</p> <p>A review of strategic risk management arrangements is reported to Governance and Audit Committee six monthly. Risk management arrangements also form part of the Council's annual self-assessment report. These arrangements are providing assurance of the framework in place and inform the identification of areas for development.</p>		
--	---	--	--

Our Performance Framework

Our performance management framework illustrates the interdependencies and how the policies, plans and programmes it contains, should be mutually reinforcing. In simple terms, our performance management makes sure that everyone is pulling in the same direction to deliver real and tangible outcomes, to improve the quality of life of people and communities.



Building a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life is the unifying purpose of the diverse range of services for which we are responsible. We are a partner in the Public Service Board, which is responsible for setting well-being objectives for the county. The Council's own well-being objectives are set by Council through the Community and Corporate Plan, based on the same well-being assessment as the PSB objectives. Each of our teams has a service business plan that aligns to these objectives. We have a range of performance measures that we use to keep track of our progress. Our strategic risk management policy enables us to manage strategic risks to our delivery. Our employee aims and objectives show how the contributions that individual colleagues make to these objectives and delivering our vision in accordance with our values. Our 'enabling strategies' support the delivery of our objectives. Our work is informed and guided by national policy and external regulation and inspection.

This page is intentionally left blank

SUBJECT	Audit Wales Work Programme: Council Progress Update
MEETING:	Governance and Audit Committee
DATE:	1st May 2025
DIVISION/WARDS AFFECTED:	All

1. PURPOSE

- 1.1 To provide the committee with an update on the council's progress against the Audit Wales Work Programme up to May 2025 so that the committee can assure itself of the progress of the council's response.

2. RECOMMENDATIONS

- 2.1 That members scrutinise the council's response to the Audit Wales work programme, seeking assurance that adequate progress is being made.
- 2.2 That members refer any issues contained within Audit Wales national studies to other committees for consideration where they identify there are findings of particular relevance to the council that need further scrutiny.

3. KEY ISSUES

- 3.1 Each year, Audit Wales produces an Audit Plan, which sets out the work they intend to undertake to discharge their duties, and this is presented to Governance and Audit Committee upon publication. The performance audit work programme set by Audit Wales focusses on discharging duties in relation to value for money and sustainable development:
- Value for money - The Council has to put in place arrangements to get value for money for the resources it uses.
 - Sustainable development principle - The Council needs to comply with the sustainable development principle when setting and taking steps to meet its well-being objectives.
- 3.2 This report provides an update on the progress being made by the council in implementing the findings of Audit Wales reviews. This includes an update on progress against existing proposals for improvement/recommendations, followed by the latest local audit work carried out since the last review, with an accompanying management response. Recommendations that require further attention are marked as 'open' – these can be found in appendix 1. Where a recommendation has been assessed as being adequately addressed, it is 'closed' and explanation why included. Some of the forward-looking actions committed to by the authority are likely to be reflected within other council strategic documents such as the Community and Corporate Plan, enabling strategies, the Whole Authority Strategic Risk Assessment and the Medium-Term Financial Plan.
- 3.3 As well as local work at each council, Audit Wales carries out national studies across the local government sector to make recommendations for improving value for money, and all of these reports are published on www.audit.wales/publications. Whilst the findings of these studies are not necessarily specific to Monmouthshire County Council, those of greatest relevance are shared with the most appropriate service area to consider their findings and recommendations and to respond accordingly. Appendix 2 identifies the studies most applicable to the council since the last iteration of this report, along with a management response outlining service area's actions in response to the study.

- 3.4 Governance and Audit Committee has a role in ensuring the council is responding to the findings from national studies and can also refer them to another scrutiny committee if they feel the report requires further in-depth consideration beyond the response already provided by the service area. The committee may also refer issues to Democratic Services Committee.
- 3.5 The council works closely with regulators and inspectors to quality-assure activities as this is vital to ensuring improvement. Their feedback is valued, and their assessments are used to help us focus on the things we need to improve. Their findings informed the council's own self-assessment of its performance in 2023/24. The Audit Wales work programme and timetable update from Q4 2024/25, that will be shared with the committee, provides the latest update on the work of Audit Wales, Estyn and Care Inspectorate Wales. Findings from Estyn and Care Inspectorate Wales have their own monitoring arrangements in place.
- 3.6 Audit Wales, as part of their ongoing annual audit work programme, may follow up progress in any of the open or recently closed proposal areas.

4. REASONS

To ensure the authority responds appropriately to Audit Wales recommendations to secure the improvements required.

5. RESOURCE IMPLICATIONS

Finance and any other resource implications of activity related to responses to the recommendations will need to be considered by the relevant responsibility holders.

6. CONSULTEES

Individual audit report recommendation responsible officers
Deputy Chief Executive

7. BACKGROUND PAPERS

Audit Wales Audit Plan 2023/24
Audit Wales Audit Plan 2024/25
Audit Wales work programme and timetable update

8. AUTHORS

Hannah Carter, Performance Analyst
E-mail: hannahcarter@monmouthshire.gov.uk

Appendix 1

Open Audit Wales Proposals for Improvement

Capital Programme Management Proposals

Report	Audit Wales Capital Programme Management – April 2024				
Summary of findings	As part of this review, Audit Wales sought to answer the question: Does the Council have proper arrangements in place to secure value for money in the design and delivery of its capital programme? Overall, they found that the capital programme management arrangements demonstrate some strengths but lack focus on outcomes and impact. They found that planning arrangements are generally robust, but the capital programme lacks clear outcomes, and that monitoring arrangements focus on budget and timescales with limited consideration of impact or learning.			Status	Open
Audit Wales Recommendations	The full report can be found here: Monmouthshire County Council – Capital Programme Management .				
	The Council should clearly articulate in its Capital Strategy: <ul style="list-style-type: none">the outcomes it is seeking to achieve from its capital programme and how individual projects can contribute towards these;what success will look like; andhow it will measure this. This will provide a clearer structure for monitoring and help the Council to demonstrate if its capital programme provides value for money.				
	The Council should report on progress against the capital programme’s planned outcomes so that members can scrutinise and gain assurance.				
Planned actions	Desired Result	Action	Responsible Officer & Timescale	Progress so far	
	Clearly defined desired outcomes along with arrangements in place to monitor these.	To develop an updated Capital Strategy for 25/26 which includes more detailed information on the outcomes the strategy is seeking to achieve and how the delivery of these outcomes will be monitored.	Head of Finance February 2025 – completed	The updated Capital Strategy was approved by Council in March 2025. The strategy identifies the key objectives and the main governance and approval process for capital investments. This includes the process for approving capital investments and the agreed priority investment matrix which plays a key role in ensuring investment is properly aligned	

				<p>with the overall Community and Corporate Plan and wider strategic principles of the Council.</p> <p>The success of the strategy will ultimately be measured by demonstrating that capital investment has furthered Community & Corporate Plan aspirations.</p>
	Strengthened reporting of progress against planned outcomes.	Reinforce monitoring arrangements of planned outcomes as part of updated Capital Strategy 25/26.	Head of Finance February 2025 – completed	<p>The updated Capital Strategy was approved by Council in March 2025. This strategy identifies the governance arrangements that are in place to monitor capital expenditure and strategy development and implementation. Monitoring outcomes is a role for responsibility holders of capital projects. An overview of the outcomes evaluated for the capital programme for significant capital projects (those decisions taken through Cabinet or Council) was also provided to full Council as part of their annual update.</p>
		Complete an annual report on the performance of the Asset Management Plan (as set out in the Asset Management Strategy).	Acting Head of Landlord Services July 2025	<p>The Capital Strategy identifies the current governance arrangements that are in place to monitor capital expenditure and strategy development and implementation. Alignment with the Asset Management Strategy has been strengthened as part of the updated Capital Strategy to enable delivery of the strategies' objectives and outcomes.</p> <p>An annual report on the performance of the Asset Management Plan will be prepared and reported to Performance</p>

				and Overview Scrutiny Committee for review, as part of a wider review of all enabling strategies.
--	--	--	--	---

Performance Data Proposals

Report	Audit Wales Use of Performance Information: Service User Perspective and Outcomes – March 2024				
Summary of findings	Audit Wales sought to answer the question: Does the Council’s performance data enable senior leaders to understand the service user perspective and the outcomes of its activities to effectively manage its performance? Overall, Audit Wales found that the council provides some performance information to enable senior leaders to understand the perspective of service users, but information on outcomes is limited restricting their ability to manage performance effectively.			Status	Open
	The Audit Wales national report ‘Use of performance information: service user perspective and outcomes A summary of findings from our review at Welsh councils’ is available here Councils use of performance information: service user perspective and outcomes Audit Wales .				
Audit Wales Recommendations	The Council should strengthen the information it provides to its senior leaders to enable them to gain a more comprehensive understanding of how well services and policies are meeting the needs of service users.				
	The Council should strengthen the information provided to senior leaders to help them understand the impact of its services and evaluate whether it is delivering its long-term objectives and intended outcomes.				
	The Council needs to assure itself that it has robust arrangements to check the quality and accuracy of the service user and outcomes data it provides to senior leaders				
Planned actions	Desired Result	Action	Responsible Officer & Timescale	Progress so far	
	Further develop arrangements to focus on outcome and impact measures and embed an evaluative mindset.	Set out revised measures, including where possible developing the use of outcome measures, in the Community and Corporate Plan.	Chief Officer People, Performance & Partnerships September 2024 – Completed	A revised Community and Corporate Plan measurement framework was approved by Cabinet in September. The framework was revised to ensure increased focus on outcome rather than output measures, where possible. The framework was used in the six-monthly report 2024/25 on the progress	

			<p>with the council's community and corporate plan and will be used in the annual self-assessment report. Quarterly reporting of measures contained within with framework will continue to be available to members and officers within the Community and Corporate Plan dashboard.</p> <p>The Audit Wales review of the council's performance management arrangements in December 2024 stated 'The Council has a maturing performance management culture and is responding to recommendations made in Audit Wales's review of performance information'.</p>
	Support service managers to strengthen the use of evidence, including impact measures and those from the service user perspective, in their self-assessment of service performance within service business plans.	<p>Performance & Data Insight Manager</p> <p>June 2025</p>	<p>Quality assurance was carried out on all service business plans in Q2 of 2024/25. This assessed whether plans were meeting service business planning principles, including using relevant and robust performance data measures. Feedback was provided to managers, where required, on the need to improve and expand on the use of performance data within their plans.</p> <p>Guidance on identifying and using performance data within service business plans is available to all staff on the Hub. The potential for making further performance management training available via the Council's online Learning Management System is being explored to facilitate this training.</p>

		Strengthen the use of evidence, including on the impact made and those from the service user perspective, in our annual self-assessment of our progress in meeting our wellbeing objectives. This will clearly identify how well are we doing, how do we know (the evidence we have used) and what and how can we do better.	Performance & Data Insight Manager July 2025	A revised Community and Corporate Plan measurement framework, that has an increased focus on outcome rather than output measures, was approved by Cabinet in September. This change will facilitate an increased focus of our assessment on the impact of our actions. Data and evidence on the impact from the service user perspective will continue to be developed, where available, for use in the assessment.
	Strengthened arrangements to ensure quality and accuracy of data.	Implement a process with clear guidance to collate 2023/24 performance measure data used in the community and corporate plan.	Performance & Data Insight Manager May 2024 - complete	A clearer, more robust data collation process has been established, with clear guidance for officers. This process was used in collating data for the organisation's self-assessment report 2023/24. It will be used moving forward in the collation of community and corporate plan data.
		Conduct a data maturity assessment and use the findings to inform any further development of arrangements or targeted action we need to take to improve data accuracy, in coordination with internal audit.	Performance & Data Insight Manager December 2025	The Digital and Data Strategy was approved by Cabinet in July 2024. A commitment within this strategy is to undertake a data maturity assessment to gain a greater understanding of data knowledge and capability within the organisation. A full data maturity assessment has not yet been completed. Data standards for the council have been developed to improve how the Council manages data, ultimately aimed at improving data maturity. Support has been provided through the council's system and data

				administrators network on ensuring the standards are consistently applied. Further specific assessment of data maturity will be undertaken through the year. The findings of this will inform targeted improvements in data arrangements, where needed.
--	--	--	--	---

Digital Strategy proposals

Report	Audit Wales Digital Strategy Review – June 2024				
Summary of findings	Audit Wales found that the Council does not have a digital strategy. The absence of a costed strategy with clear objectives and measures also makes it difficult for the council to monitor and assess the value for money of its strategic approach. They also found that the council has not drawn on a wide range of evidence sources or mapped out the stakeholders it needs to involve, in developing and delivering its strategic approach to digital.			Status	Open
	The Audit Wales national report ‘Digital by design? Lessons from our digital strategy review across councils in Wales’ is available here Digital by design? Audit Wales				
Audit Wales Recommendations	To ensure the Council makes the best use of digital technology to secure value for money in the use of its resources the Council should develop and clearly articulate a strategic approach to digital. In developing its approach, it should act in accordance with the sustainable development principle.				
	To ensure it better understand the impact of its digital strategy and progress in delivering it over the short, medium, and long-term the Council should strengthen its arrangements for monitoring and reviewing the delivery of the strategy.				
	To help ensure that its resources are effectively targeted the Council should strengthen engagement with the full diversity of those with an interest in the delivery of its strategic approach to digital.				
	To help ensure that the Council identifies all opportunities to improve value for money in its strategic approach to digital strategy the Council should map out all potential collaborative opportunities to deliver its next digital strategy.				
Planned actions	Desired Result	Action	Responsible Officer & Timescale	Progress so far	

	A digital and data strategy that acts to secure value for money for the council, in accordance with the sustainable development principle.	To develop an updated Digital and Data Strategy for the Council.	Deputy Chief Executive July 2024 - Complete	A revised Digital and Data Strategy was approved by Cabinet in July 2024. This strategy sets the direction for the organisation over the next three years and includes three overarching digital and data aims of the council, along with the action it will take to achieve them.
	Strengthened monitoring arrangements for the delivery of a revised strategy.	To implement the arrangements for monitoring and review agreed in the Digital and Data Strategy.	Deputy Chief Executive July 2025	<p>A revised Digital and Data Strategy was approved by Cabinet in July 2024. This strategy sets out implementation and governance arrangements.</p> <p>In order to deliver the strategy and strengthen stakeholder engagement a Strategic Digital, Data and Technology Board and a Digital Steering Group have been established and will be operational in May 2025.</p> <p>An annual review of performance, aligned with the council's existing performance management framework, is being developed and will be presented to Performance and Overview Scrutiny Committee in July 2025.</p>
	Strengthened engagement with stakeholders as part of development of a revised strategy.	Complete engagement with key stakeholders to inform the development of the Digital and Data Strategy.	Deputy Chief Executive May 2025	<p>A revised Digital and Data Strategy was approved by Cabinet in July 2024. A range of key stakeholders were involved in the development of this strategy.</p> <p>The continued involvement and engagement of stakeholders representing internal service areas, our local authority partners and elected members is key to implement and develop this strategy. In order to deliver the strategy and</p>

				strengthen stakeholder engagement a Strategic Digital, Data and Technology Board and a Digital Steering Group have been established and will be operational in May 2025.
	Understand where collaborative working in the digital space will deliver value for money for the organisation.	To develop a Digital and Data Strategy that considers opportunity for collaborative development.	Deputy Chief Executive July 2025	<p>A revised Digital and Data strategy was approved by Cabinet in July 2024. This strategy sets out the three overarching digital and data aims of the council, one of which is to 'work with partners to develop and maintain strong foundations to support delivery of the strategic vision'.</p> <p>In order to effectively deliver the Digital and Data Strategy officers have developed proposals for increased collaboration on digital and data functions alongside Torfaen and Blaenau Gwent councils. Following discussion at SRS board a proposal for these services to be hosted within the SRS will be presented to Cabinet in May 2025.</p>

Financial Sustainability Proposals

Report	Audit Wales Financial Sustainability Review – October 2024		
Summary of findings	Audit Wales found that the council has a clear understanding of its financial position and recognises the need to strengthen its use of data to better understand and mitigate longer-term cost pressures. It also found that the council's reporting arrangements support clear and regular oversight of its current financial position, but reporting on the long-term impact of financial decisions is less well-developed.	Status	Open

Audit Wales Recommendations	Overall they found that although the Council is developing a longer-term approach to financial planning, it is yet to identify how it will close its future funding gap. Given its low reserves levels, the Council will need to work at pace to implement its financial strategy and strengthen its financial resilience. The full report can be found here: Financial Sustainability Review – Monmouthshire County Council .			
	To address its medium to long-term financial sustainability, the Council should urgently implement the delivery plan for its new financial strategy. Specifically, it should: <ul style="list-style-type: none"> • develop its Change and Improvement Plan to identify sustainable ways to deliver services whilst addressing its forecast funding gap; • utilise effective modelling and data to support its long-term approach to financial sustainability; and • ensure it has appropriate arrangements to monitor and report the impact of its financial strategy, in particular the Change and Improvement Plan, on service users and delivery of well-being objectives. 			
	Desired Result	Action	Responsible Officer & Timescale	Progress so far
Planned actions	A Change and Improvement Plan which identifies sustainable ways to deliver services whilst addressing the forecast funding gap.	To develop a Change and Improvement plan to enable delivery of required savings over the medium term.	Cabinet/Strategic Leadership Team September 2025	The 2025/26 budget was approved by Council in March 2025. This outlined the ongoing financial challenges and risks that are facing the authority. Work continues to shape the wider programme of service change that will include an ongoing assessment of key service pressures, the risks and modelling assumptions that sit alongside this, with the aim to establish a clear plan and approach to address the medium-term budget shortfalls forecast.
	A Medium-Term Financial Plan which outlines how the objectives of the Medium-Term Financial Strategy will be delivered, with a view to supporting a long-term	To use the Medium-Term Financial Strategy to develop the Medium-Term Financial Plan to inform the 2025/26 budget setting process.	Head of Finance March 2025 - Completed	The Medium-Term Financial Plan was updated to inform the 2025/26 budget setting process. The next iteration of the plan will be considered early in 2025/26 and post the UK Government Spring budget.

	approach to financial sustainability.			
	Regular and appropriate monitoring of progress in delivering the Medium-Term Financial Strategy and delivery plan.	To produce six-monthly updates on the council's medium term financial planning, including latest modelling and data used.	Head of Finance Six-monthly – next update July 2025	The latest medium term financial planning update was presented to Cabinet in October. This provided Cabinet with the latest progress in implementing the medium-term financial strategies' delivery plan, which translates the strategy into deliverable action. The next update will be presented to Cabinet in July 2025.
	Regular and appropriate monitoring of progress in achieving community and corporate plan objectives.	To produce a six-monthly update on progress against the council's well-being objectives set in the community and corporate plan.	Chief Officer People, Performance & Partnerships Six monthly – next update July 2025	Six-monthly reporting has been undertaken on the progress with the council's community and corporate plan objectives. The last update covered the first six months of 2024/25. A revised Community and Corporate Plan measurement framework was approved by Cabinet in September. The framework was revised to ensure increased focus on outcome rather than output measures, where possible. This framework was used in the progress report on the first six months of 2024/25.

Performance Management Proposals

Report	Audit Wales Performance Management Arrangements Review – December 2024		
Summary of findings	Overall, Audit Wales found that the council has proper arrangements in place to manage its performance and is proactive in identifying areas for improvement. They found that the council has a maturing performance management system that support delivery of its corporate objectives, and that it has reviewed the effectiveness of its performance management arrangements and identified areas of	Status	Open

	<p>improvement. However, whilst performance reporting is moving towards being more balanced, there are examples where underperformance is not presented in as much detail as positive performance.</p> <p>The full report can be found here: Monmouthshire County Council – Review of Performance Management Arrangements.</p>					
Audit Wales Recommendations	<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 • ensure that areas of underperformance are consistently and adequately mitigated with robust explanation. 					
Planned actions	Desired Result	Action	Responsible Officer & Timescale	Progress so far		
	Service business plans are consistently completed, applying the service business planning principles.	Complete annual quality assurance of Service Business Plans and support managers to implement the findings.	Cabinet/Strategic Leadership Team September 2025	<p>The most recent quality assurance was completed during Q2 of 2024/25. This has found that there has continued to be improvement in the quality of plans, though many plans still require improvement in parts of their completion. Some common areas for development remain the completion of risk registers, use of performance indicators and robust assessment of progress and impact. Feedback was provided to all managers, Heads of Service and Chief Officers.</p> <p>The next quality assurance will be completed in Q2 of 2025/26.</p>		

	Performance management training that is accessible to all staff.	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 (Thingy).	Performance & Data Insight Manager June 2025	The service business plan principles and guidance have been updated for 2025/26, where necessary, using feedback gathered. The potential for making further performance management training available via the Council's online Learning Management System is being explored to facilitate this training.
	A balanced and honest self-assessment reports which provides a fair evaluation of areas of strength and weakness.	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.	Performance & Data Insight Manager September 2025	A self-assessment process and template for 2024/25 has been developed, based on feedback on the previous year's report, including importantly strengthening the application of a self-evaluative mindset when assessing performance. In developing the 2024/25 report, structured tiers of challenge have been built into the process with aim of ensuring the findings provide a fair and balanced conclusion of the performance of the council, including both progress and explaining under performance or improvement.

Appendix 2

Audit Wales national studies published since last update

Report	Urgent and Emergency Care: Flow out of Hospital – Gwent Region
--------	--

Outline of the Review	<p>Once a patient is considered medically or clinically well enough to leave hospital (also referred to as medically fit or clinically optimised) the timely discharge of that patient to the right setting for their ongoing needs is vital. When the discharge process takes longer than it should there can be significant implications for the patient in terms of their recovery, rehabilitation, and independence. Delayed discharges will also have implications for other patients coming into the urgent and emergency care system who need a hospital bed, resulting in bottlenecks in the system. Audit Wales sought to examine whether health boards and local authorities have effective arrangements in place to ensure the timely discharge of patients out of hospital.</p> <p>This report sets out the findings from the Auditor General's review of the arrangements to support effective flow out of hospital in the Gwent Region. The region encompasses: Aneurin Bevan University Health Board (the Health Board); Blaenau Gwent County Borough Council; Caerphilly County Borough Council; Monmouthshire County Council; Newport City Council; and Torfaen County Borough Council. The full report will be published here: Publication Audit Wales.</p>
Management Response	<p>The report includes a combined management response from the statutory bodies included in the review to the recommendations made. This includes actions that are the responsibility of local authorities.</p> <p>It is recommended the report and management response is scrutinised in detail by the Council's People Scrutiny committee as its findings fall largely within the remit of the committee. The report, along with a specific update from the council related to the findings, has been added to the forward work programme of the committee for the 17th June meeting. If the committee has any specific questions they would like to raise on the report, these can be referred to People Scrutiny committee to consider as part of their scrutiny of the report.</p>

This page is intentionally left blank

Audit Wales Work Programme and Timetable – Monmouthshire County Council

Quarterly Update: 31 March 2025

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in May 2024.	April 2025	Drafting

Financial Audit work

Description	Scope	Timetable	Status
Certification of 2023-24 Grant Claims and Returns	Certify each claim according to Certifying Instructions agreed with the awarding body.	Various deadlines during Autumn/Winter 2024	<p>NNDR, Teachers Pension and Pooled Budgets complete.</p> <p>Housing Benefit certification expected during May 2025.</p>

Description	Scope	Timetable	Status
Audit of the Council's 2024-25 statement of accounts	Statutory audit of the Council's annual statement of accounts.	Audit to be completed by 31 st October 2025	Initial planning work, together with some interim testing, has been completed.

Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	November 2022 – October 2023	Report issued March 2025

2023-24 Performance Audit work	Scope	Timetable	Status
Thematic review – commissioning	A review focusing on how councils' arrangements for commissioning, apply value for money considerations and the sustainable development principle.	March 2024– March 2025	Report being drafted.

2024-25 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	On-going	On-going
Local project – Counter Fraud Arrangements	A review of the Council’s counter fraud arrangements which will assess the progress that the Council has made in implementing the recommendations made in the Auditor General for Wales’s report ‘Raising Our Game - Tackling Fraud in Wales’ July 2020.	February – May 2025	Fieldwork completed.

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Monmouthshire Council
Temporary Accommodation	Examining the costs, demand and how services are working together to progress the response to temporary accommodation.	Report publication planned for summer 2025	Fieldwork underway Surveys have been issued to Heads of Housing and Section 151 Officers at each principal council.	Interviews at the following councils: <ul style="list-style-type: none"> • Conwy • Pembrokeshire • Cardiff • Newport • Wrexham
Capital Planning in Local Government	Examining whether capital investment in the asset base in local government is able to keep pace with demand	Fieldwork January to April and report in Summer 2025	Fieldwork underway	Interviews at the following councils: <ul style="list-style-type: none"> • Anglesey • Neath Port Talbot • Powys • Rhondda Cynon Taf • Swansea • Torfaen

Study	Scope	Timetable	Status	Fieldwork planned at Monmouthshire Council
Childrens' Services (Replacing Financial constraints / discretionary local government services)	Scoping underway with a likely focus on the costs and demand for services, and how councils and their partners are working to improve the value for money of services.	TBC	Scoping	TBC

Estyn

During the autumn term we inspected Newport LGES. We also carried out an inspection of the local authority's youth work. We identified strong practice in the provision in Newport, especially in areas relating to supporting school finances, many aspects of school improvement and ALN as well as their work in developing Welsh medium education. We highlighted the impact of strong leadership at the director level and her impact on the quality and delivery of the key functions relating to her role.

We carried out a monitoring visit of Torfaen LGES as part of our follow-up process for an authority causing significant concern. The visit evaluated their progress against the recommendations from the core inspection. We found that Torfaen LGES had made sufficient process in addressing key elements of the recommendations and was removed from follow-up. The key factor in securing the improvement has been the increase in leadership capacity at Chief executive and Director level which has had a substantial impact on securing important progress in relation to expectations, processes and delivery.

We carried out an enhanced link inspector visit to Denbighshire in October, which focused on specific aspects of attendance and additional learning needs.

During the spring term we carried out an inspection of Powys LGES and youth work. We judged that Powys LGES requires significant improvement and will therefore require monitoring by Estyn. The Youth Service at Powys is generally strong.

We undertook an enhanced link inspector visit to Bridgend which focused on their Welsh in Education Strategic Plan (WESP) and their work on improving attendance. We also contributed to CIW's joint inspection of child protection arrangements in Pembrokeshire and their follow-up work on a Rapid Review of safeguarding.

Care Inspectorate Wales (CIW)

	Scope	Timetable	Status
CIW planned work 2025-26 Thematic reviews - Regional Adoption Collaborative (RAC) Inspections	CIW will complete 5 inspections covering all of Wales. Inspections will be conducted across the five regional adoption collaborative we will draw on the themes nationally into a national report.	April 2025 – December 2025	Inspections Pending

	Scope	Timetable	Status
Community Learning Disability Team (CLDT) Community Mental Health Inspections	In 2025-6 We will continue an annual programme of joint work focusing on CLDT and Community Mental Health Team (CMHT)	July 2025 – February 2026	Inspections Pending
Joint Inspectorate Review of Child Protection Arrangements	Joint Inspectorate Review of Child Protection Arrangements: Pembrokeshire	March 2025	Inspection delivery
Deprivation of Liberty Safeguards (Dols)	National review of the use of Deprivation of Liberty Safeguards (DoLS) in Wales 2023-24 Care Inspectorate Wales Annual Monitoring Report for Health and Social Care 2023-24	February 2025	Published
Annual Report	Chief Inspector's Annual Report 2023-2024	November 2024	Published
Mental health support for children and young people	Joint Review: How are healthcare, education, and children's services supporting the mental health needs of children and young people in Wales?	November 2024	Published
Quarter 4 Inspections	Improvement Check: Denbighshire County Council children's services	February 2025	Not yet published

	Scope	Timetable	Status
	Performance Evaluation Inspection: Newport City Council adult services	February 2025	Not yet published
	Cardiff Community Mental Health Team (CMHT)	March 2025	Inspection Pending
	Local Authority Improvement Check: Monmouthshire County Council	March 2025	Inspection Pending
Performance review of Local Authorities and Cafcass Cymru	<u>How we inspect local authority services and CAFCASS Cymru</u>		
	We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity Care Inspectorate Wales	November 2024	Published
	<u>We have revised our Code of Practice</u>		
Quarter 3 Inspections	<u>Local authority improvement check: Isle of Anglesey County Council adult services</u>	August 2024	Published
	<u>Newtown Community Mental Health Team</u>	October 2024	Published

	Scope	Timetable	Status
	<u>Local authority assurance check: Neath Port Talbot adult services</u>	November 2024	Published
	<u>Performance Evaluation Inspection (PEI): Carmarthenshire County Council's children's services</u>	December 2024	Published
	<u>Local authority assurance check letter: Caerphilly adult services Care Inspectorate Wales</u>	November 2024	Published
	<u>Local authority improvement check letter: Cyngor Gwynedd adult services Care Inspectorate Wales</u>	October 2024	Published

Audit Wales national reports and other outputs published in the last year

Report title	Publication date and link to report
Financial Management and Governance – Lessons from Audit for Community and Town Councils in Wales	March 2025
The Biodiversity and Resilience of Ecosystems Duty	March 2025
Addressing workforce challenges in NHS Wales	February 2025
Cancer services in Wales	January 2025
Local Government Financial Sustainability	December 2024
Local Government Financial Sustainability Data tool update now includes data from the draft 2023-24 accounts	December 2024
National Fraud Initiative in Wales 2022-23	October 2024
Active travel (report and data tool)	September 2024
Governance of Fire and Rescue Authorities	September 2024
Affordable housing	September 2024
NHS finances – and data tool update to 31 March 2024	August 2024

Report title	Publication date and link to report
Digital by design? - Lessons from our digital strategy review across councils in Wales	<u>August 2024</u>
Councils use of performance information: service user perspective and outcomes - A summary of findings from our review at Welsh councils	<u>July 2024</u>
The Welsh Government's support for TVR Automotive Ltd	<u>July 2024</u>
A465 Section 2 – update	<u>June 2024</u>
Community Pharmacy data matching pilot	<u>May 2024</u>
Governance of National Park Authorities	<u>April 2024</u>

Audit Wales national reports and other outputs (work in progress / planned)^{1, 2}

Title	Indicative publication date
Findings from sustainable development examinations (statutory report under the Well-being of Future Generations Act)	Late April 2025
Welsh Government capital and infrastructure investment	May 2025
Designating Sites of Special Scientific Interest – Natural Resources Wales	Spring 2025 (aim to complete during Spring but may not be published to website until later)
Challenges for the cultural sector (financial sustainability focus)	Spring 2025 (local audit work at Welsh Government arm's length bodies largely complete but reports will be published to website)
Findings from GP registration data matching pilot	Spring 2025

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow up work could also lead to other outputs, as may other investigative audit work and local audit work where we consider there is merit in a national summary output of some kind.

² Our [Annual Plan 2025-26](#) also provides an updated list of work in progress and lists plans for new work to start during 2025-26 which will be added to this paper in due course. Where national/thematic work has progressed through the planning stage, a brief summary about its focus and planned timetable is also now available on our [website work programme pages](#).

Title	Indicative publication date
Further and higher education funding and oversight – Commission for Tertiary Education and Research	Spring 2025 (for initial phase of work on setting of well-being objectives – further work to follow)
Urgent and emergency care (national messages)	Spring 2025
New Velindre Cancer Centre	Summer 2025
The senior public service	To be confirmed (scoping)
Rebalancing care and support	Autumn 2025
Tackling NHS waiting lists (local audit work at health boards)	Autumn 2025 (local work to be completed by June 2025)
Access to education for children with Additional Learning Needs	To be confirmed (scoping)
Support for business	To be confirmed (scoping)
Support for bus and rail services	To be confirmed (scoping)
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme	To be confirmed (scoping)
NHS bodies' approaches to digital transformation (local audit work)	To be confirmed (local audit work rolling out from April 2025)

Title	Indicative publication date
NHS bodies' cost savings arrangements	Spring 2025 (local audit reporting complete)

Good Practice Exchange events and resources

Title	Link to resource
Event resources: From firefighting to future-proofing: The cost of failure in financial management and governance	https://www.audit.wales/our-work/good-practice/cost-failure-financial-management-and-governance
<p>We are in the process of finalising dates for our forthcoming events which will include the following themes:</p> <ul style="list-style-type: none"> • Tackling fraud and error • The complex public service landscape • The workforce of the future • Upping the bandwidth on digital transformation • Zeroing in on the sustainable development principle • Putting value for money to the test 	We will share booking details shortly.
Podcast: Listen to our new podcast episode on avoiding failure in financial management and governance	https://www.audit.wales/news/podcast-cost-failure-governance

This page is intentionally left blank

Monmouthshire County Council – Audit Plan 2025

Audit year: 2024-25

Date issued: April 2025

Document reference: 4822A2025



Contents

Contents	2
Introduction	4
Our aims and ambitions	5
Financial audit work	6
Performance audit work	15
Other statutory audit functions	18
Audit fee	18
Audit team	21
Audit quality	22
Supporting you	23

This document has been prepared as part of work performed in accordance with statutory functions.

The Auditor General, Wales Audit Office and staff of the Wales Audit Office accept no liability in respect of any reliance or other use of this document by any member, director, officer or other employee in their individual capacity, or any use by any third party.

For further information, or if you require any of our publications in an alternative format and/or language, please contact us by telephone on 029 2032 0500, or email info@audit.wales.

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.

Introduction



Adrian Crompton

Auditor General
for Wales

I am pleased to share my 2025 Audit Plan. The Plan sets out how I will undertake your audit.

My audit team has developed the Plan following a structured and risk-based planning process, which will remain ongoing throughout the audit. My [Code of Audit Practice](#) provides further detail on how my audit and certain other functions are to be carried out by my auditors.

At the core of all our work is our commitment to maintaining the highest standards of professional integrity, objectivity, independence and audit quality. Our three lines of assurance model (page 22) sets out how we will ensure those standards of quality are met. Our latest annual quality report, [Audit Quality Report 2024](#), provides more information about our audit quality arrangements.

My audit team will work constructively with your staff to understand the issues you are facing, ensure the audit process operates as smoothly as possible, and provide valuable insights about any areas for improvement.

My local performance audit work programme, as outlined in this Plan, sits alongside other [national audit work](#) that may include coverage of your organisation. Local performance audit work may also inform wider national reporting.

Should you have any questions about your audit my audit team will be happy to discuss them with you. They will also keep you regularly updated as work progresses.

Our aims and ambitions

Our purpose



Assure people that public money is being managed well



Explain how that money is being spent



Inspire the public sector to improve

Our vision



Fully exploiting our unique perspective, expertise and depth of insight



Strengthening our position as an authoritative, trusted and independent voice



Increasing our visibility, influence, and relevance



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

Our areas of focus



A strategic, dynamic, and high-quality audit programme



A targeted and impactful approach to communications and influencing



A culture and operating model that enables us to thrive

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

Financial audit work

Audit of financial statements

I am required to issue a report on your financial statements which includes an opinion on their 'truth and fairness' and their proper preparation in accordance with accounting and legal requirements.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:

- certifying a return to the Welsh Government which provides information about the Council to support the preparation of Whole of Government Accounts;
- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary); and
- the audits of the Monmouthshire Farm School Endowment Trust Fund and Welsh Church Act Fund charity accounts.

There have been no limitations imposed on me in planning the scope of this audit.

Certification of grant claims and returns

I have also been requested to undertake certification work on the Council's grant claims, which I anticipate will include housing benefits, teachers' pensions, non-domestic rates and pooled budget returns.

Financial statements materiality

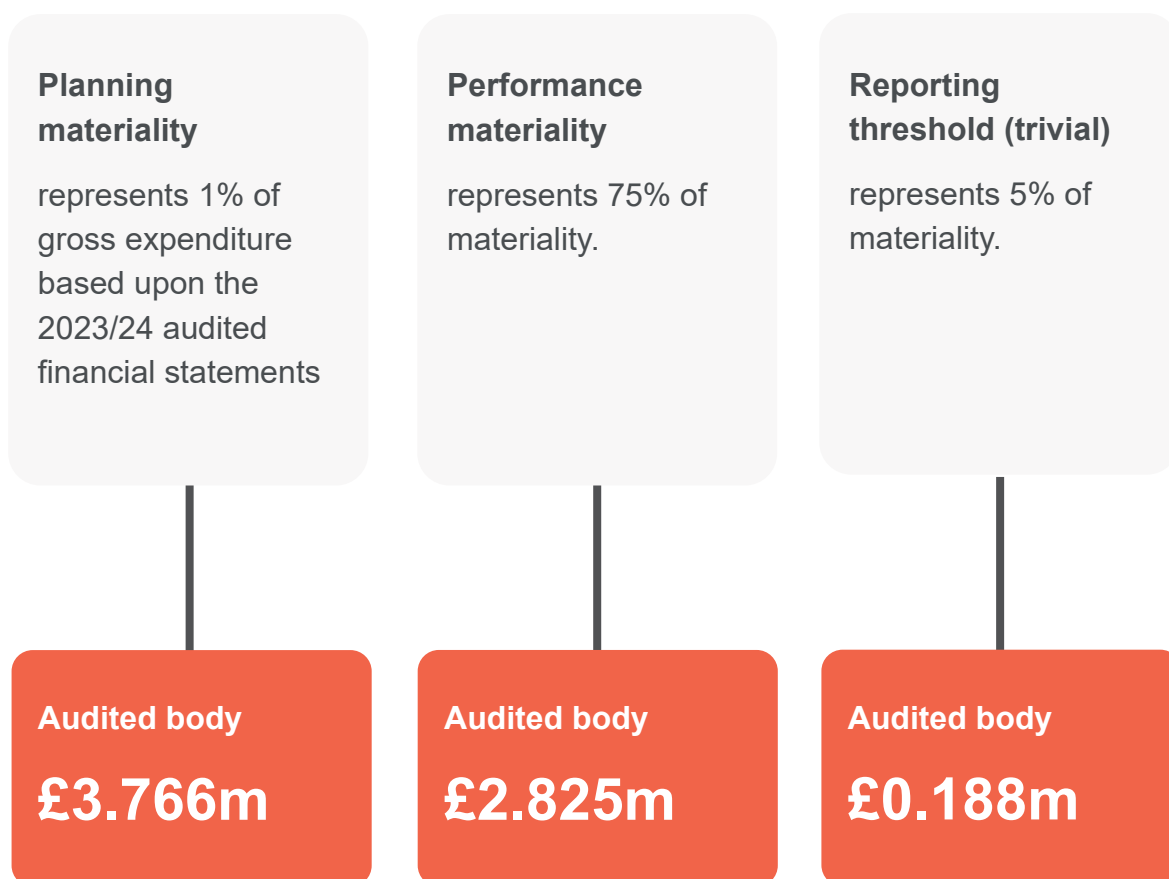
I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material and correct misstatements, that is, those that might result in a reader of the accounts being misled. Materiality applies

not only to financial misstatements, but also to disclosure requirements and adherence to the applicable accounting framework and law.

I set planning and performance materiality to:

- Determine the level of misstatement that could cause the user of the accounts to be misled;
- Assist in the scoping of our audit approach and resultant audit tests;
- Determine sample sizes;
- Assess the effect of known and likely misstatements in the financial statements; and
- Report to those charged with governance any unadjusted misstatements above a trivial level, our reporting threshold.

The levels at which I judge such misstatements to be material is set out below.



There are some areas of the accounts that may be of more importance to the user of the accounts, and we have set a lower materiality level for these:

Remuneration report	Related party disclosures (individual interests)
£5,000	£10,000

My audit team will assess materiality levels throughout the audit.

Significant financial statements risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other International Standard on Auditing (ISAs). The ISAs require us to focus more attention on these significant risks.

Risk of management override

The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].

Our planned response

My audit team will:

- test the appropriateness of journal entries and other adjustments made in preparing the financial statements;
- review accounting estimates for bias; and
- evaluate the rationale for any significant transactions outside the normal course of business.

Other areas of focus

I set out below other identified risks of material misstatement which, although not determined to be significant risks as above, I would like to bring to your attention.

Valuation of pension fund net liability/surplus

The Local Government Pension scheme (LGPS) pension fund liability, or surplus, as reflected in the financial statements is a material estimate.

The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.

The impact of economic conditions, particularly interest rate levels also has a significant impact on the liability or surplus.

There are also several legal cases potentially impacting on the valuation of the net liability.

There is a risk therefore that the liability/surplus is materially misstated.

Our planned response

My audit team will:

- evaluate the instructions issued by management to their management experts (the actuary) for this estimate and the scope of the actuary's work;
- assess the competence, capabilities and objectivity of the actuary who carried out the valuations;
- assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;
- test the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary;
- assess the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor's expert) and undertaking any additional procedures required; and
- assess whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements.

Valuation of land and buildings

The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates.

Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity, depending on the specialist and management assumptions, and changes in these can result in material changes to valuations.

Assets are required to be revalued every five years, but values may also change year on year, and there is a risk that the carrying value of assets recognised in the accounts could be materially different to the current value of assets as at 31 March 2025, particularly in the current economic environment.

My audit team will:

- review the information provided to the valuer to assess for completeness
- evaluate the competence, capabilities and objectivity of the professional valuer
- test a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements; and
- test the reconciliation between the financial ledger and the asset register.

Senior officer remuneration

There have been several new permanent and interim appointments to senior posts during 2024-25.

There is a risk that these are not appropriately disclosed in the financial statements as remuneration paid to senior officers continues to be of high interest and is material by nature.

Given that a lower materiality level is applied to this area, even low value errors in the disclosure could result a material misstatement.

Our planned response

My audit team will:

- understand the movements in the senior management team during 2024-25;
- ensure that remuneration disclosed is consistent with supporting evidence;
- ensure that amounts paid are consistent with those approved by the Council; and
- ensure that disclosures are complete based on the team's knowledge and are prepared in accordance with requirements.

Implementation of International Accounting Standard (IFRS) 16 - Leases

Local Government bodies are required to adopt IFRS16 Leases from 1 April 2024.

This significantly changes the accounting treatment and disclosures required for leased assets and means that most leases will result in an asset and liability on balance sheets.

There is a risk that the requirements of the IFRS are not appropriately adopted and as a result the financial statements are materially misstated.

Our planned response

My audit team will:

- review the Council's working papers to ensure that all leases falling within the scope of the Standard have been included in calculations;
- test a sample of asset and liability calculations to ensure that the assumptions are reasonable, and the calculations have been correctly prepared; and
- confirm that asset and liability values have been correctly accounted for and disclosed in the financial statements.

South East Wales Corporate Joint Committee (SEWCJC) transactions and balances

The transactions and balances of SEWCJC need to be recognised in the financial statements of the Council.

The Council will need to decide how to account for these in its financial statements and accounting for such arrangements is complex and requires judgement. The SEWCJC transactions and balances are also becoming increasingly complex and therefore there is a risk of material misstatement in the Council's financial statements.

Our planned response

My audit team will:

- review the Council's judgement relating to how the SEWCJC will be accounted for and confirm that this complies with the requirements of the LG Code; and
- review the process of consolidation into the Council's financial statements to confirm that transactions, balances and disclosures are complete and accurate.

Related party disclosures

The financial statements must disclose any related party relationships along with the transactions and balances between the Council and the other body/party.

The Council has many relationships that could be considered a related party. Many are well known for example, Welsh Government as funder.

However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are therefore considered to be material by their nature

Given the lower materiality level applied to this area, there is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value.

Our planned response

My audit team will:

- review the Council's process for identifying related party relationships and associated transactions and balances;
- undertake procedures to confirm the completeness of related party relationships; and
- ensure disclosures are complete, accurate, consistent with evidence and are in accordance with the Local Government Code.

Financial statements audit timetable

Below is a timetable showing the key stages of the audit and our key audit deliverables that we will provide to you.

Exhibit 1: Financial statements audit timetable

Planning January to March 2025	Planning meetings High level risk assessment procedures Fraud risk assessment Accounting estimates planning IT environment risk assessment Indicative audit fee Detailed Audit Plan
Interim February to June 2025	Understanding and documentation of Information flows Detailed risk assessment procedures IT controls review Develop testing strategy Early sample testing
Fieldwork July to October 2025	Update risk assessment Audit of financial statements to include narrative report and annual governance statement Complete audit testing Evaluate audit findings Audit closure meeting Audit of Accounts Report Recommendations for improvement Present findings to those charged with governance Auditor General certification
Reporting October to December 2025	Annual Audit Summary Post project learning








Performance audit work

Proper arrangements

As set out in the Code of Audit Practice, I must satisfy myself that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources ('value for money'), and conclude accordingly.

I do this by undertaking an appropriate programme of performance audit work each year. I base my work programme on an assessment of risks of the Council and the wider Local Government sector in Wales not having the proper arrangements in place, with the work typically focusing on the areas of greatest risk.

In designing the programme, my auditors must have considered corporate and service level arrangements, including:

- | | |
|---|---|
|  Strategic planning |  Asset management |
|  Financial planning |  Collaborative working |
|  Performance and risk management |  Overall governance. |
|  Workforce planning | |

My auditors will also have taken account of relevant work that is being undertaken or planned by other audit, regulatory and inspection bodies at the Council.

I conduct my performance audit work using the ISSAI 3000 standard developed by the International Organisation of Supreme Audit Institutions (INTOSAI). INTOSAI is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special

consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

Well-being of future generations

Section 15 of the Well-being of Future Generations (Wales) Act 2015 (the Act) requires me to carry out examinations of public bodies for the purposes of assessing the extent to which a body has acted in accordance with the sustainable development principle when setting well-being objectives and taking steps to meet those objectives.

The **Sustainable development principle** is defined as acting in a manner...

...which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.'

To do this, they must take account of the '**five ways of working**'.



Long-term



Prevention



Intergration



Collaboration



Involvement

I must carry out these examinations at each public body covered by the Act at least once during a specified period.

These could be stand-alone examinations as part of my performance audit programme. However, where relevant and appropriate to do so, my auditors will integrate the work required into other planned performance audit work for the Council. My auditors will continue to engage closely with the Office of the Future Generations Commissioner for Wales to help coordinate our respective activities.

Planned performance audit work

I set out below details of my performance audit work.

Local audit work

My planning suggests there would be value in undertaking reviews in the following areas:

- Cyber security arrangements
- Follow up of previous audit work
- Disabled Facilities Grants (DFGs)

(My team is exploring ~~doing~~ a potential review of DFGs across the South East Wales region).

My team will confirm the specific focus of my work through their liaison meetings with officers and via our work programme and timetable updates. However, my planning might also highlight other areas worthy of review so my work programme will remain flexible.

Thematic review - Responding to workforce pressures in local government

Local audit work across the 22 principal councils that will look at arrangements to secure appropriate and cost-effective resourcing of their services. This will include how councils are adapting to a changing employment market, and ways of working, when combined with financial constraints.

Timing of Performance Audit Work

My team will work with officers in the Council to arrange appropriate timescales for the individual projects and these will be communicated through our work programme and timetable updates. My auditors aim to substantially complete the performance audit work set out in this plan by the end of June 2026.

Other statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. The Public Audit (Wales) Act 2004 sets out these responsibilities:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the fee below. If I do receive questions and objections, my auditors will discuss the potential impact on audit fees with the [responsible finance officer].

Audit fee

In January 2025 we published our [2025-26 Fee Scheme](#) following approval by the Senedd Finance Committee which details the average increase to fee rates of 1.7%.

The actual fee that any individual audited body will pay depends not just on our fee rates but on the quantum of work and the skill mix required.

In 2022-23 you will recall that we implemented a fundamentally different audit approach for our financial audit work, required by new international auditing standards. This required a richer, more costly skill mix that was reflected in higher fees. We have now reviewed the implementation of this new audit approach and identified efficiencies which allow us to reduce our fee for the audit of the financial statements by 3%.

The average fee increase has been applied as an estimate to the other areas of my audit work.

Your estimated total audit fee: £390,438

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without my auditors first discussing them with the Deputy Chief Executive & Strategic Director – Resources. **Exhibit 2** sets out a further breakdown of your estimated audit fee.

I base my audit fee on the following assumptions:

- The agreed audit deliverables set out the expected working paper requirements to support the financial statements and include timescales and responsibilities.
- The audit requirements of my individual performance audit projects are met by the audited body, or suitable alternative arrangements are put in place that satisfy the needs of my audit team.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

Exhibit 2: Breakdown of my estimated audit fee for 2025 (and 2024 for comparison)

Estimated fee for 2025 (£)¹

Audit of financial statements ²	Performance audit work ³	Grant certification work ⁴	Other financial audit work ⁵
£216,297	£120,664	£43,291	£10,186
Total fee: £390,438			

Actual fee for 2024 (£)

Audit of financial statements	Performance audit work	Grant certification work	Other financial audit work
£223,447	£118,647	£42,568	£10,016
Total fee: £394,678			

¹ The fees shown in this document are exclusive of VAT.

² Payable November 2024 to October 2025

³ Payable April 2025 to March 2026.

⁴ Estimated and payable as work is undertaken.

⁵ Audit of the 2024-25 Monmouthshire Farm School and Welsh Church Act accounts

Audit team

My audit team will continue to work and engage remotely using technology, but some on-site audit work will occur where it is appropriate to do so.

Audited bodies have a responsibility to ensure the safety and wellbeing of Audit Wales staff when they are on your premises.

The main members of my team, together with their contact details, are summarised in **Exhibit 3**.

Exhibit 3: My local audit team

Engagement Director	Gareth Lucey Gareth.Lucey@audit.wales	
	Financial Audit	Performance Audit
Engagement Lead	Gareth.Lucey Gareth.Lucey@audit.wales	Gary Emery Gary.Emery@audit.wales
Audit Manager	Steve Wyndham <u>Steve.Wyndham@audit.wales</u>	Colin Davies <u>Colin.Davies@audit.wales</u>
Audit lead	Julie Owens <u>Julie.Owens@audit.wales</u>	Charlotte Owen <u>Charlotte.Owen@audit.wales</u>

I can confirm that my team members are all independent of the Council and your officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

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 the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



Our People

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



Arrangements for achieving audit quality

Selection of right team

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



Independent assurance

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

Supporting you

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

Visit our [website](#) to find:



Our [publications](#) which cover our audit work at public bodies.



Information on our upcoming work and forward work programme for [performance audit](#).



[Data tools](#) to help you better understand public spending trends



Details of our [Good Practice](#) work and events including the sharing of emerging practice and insights from our audit work.



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



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.



**SUBJECT: INTERNAL AUDIT
OPERATIONAL PLAN 2025/26**

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

1. PURPOSE

To receive and consider the Internal Audit Operational Plan for 2025/26.

2. RECOMMENDATION(S)

That the Governance and Audit Committee reviews, comments on and approves the Internal Audit Plan 2025/26.

3. KEY ISSUES

- 3.1 This report aims to inform Members of the Governance and Audit Committee of the work to be undertaken by the Internal Audit Section at an operational level for 2025/26. It identifies why the Council operates an Internal Audit function, the resources currently available and how they will be applied across the services of Monmouthshire County Council to give management assurance that systems are working as intended.
- 3.2 'Internal auditing plays a critical role in enhancing an organisation's ability to serve the public interest. While the primary function of internal auditing is to strengthen governance, risk management, and control processes, its effects extend beyond the organisation. Internal auditing contributes to an organisation's overall stability and sustainability by providing assurance. This, in turn, fosters public trust and confidence in the organisation and the broader systems of which it is a part.' (Global Internal Audit Standards 2024)
- 3.3 The planning process takes into account all possible systems, processes, sections and establishments that could possibly be audited within Monmouthshire, our 'Audit Universe'. This includes all services, activities and functions which MCC commissions and/ or delivers itself, via a third party or a collaborative / partnership arrangement. Key parts of this process involve an annual review of the corporate

risk register and consultation with the Strategic Leadership Team, Chief Officers and Heads of Services across the Authority inviting them to highlight any emerging or changing risk profiles within their own service areas.

- 3.4 The financial position of the Council has also been considered when developing this audit plan. The financial challenges of the council impacts on operational service delivery as and a consequence impacts on the risk appetite of the Council.
- 3.5 Consideration is given to over 300 possible areas to audit across all services provided by Monmouthshire which are risk assessed and allocated a high, medium or low risk. The audit team staff resources would then be allocated to cover the higher ranked risks as appropriate. That said, inevitably there will be reviews which the audit team have to undertake annually such as the annual governance statement, mandatory grant claim audits and audit advice, which have also been incorporated into the plan, along with follow up reviews, finalisation work and planned work from the previous year not undertaken.
- 3.6 An allocation of time is included in the plan for reactive work and special investigations where the team might receive allegations of fraud, theft, non-compliance etc. The plan also needs to be flexible enough to respond to changes to risk profiles and other developments in year; the audit management team will continually monitor this situation.
- 3.7 For 2025/26, the total available days amounted to 1,295, based on 5 FTE auditors in the team for the full year. An allowance for leave, sickness, training, management time and admin is deducted from this to give the total number of operational audit days in the year.
- 3.8 Total operational audit resources amounts to **791 days**, which will be allocated across service directorates on a risk basis (summary shown at Appendix 1). This includes 70 days for special investigations and reactive work.
- 3.9 Historically, the time allocated to reactive work and special investigations is usually a pressure point. The number of days allocated within the 2025/26 plan will remain at the reduced amount of 70 days. If time intensive investigation(s) or reactive work is required, this may impact on the resource available to complete planned audit work and therefore meet the team's performance target. This will be mitigated this year by the introduction of the Counter Fraud Officer who's time has not been included within the above calculations.
- 3.10 It was noted that if the Internal Audit service were to complete a review of each of the areas which had not yet been audited or were due an audit review within 2025/26 the resource required for the team would amount to circa 4,282 audit days. Therefore, the audit plan has had to be risk assessed and prioritised to match the current resource of the team.

- 3.11 Chief Officers and Heads of Service were given the opportunity to contribute to and shape this plan. The initial draft plan was discussed and refined through meetings with the Strategic Leadership Team, Chief Officers and their Department Management Teams.
- 3.12 A copy of the draft Internal Audit plan was due to presented to the meeting of the Governance & Audit Committee on the 13th March 2025. However, as this meeting was cancelled, a copy of the draft audit plan was emailed to members as an opportunity to provide comment and requests. These have been taken into account when devising the final version of the 2025/26 plan along with any further management requests.
- 3.13 The changes between the original plan provided to Committee Members via email and this 'final' version of the plan are as follow;
- Addition of an audit of the 'Evolve' system following concerns being raised.
 - Addition of Markets, Monmouthshire Leisure Centre and MyMates which were all work in progress at year end.
 - Addition of Pupil Referral Service Follow-up review following an unfavourable opinion being issued.

To enable the above audit reviews to be added to the plan, a prioritisation and risk review has been conducted and the following reviews have unfortunately had to be postponed to a future year. If time does become available during year, these will be prioritised for review;

- Magor Hub
 - Severn View Care Home
- 3.14 Two further unfavourable opinions were issued during quarter 4 of the 2024/25 year. These reviews have not been included within the 2025/26 audit plan as the reports have yet to be finalised and it is reasonably believed that due to the actions which would be required to implement the recommendations, an audit within the 2025/26 year would not give the service area sufficient time to firstly implement the changes and then enough time for them to become embedded. These follow-up reviews will be undertaken during the 2026/27 financial year;
- Supply Teachers (Procurement)
 - Communities & Place Contract Management
- 3.15 This plan may change as the year progresses if the risk profile of audit work changes. It is intended that this audit plan remains fluid and will be dependent on any new priorities or emerging risks to the Council. The plan will be reviewed quarterly by the Acting Chief Internal Auditor and discussed with the Deputy Chief Executive / Chief Officer for Resources and the Chair of the Governance and Audit Committee as and when necessary. Any significant change to the agreed plan will be brought back to the Governance and Audit Committee for approval.

- 3.16 The Governance and Audit Committee will be kept updated with the progress against the agreed plan via quarterly reports presented by the Acting Chief Internal Auditor.
- 3.17 Staff within the section have appropriate professional qualifications. They also have considerable experience of working within the local authority and audit environment. The Acting Chief Internal Auditor is a Chartered Member of the Institute of Internal Auditors (IIA) UK & Ireland and is a Certified Internal Auditor with the IIA Global. He has extensive working knowledge of internal audit practices within the public sector. The other members of the team are either Chartered or Certified members of the IIA (2) or preparing to undertake formal training (2).
- 3.18 Audit management will continue to support professional and work related training in order to enhance the Section's effectiveness in service delivery in line with the Council's management expectations and the Global Internal Audit Standards. This will ensure that all staff are kept up to date with developments in auditing techniques and changes within local government which may impact on the provision of the service.
- 3.19 Consideration has been given to the appropriate level of resources for Internal Audit at Monmouthshire County Council. The current establishment of 5 audit staff remains just about adequate for the current level of assessed risk as outlined above; a greater audit resource could provide a greater assurance to management and allow the section to be even more responsive to changing priorities and risk profiles throughout the year. Any unplanned absences such as long-term sickness, secondments or prolonged special investigations could significantly affect the audit plan as cover is limited.
- 3.20 To seek to maximise performance against the plan, Audit Management will continue to ensure audit reports are more focused and timely, that staff with the right skill sets are allocated to appropriate work and non-productive time is minimised.

4. REASONS

- 4.1 The 2025/26 Internal Audit Plan is attached at Appendix 2 to this report. Audit jobs within the plan have been risk assessed and prioritised and matches the audit resources available for the year. This will be reviewed on an annual basis in order to determine the appropriateness of the risk assessment each year where audit resources will be deployed to cover the higher risk reviews.

45 (47) audit opinion and 21 (25) non-opinion jobs have been incorporated within the 2025/26 Plan. (previous year in brackets)

It is the opinion of the Acting Chief Internal Auditor that this will be sufficient audit work and coverage to provide an informed end of year opinion.

- 4.2 The Operational Plan has been updated to take account of:
- a) The Authority's latest Risk Assessment;
 - b) New areas for inclusion in the Plan identified from changes to legislation and the regulatory framework for local government and from ongoing discussions with service managers;
 - c) Areas of slippage from previous Operational Plans; and
 - d) The published Regulatory Plan produced by Audit Wales.
- 4.3 Each review will be risk assessed and categorised as High, Medium or Low risk. Within the cycle of audits the team would aim to cover the higher risk areas as a priority but also provide coverage across directorates with lower risk services. All fundamental financial systems may now not be covered on an annual basis, especially if they have been previously determined as well controlled, with no significant changes to the system or to personnel. We will ensure that these are incorporated within the plan every few years to provide ongoing assurance.
- 4.4 Consultation was undertaken, with meetings and email correspondence to the various Heads of Service, managers and finance representatives of each directorate.
- 4.6 An Annual Report will be prepared for the Governance and Audit Committee to provide appropriate assurance via the Chief Internal Auditor's annual opinion, along with details on the performance of the Section against the Operational Plan. Interim progress reports will also be provided to the Committee quarterly.
- 4.9 The Governance & Audit Committee are responsible as per their Terms of Reference to approve and monitor the Internal Audit plan over the course of the financial year. Quarterly reports shall be presented promptly by the Chief Internal Auditor, informing the Committee of the current progress against the approved plan, the opinions issued and a summary of all unfavourable reports. The Committee's role is to hold officers to account and provide oversight of the audit process and the organisation's system of internal control.

5. RESOURCE IMPLICATIONS

None.

6. CONSULTEES

Strategic Leadership Team

Directorate Management Teams
Governance & Audit Committee

7. BACKGROUND PAPERS

Strategic Internal Audit Plan 2025/26
Global Internal Audit Standards
Internal Audit Charter
Internal Audit Strategy

8. AUTHOR AND CONTACT DETAILS

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

Directorate Summary

Appendix 1

Directorate	Days	Allocation of Audit Resources	Opinion jobs	Non Opinion Job
Resources	115	15%	6	2
Law & Governance	25	3%	1	2
Learning, Skills & Economy	179	23%	13	2
Social Care & Health	108	14%	6	4
Infrastructure	55	7%	3	2
Place	56	7%	3	2
Housing	33	4%	2	2
Customer, Culture and Wellbeing - MonLife	65	8%	5	2
People, Performance and Partnerships	76	10%	5	2
Corporate Work	9	1%	1	1
Total Planned Work	721	91%	45	21
Reactive Work & Special Investigations	70	9%		
Total All Audit Work	791	100%		

Internal Audit Operational Plan (2025-26)

Appendix 2

Resources	Last Review	Audit Due	Risk	Days
Finance - Corporate Accountancy				
Budgetary Control (Revenue)	2021/22	No		
Budgetary Control (Capital)	2014/15	Yes	H	20
Treasury Management	2018/19	Yes		
Fixed Assets	2021/22	No		
Capital Receipts	2016/17	Yes		
Insurances	2023/24	No		
Grant Administration	Never	Yes		
Reserves	Never	Yes		
Welsh Church Fund	Never	Yes		
Finance - Revenues, Systems & Exchequer				
Bank Reconciliations	2019/20	Yes		
Bank Transfer Payments	2018/19	Yes		
Control, Suspense & Holding Accounts	2021/22	No		
System Administration & Security	2020/21	No		
Taxation (VAT)	Never	Yes		
IR35 Regulations	2018/19	Yes		
Corporate Sundry Debtors	2024/25	No		
Cashiers	2019/20	Yes		
Cash Collection & Banking Services	Never	Yes		
Till Floats	2024/25	No		
Creditor Payments	2023/24	No		
Procurement Cards (Follow-up)	2024/25	No	H	15
Lodged Cards	Never	Yes		
Imprest Accounts	2023/24	No		
Revenues Shared Service	2023/24	No		
- Council Tax	2023/24	No		
- National Non Domestic Rates (NNDR)	2022/23	No		
- Benefits	2023/24	No		

Digital Design & Innovation				
Digital Projects	Never	Yes	M	20
GIS	Never	Yes		
AI & Co-Pilot	Never	Yes		
IT Procurement	2017/18	Yes		
Information, Technology & Security				
Data Protection	2019/20	Yes		
Freedom of Information	2022/23	No		
Subject Access Requests	2019/20	Yes		
SRS Client Management	Never	Yes		
Mobile Telephony	2018/19	Yes		
- InTune	Never	Yes		
- Mobile Phones	2018/19	Yes		
- Teams Telephony	Never	Yes		
Information Security	Never	Yes		
PCI Compliance	Never	Yes		
CCTV	Never	Yes		
IT Assets	Never	Yes		
- Hardware	Never	Yes		
- Software & Systems	Never	Yes		
SharePoint	Never	Yes		
Health & Safety				
Policy, Training & Awareness	2019/20	Yes		
Asbestos Management	Never	Yes		
Fire Safety	Never	Yes		
Building Security	Never	Yes		
Risk Assessments	Never	Yes		
Accident & Incident Reporting	Never	Yes		
Violence at Work	Never	Yes		
Lone Working	Never	Yes		
Legionella	Never	Yes		

Landlord & Commercial Services				
Asset Management	2012/13	Yes		
- Investments	2021/22	No		
- Building Usage & Management	Never	Yes		
- Industrial & Retail Units	Never	Yes		
- County Farms	2016/17	Yes		
- Allotments	Never	Yes		
Property Services				
- Helpdesk / Reactive Maintenance	2024/25	No		
- Planned Maintenance	2013/14	Yes		
- Capital Projects	Never	Yes		
- Building Compliance	2022/23	No	H	18
Cemeteries	2023/24	No		
Facilities & Building Cleaning (Follow-up)	2024/25	Yes	M	12
Procurement				
Ardal Partnership Management	Never	Yes		
Strategic Procurement	2019/20	Yes	H	20
Contract Register	Never	Yes		
CPR Exemptions	Never	Yes		
General				
Audit Advice	Annual	Yes		6
Finalisation of previous year's audits (work in progress)	Annual	Yes		2
Monitoring Implementation of Previous Recommendations	Annual	Yes		2
				115
Law & Governance	Last Review	Audit Due	Risk	Days
Local Democracy				
Democratic Services & Governance	2023/24	No		
Chair's Office	Never	Yes		
Member Allowances & Expenses	2010/11	Yes		

Electoral Registration	2023/24	No		
Legal				
Land Charges	2022/23	No		
Litigation				
- Welfare and Family Law	Never	Yes	M	20
- Civil Litigation	Never	Yes		
Legal Services	2006/07	Yes		
General				
Audit Advice	Annual	Yes		4
Finalisation of previous year's audits (work in progress)	Annual	Yes		0
Monitoring Implementation of Previous Recommendations	Annual	Yes		1
				25
Learning, Skills & Economy	Last Review	Audit Due	Risk	Days
Inclusion				
Healthy Schools	Never	Yes		
Pupil Referral Service (Follow-up)	2024/25	Yes	H	12
Education Other than at School (EOTAS) Service	Never	Yes		
Additional Learning Needs (ALN)	2024/25	Yes		
Educational Psychology Service	Never	Yes		
Vulnerable Learners	Never	Yes		
Achievement & Attainment				
School Standards	Never	Yes		
Early Years Service	2021/22	No		
- Non Maintained Settings	Never	Yes		
Family Information Service	Never	Yes		
Flying Start	2023/24	No		
Acorn Project - Families First	Never	Yes		
Education Achievement Service (EAS) Relationship Management	Never	Yes		
Education Welfare Service	Never	Yes	M	18

School Attendance	Never	Yes		
Resources & School Support				
School Budgets				
- Fair Funding Scheme	Never	Yes		
- School Budget Monitoring	Never	Yes		
- Deficit Recovery Planning	Never	Yes		
- Planning of School Places	Never	Yes		
Post 16 Education	Never	Yes		
Parent Pay	2017/18	Yes		
Universal Free School Meals	New	Yes		
School Private Funds	2017/18	Yes		
Educational Trips & Visits (Evolve system)	2019/20	Yes	M	15
School Admissions & Appeals	2016/17	Yes	M	20
Breakfast Clubs	2013/14	Yes		
School Data & Statutory Returns (PLASC)	Never	Yes		
Monmouthshire Farm School Endowment Trust	Never	Yes		
Sustainable Community for Learning				
Schools Modernisation Programme (21st Century Schools)	2017/18	Yes		
Primary Schools				
Archbishop Rowan Williams Church in Wales Primary	2023/24	No		
Cantref Primary	2019/20	Yes		
Castle Park	2019/20	Yes		
Cross Ash Primary	2024/25	No		
Deri View Primary	2022/23	No		
Dewstow Primary	2022/23	No		
Durand Primary	2023/24	No		
Gilwern Primary	2018/19	Yes		
Goytre Fawr Primary	2018/19	Yes	M	10
Kymin View Primary	2018/19	Yes		
Llandogo Primary	2022/23	No		
Llanfoist Fawr	2019/20	Yes		

Llantilio Pertholey Primary	2023/24	No		
Llanvihangel Crucorney	2022/23	No		
Magor Church in Wales Primary	2018/19	Yes		
Osbaston Primary	2017/18	Yes	M	10
Our Lady & St Michaels RC	2023/24	No		
Overmonnow Primary	2022/23	No		
Pembroke Primary	2023/24	No		
Raglan VC Primary	2018/19	Yes		
Rogiet Primary	2024/25	No		
Shirenewton Primary	2018/19	Yes		
St Mary's RC Primary	2018/19	Yes	M	10
The Dell Primary	2023/24	No		
Thornwell Primary	2024/25	Yes	M	10
Trellech Primary	2024/25	No		
Undy Primary	2019/20	Yes		
Usk Church In Wales Primary	2018/19	Yes		
Ysgol y Fenni	2019/20	Yes	M	10
Ysgol y Ffin	2018/19	Yes		
Ysgol Gymraeg Trefynwy	New	Yes		
Secondary Schools				
Caldicot School (Follow-up)	2024/25	Yes	H	14
Chepstow School	2023/24	No		
King Henry VIII School (3-19)	Never	Yes		
Monmouth Comprehensive School	2018/19	Yes	M	15
Schools General				
Schools Control Risk Self Assessments	Annual	Yes	M	10
Schools Financial Regulations Training	Annual	Yes		
Supply Teachers	2024/25	No		
Emergency Planning				
Civil Contingencies (Business Continuity Planning)	2019/20	Yes		

Employment, Economy & Skills				
Employment Programmes	Never	Yes		
Shared Prosperity Fund	Never	Yes	M	15
Economic Development	Never	Yes		
Business Support	Never	Yes		
General				
Audit Advice	Annual	Yes		6
Finalisation of previous year's audits (work in progress)	Annual	Yes		2
Monitoring Implementation of Previous Recommendations	Annual	Yes		2
				179
Social Care, Safeguarding and Health	Last Review	Audit Due	Risk	Days
Adult Services				
Internal Domiciliary Care	2021/22	No		
External Domiciliary Care	2013/14	Yes		
Community Care Team	Never	Yes		
Carers Service	2022/23	No		
Commissioning & Contracts	2023/24	No		
Respite Care	Never	Yes		
My Mates (2024/25)	2024/25	Yes	M	4
My Day My Life / My Support Service	2018/19	Yes		
Day Centres	2012/13	Yes		
Mental Health Service	Never	No		
Occupational Therapy	Never	No		
Direct Payments	2021/22	No		
Mardy Park (Follow-up)	2024/25	Yes	H	12
Mardy Park Residential (Deri Wing)	2016/17	Yes		
Monnow Vale	Never	Yes		
Community Meals Service	2015/16	Yes		
Lavender Gardens	Never	Yes		
Frailty Service (Reablement)	Never	Yes		
Severn View Park (Part Follow-up)	New	Yes		
Community Learning Disability Team (CLDT)	Never	Yes		

Deprivation of Liberty Safeguards (DoLS)	Never	Yes	H	18
Transformation				
Systems				
- Flo / Plant	Never	Yes		
- New Community Care System	New	Yes		5
Business Support Team	Never	Yes		
Workforce Development & Training	Never	Yes		
Safeguarding				
Corporate Safeguarding	2020/21	Yes		
CLA Savings (Follow-up)	2023/24	Yes	H	12
Childrens Services				
Children With Disabilities	2022/23	No		
Long Term Support Team	2023/24	No		
Family Support & Protection	Never	Yes		
Children's Services Transport Costs	Never	Yes		
Children's Services Imprest Account	2020/21	No		
St. David's Day Fund	2024/25	No		
External Placements & Commissioning	2018/19	Yes		
Youth Offending Service	2023/24	No		
Family Support Team (Early Help)	Never	Yes		
Fostering Service	2022/23	No		
Therapeutic Practice	2023/24	No		
Family Time Team	Never	Yes		
MyST	Never	Yes	M	18
New Childrens Home	New	Yes		
Eliminating Profit from Childrens Social Care	New	Yes		
Adoption	Never	Yes		
Post 16 Pathway	Never	Yes		
Social Services Finance				
Social Services Creditors	Never	Yes		

Social Services Debtors	2019/20	Yes		
Financial Assessments	2020/21	No		
Appointeeships & Deputyships	2023/24	No		
Public Protection				
Environmental Health	Never	Yes		
Food Safety	Never	Yes	M	15
Trading Standards	2023/24	No		
Animal Welfare	2023/24	No		
Licensing				
- Alcohol	2017/18	Yes		
- Taxi	2017/18	Yes		
- Other Licenses	Never	Yes		
Registration Services	2024/25	No		
General				
Audit Advice	Annual	Yes		12
Financial Assessments	Annual	Yes		8
Finalisation of previous year's audits (work in progress)	Annual	Yes		2
Monitoring Implementation of Previous Recommendations	Annual	Yes		2
				108
Infrastructure	Last Review	Audit Due	Risk	Days
Transport				
Passenger Transport Unit				
- Home to School Transport	Never	Yes		
- Social Services Commissioning	2024/25	No		
- ALN Commissioning	2024/25	No		
- Personal Transport Budgets	2018/19	Yes		
- Concessionary Travel	2022/23	No		
- Community Transport	Never	Yes		
- Private Hire	2017/18	Yes		

Fleet				
- Commissioning, Purchase & Disposal	Never	Yes		
- Vehicle Management	2022/23	No		
- Maintenance	2022/23	No		
- Vehicle Usage & Trackers	Never	Yes		
- Fuel Cards	2017/18	Yes	M	15
Decarbonisation	Never	Yes		
Transport Planning, Policy & Strategy	Never	Yes		
Neighbourhood Services				
SWTRA	2017/18	Yes		
Street Lighting	2020/21	No		
Stores	2021/22	No		
Highways Operations	2019/20	Yes		
Winter Maintenance	2023/24	No		
Waste & Recycling				
- Garden Waste	2016/17	Yes		
- Commercial Waste	Never	Yes	M	15
- Residential Waste	2023/24	No		
- Recycling (Commercial & Residential)	Never	Yes		
- Civic Amenity Site(s)	2018/19	Yes		
- ReUse Shop	Never	Yes		
Street Cleansing	2022/23	No		
Grounds Maintenance	2015/16	Yes	M	15
Tree Preservation, Surveys & Inspections	Never	Yes		
Public Conveniences	Never	Yes		
Highway Projects, Design & Asset Management	Never	Yes		
Streetworks	2017/18	Yes		
Traffic Management & Road Safety	2024/25	No		
Strategic Energy & Decarbonisation	Never	Yes		
General				
Audit Advice	Annual	Yes		6
Finalisation of previous year's audits (work in progress)	Annual	Yes		2

Monitoring Implementation of Previous Recommendations	Annual	Yes		2
				55
Place	Last Review	Audit Due	Risk	Days
Development Control				
- Planning Applications	2023/24	No		
- Planning Enforcement	Never	Yes		
- Historic Building Conservation	Never	Yes		
- Tree Preservation, Surveys & Inspections	Never	Yes		
- Planning Obligations (S106)	2017/18	Yes	H	18
- Local Development Plan	2021/22	No		
Building Control	2015/16	Yes		
Highways Development	Never	Yes		
Flood Risk Management	Never	Yes	M	15
Regeneration				
- Placemaking	Never	Yes		
- Civil Parking Enforcement	2021/22	No		
- Car Parks	2024/25	No		
- Residential Parking Permits	Never	Yes		
- Digital Infrastructure	Never	Yes		
Catering			M	18
- Schools Catering	2015/16	Yes		
- Corporate Catering	Never	Yes		
Sustainable Food Projects	Never	Yes		
General				
Audit Advice	Annual	Yes		4
Finalisation of previous year's audits (work in progress)	Annual	Yes		0
Monitoring Implementation of Previous Recommendations	Annual	Yes		1
				56
Chief Executives – Housing, Rural Development & Strategic Partnerships	Last Review	Audit Due	Risk	Days
Housing Support Grant	Annual	Yes	M	10
Strategic Housing				

- Private Sector Leasing	2023/24	No		
- Severn Scheme	New	Yes		
Housing Options	2024/25	No		
Homelessness	2024/25	No		
Housing Support - Youth	Never	Yes		
Sustainable Living				
- Disabled Facilities Grants	2021/22	No		
- Housing Strategy & Policy	Never	Yes		
- Assistive Technology	2012/13	Yes	M	18
- Equity Release Loans / Home Improvement Loans	Never	Yes		
General				
Audit Advice	Annual	Yes		4
Finalisation of previous year's audits (work in progress)	Annual	Yes		0
Monitoring Implementation of Previous Recommendations	Annual	Yes		1
				33
Customer, Culture and Wellbeing - MonLife	Last Review	Audit Due	Risk	Days
Leisure Services				
Abergavenny LC	2012/13	Yes		
Caldicot LC	2013/14	Yes		
Chepstow LC	2014/15	Yes		
Monmouth LC (2024/25)	2024/25	Yes	M	8
Memberships	2013/14	Yes		
Sports Development	2017/18	Yes		
Visitor Attractions				
Caldicot Castle	2022/23	No		
Old Station, Tintern	2023/24	No		
Museums Service	2013/14	Yes	M	15
- Shire Hall	2021/22	No		
- Abergavenny Museum	2013/14			
- Chepstow Museum	2013/14			
Borough Theatre	2018/19	Yes		

Community Hubs, Education & Libraries				
Abergavenny Hub	2016/17	Yes		
Caldicot Hub	2016/17	Yes		
Chepstow Hub	2016/18	Yes		
Monmouth Hub	2016/19	Yes		
Usk Hub	2016/20	Yes		
Usk Post Office	2024/25	No		
Library Service	2012/13	Yes		
Community Hubs, Customer Care & Contact				
Contact Centre	2024/25	No		
Community Learning	2011/12	Yes		
Environment & Culture				
Outdoor Adventure	2015/16	Yes		
Countryside	2023/24	No		
Chepstow TIC	2011/12	Yes		
Youth Service	2019/20	Yes		
Duke of Edinburgh	2019/20	Yes	H	15
Playschemes	Never	Yes		
Destination Management & Tourism	Never	Yes		
Volunteering / Community Support	2018/19	Yes		
Markets (2024/25)	2017/18	Yes	M	15
Active Travel, Communications & Engagement				
Communications	Never	Yes		
MCC Website	Never	Yes		
Active Travel	2023/24	No		
General				
Point of Sale System	2023/24	No		
Control Risk Self-Assessments	Annual	Yes	M	6

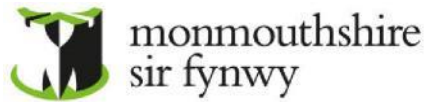
Audit Advice	Annual	Yes		4
Finalisation of previous year's audits (work in progress)	Annual	Yes		0
Monitoring Implementation of Previous Recommendations	Annual	Yes		2
				65
People, Performance and Partnerships	Last Review	Audit Due	Risk	Days
Human Resources				
Term Time Working	2019/20	Yes		
Management of Attendance	2020/21	No		
Organisational Structure	Never	Yes		
Redundancy	Never	Yes		
HR Policies	2018/19	Yes		
Job Evaluation / Equal Pay (Follow-up)	2024/25	Yes	H	10
Honaraium & Market Forces Payments	Never	Yes		
Grievence Management	Never	Yes		
Disciplinary Management	Never	Yes		
Employee Performance Management	Never	Yes		
Agency Staff	2021/22	No		
New Starters & Safer Recruitment	Never	Yes		
Leavers	Never	Yes		
Gender Pay Gap Reporting	Never	Yes		
Employee Contracts	Never	Yes		
Employee Disclosure and Secondary Employment	Never	Yes		
Gifts & Hospitality	Never	Yes		
Systems & Payroll				
Payroll System	2022/23	No		
Employee Travel & Mileage Claims (Follow-up)	2023/24	Yes	H	10
Employee General Expenses (Follow-up)	2023/24	Yes	H	10
Recruitment & Selection	Never	Yes	H	18
Overtime & Additional Hours	Never	Yes		
ResourceLink & MyView Access	Never	Yes		

Organisation & Workforce Development				
Thingi (Training & Development System)	New	Yes		
OD Strategy	Never	Yes		
Customer Relations				
Corporate Complaints, Comments & Feedback	2019/20	Yes	H	18
Scrutiny				
Scrutiny	Never	Yes		
Performance & Data Insight				
Risk Management	2023/24	No		
Service Business Plans	2024/25	No		
Performance Indicators	2019/20	Yes		
Partnership Assurance	2023/24	No		
Equalities & Welsh Language				
Equalities	Never	Yes		
Welsh Language Compliance	Never	Yes		
Strategic Partnership				
Community Safety	Never	Yes		
Refugee & Resettlement	Never	Yes		
Sustainability				
Climate Change	2023/24	No		
Well Being of Future Generations Act	2018/19	Yes		
General				
Audit Advice	Annual	Yes		8
Finalisation of previous year's audits (work in progress)	Annual	Yes		0
Monitoring Implementation of Previous Recommendations	Annual	Yes		2
				76

Corporate Work	Last Review	Audit Due	Risk	Days
Annual Governance Statement	Annual	Yes		5
National Fraud Initiative (NFI)	Annual	Yes		4
Corporate Governance	Never	Yes		
Culture & Ethics	2020/21	No		
Business Continuity Planning	2019/20	Yes		
Compliance with Bribery Act	2021/22	No		
Corporate Governance Working Group	Annual	Yes		
Financial Monitoring Board	Annual	Yes		
Fleet Management Board	Annual	Yes		
Anti Fraud, Corruption & Bribery training	Annual	Yes		
City Deal	Never	Yes		
				9

Required Days	721
Available Resource (Days)	721
Plan Balance	0
Reactive Work	70
Total Audit Days	791

This page is intentionally left blank



SUBJECT:	INTERNAL AUDIT Monitoring Implementation of Previous Recommendations 2023/24
DIRECTORATE:	Resources
MEETING:	Governance & Audit Committee
DATE:	May 2025
DIVISION/WARDS AFFECTED:	All

1. PURPOSE

To provide the Governance & Audit Committee with an update on the progress operational managers have made against implementing Internal Audit recommendations issued during the 2023/24 financial year.

2. RECOMMENDATION(S)

That the Governance & Audit Committee note this report and the actions taken by operational managers.

3. KEY ISSUES

- 3.1 A requirement of the Public Sector Internal Audit Standards (PSIAS) is to monitor and ensure that management actions (recommendations) have been effectively implemented or that senior management have accepted the risk of not taking action (2500.A1).
- 3.2 As part of the Internal Audit Plan for 2024/25, follow-up work was undertaken to ensure that all audit reports issued during the 2023/24 year were revisited and the status of each recommendation confirmed.
- 3.3 The follow-up work was conducted January and February 2025 and excluded those reviews which had previously been issued with an unfavorable audit opinion. This was due to where unfavorable opinions had been issued, these audit reviews would then be subject to a formal follow-up audit visit. The outcome of these formal follow-up reviews would be reported to the Governance & Audit Committee separately.
 - Chepstow School – Reasonable Assurance
 - Commissioning & Contracts – Reasonable Assurance
 - Private Sector Leasing – Reasonable Assurance
 - CLA Savings – not yet followed up
 - Employee General Expenses – not yet followed up
 - Employee Travel Claims – not yet followed up
 - Democratic Services & Governance – Reasonable Assurance
 - Till Floats – Reasonable Assurance

- 3.4 Where a follow-up review had been conducted during the previous year which warranted an improved opinion, any remaining recommendations would be included as part of this process.
- 3.5 Our approach to completing this follow up exercise was based around the fact that all audit recommendations and the associated action plans are for managers to implement within the agreed timescales. The most effective use of internal audit resource was to contact managers to complete a self-assessment, providing detail with regards to the progress made. Internal Audit reviewed the responses received to provide assurance to both senior management and the Governance & Audit Committee that appropriate action had been taken. No specific audit testing has been undertaken and reliance was placed on operational managers in providing a true and fair appraisal of the progress made to date in the implementation of recommendations.
- 3.6 Internal Audit have previously been working with the Digital Design and Innovation team to create an 'Internal Audit Recommendation Tracker' App. Due to the staffing resource available within the team and the departure of the Officer leading on this project implementation of this has been postponed. This will be considered further as part of the Internal Audits Quality Assurance and Improvement Program (QIAP)
- 3.7 The Internal Audit team issued 141 recommendations during the 2023/24 financial year. Table 1 below provides an overall summary of results of this exercise while Appendix 1, provides further detail of the responses for each area. Overall, 96% of recommendations had either been fully or partially implemented. This was an improvement from 84% in the previous year.

Table 1

Measure	Number	Percentage
Recommendations fully implemented	93	66%
Recommendations partially implemented	42	30%
Recommendations fully or partially implemented	135	96%
Recommendations not implemented	3	2%
Recommendations considered no longer relevant	3	2%
Responses not received	0	0%
Total number of recommendations	141	100%

- 3.8 A total of 42 audit recommendations (30%) were classed as partially implemented. Managers provided details of the actions taken to date, along with revised implementation dates. The responses received have provided a good level of assurance that the risks identified have been mitigated by the progress made to date, and that full implementation will take place within a reasonable timeframe.
- 3.9 Three audit recommendations were stated as being not implemented (2%), the reasons for the delay were reviewed by Internal Audit and new target dates for implementation were confirmed by managers. The table

below (Table 2) outlines the expected timescales involved. It is pleasing to report that this figure has reduced substantially since the previous year (10%).

Table 2

Revised implementation dates	Number of recommendations
By 31 st April 2025	1
By 31 st August 2025	1
By 31 st December 2025	1
Total number of recommendations not implemented	3

3.10 There were 3 recommendations (2%) noted as being no longer relevant. The reasons for these were reviewed and were considered appropriate given the change in control environment.

3.11 A report on the implementation of Internal Audit recommendations was issued to members of the Council's Strategic Leadership Team in March 2025 to ensure Chief Officers were aware of recommendations which may be outstanding within their respective portfolios. The Chief Executive has asked all Chief Officers to review the report and to satisfy themselves that appropriate action is being taken by management. They are to ensure that any risks arising from recommendations not yet implemented have been reduced to an acceptable level.

4. RESOURCE IMPLICATIONS

None.

5. CONSULTEES

Strategic Leadership Team
Deputy Chief Executive / Chief Officer – Resources

Results of Consultation:

N/A

6. BACKGROUND PAPERS

None

7. AUTHORS AND CONTACT DETAILS

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

Appendix 1

Directorate	Service	Job Name	Date of issue of FINAL report	Opinion given	No' of Recs made by Auditor	No' of Recs accepted by Client	No' of recs stated as fully implemented	No' of recs stated as partially implemented	No' of recs stated as not implemented	No' of recs stated as no longer relevant	% fully implemented	% partially implemented
Social Care, Health & Safeguarding	Social Services Finance	Appointeeships & Deputyships (2022/23)	08/08/23	Substantial	4	4	4	0	0	0	100%	0%
Communities & Place	Placemaking, Housing, Highways and Flood	Planning Applications (2022/23)	08/09/23	Substantial	3	3	3	0	0	0	100%	0%
Resources	Finance - Revenues, Systems & Exchequer	Revenues Shared Service (2022/23)	30/08/23	Reasonable	4	4	2	2	0	0	50%	50%
Corporate	Corporate	Partnership & Collaborations 2022/23)	08/09/23	Reasonable	3	3	1	2	0	0	33%	67%
Communities & Place	Neighbourhood Services	Winter Maintenance (2022/23)	05/09/23	Substantial	1	1	1	0	0	0	100%	0%
Corporate	Corporate	National Fraud Initiative (NFI)	06/11/23	Reasonable	3	3	1	2	0	0	33%	67%
People & Governance	Electoral Registration	Electoral Registration	13/02/24	Reasonable	8	8	7	1	0	0	88%	13%
Mon Life	Heritage	Old Station, Tintern (Follow-up)	21/12/23	Reasonable	6	6	5	1	0	0	83%	17%
Children & Young People	Primary Schools	Castle Park Primary School (Follow-up)	25/09/23	Substantial	7	7	7	0	0	0	100%	0%
Children & Young People	Primary Schools	Deri View Primary School	27/09/23	Reasonable	9	9	8	1	0	0	89%	11%
Resources	Finance - Revenues, Systems & Exchequer	Creditor Payments (2022/23)	05/12/23	Substantial	2	2	1	0	1	0	50%	0%
Resources	Finance - Corporate Accountancy	Insurances	27/11/23	Substantial	1	1	1	0	0	0	100%	0%
Children & Young People	Primary Schools	Archbishop Rowan Williams Church in Wales Primary	06/12/23	Reasonable	9	9	5	2	0	2	56%	22%
Resources	Commercial, Property, Fleet, Facilities	Cemeteries	27/11/23	Reasonable	4	4	3	1	0	0	75%	25%
Children & Young People	Primary Schools	Llantilio Pertholey Primary	23/02/24	Reasonable	9	9	9	0	0	0	100%	0%
Resources	Finance - Revenues, Systems & Exchequer	Benefits	14/02/24	Substantial	3	3	2	1	0	0	67%	33%
Mon Life	Active	Point of Sale System	18/01/24	Reasonable	9	9	5	2	2	0	56%	22%
Children & Young People	Primary Schools	Pembroke Primary	06/03/24	Substantial	5	5	1	3	0	1	20%	60%
Social Care, Health & Safeguarding	Public Protection	Trading Standards	15/02/24	Reasonable	6	6	3	3	0	0	50%	50%

Directorate	Service	Job Name	Date of issue of FINAL report	Opinion given	No' of Recs made by Auditor	No' of Recs accepted by Client	No' of recs stated as fully implemented	No' of recs stated as partially implemented	No' of recs stated as not implemented	No' of recs stated as no longer relevant	% fully implemented	% partially implemented
Mon Life	Outdoor	Countryside (2022/23)	19/03/24	Substantial	3	3	2	1	0	0	67%	33%
Communities & Place	Decarbonisation, Transport & Support Services	Passenger Transport	10/05/24	Reasonable	9	9	4	5	0	0	44%	56%
Chief Executive's	Policy, Performance & Scrutiny	Risk Management	06/03/24	Reasonable	3	3	2	1	0	0	67%	33%
Children & Young People	Primary Schools	Durand Primary	15/05/24	Reasonable	7	7	5	2	0	0	71%	29%
Children & Young People	Primary Schools	Our Lady & St Michaels RC (Follow-up)	30/05/24	Reasonable	9	9	4	5	0	0	44%	56%
Corporate	Corporate	Climate Emergency	19/07/24	Reasonable	4	4	1	3	0	0	25%	75%
Children & Young People	Primary Schools	The Dell Primary	01/07/24	Reasonable	10	10	6	4	0	0	60%	40%
TOTALS					141	141	93	42	3	3	66%	30%

This page is intentionally left blank



SUBJECT: INTERNAL AUDIT SECTION

INTERNAL AUDIT MANDATE, CHARTER & STRATEGY & METHODOLOGIES 2025

DIRECTORATE: Resources

MEETING: Governance & Audit Committee

DATE: 1st May 2025

DIVISION/WARDS AFFECTED: All

1. PURPOSE

To inform members of the Council's Governance & Audit Committee of the updated Internal Audit Charter for Monmouthshire County Council in order to enable them to make an informed decision to approve the Internal Audit Charter and Internal Audit Strategy in line with the expectations of the [Global Internal Audit Standards](#), the [Application Note: Global Internal Audit Standards in the UK Public Sector](#) and the [Code of Practice for the Governance of Internal Audit in UK Local Government](#)

2. RECOMMENDATION(S)

That the Committee note the Internal Audit Mandate and Methodologies.

That the Committee endorse and approve the Internal Audit Charter and Strategy.

3. KEY ISSUES

- 3.1 The Global Internal Audit Standards (GIAS) came into force from January 2025 with an agreement that for the UK Public Sector implementation would be from April 2025.
- 3.2 GIAS replace the Public Sector Internal Audit Standards (PSIAS) which have been the Standards followed by Internal Audit teams across the UK Public Sector since April 2013.
- 3.3 The Global Internal Audit Standards require the Council to have an Internal Audit Charter which sets out how the Internal Audit Section will discharge its duties in compliance with those standards. There is also a

requirement to have an Internal Audit Strategy to help guide the internal audit function towards the fulfilment of the Internal Audit mandate.

4. REASONS

- 4.1 'Internal auditing plays a critical role in enhancing an organisation's ability to serve the public interest. While the primary function of internal auditing is to strengthen governance, risk management, and control processes, its effects extend beyond the organisation. Internal auditing contributes to an organisation's overall stability and sustainability by providing assurance. This, in turn, fosters public trust and confidence in the organisation and the broader systems of which it is a part.' (Global Internal Audit Standards (GIAS) 2024)

Internal Audit Mandate

- 4.2 A professional, independent and objective Internal Audit service is one of the key elements of good governance in Local Government. The Council's Internal Audit Section will adhere to the Global Internal Audit Standards, subject to the interpretations and additional requirements set out in the Application Note of the Standards in the UK Public Sector, and the Code of Practice for the Governance of Internal Audit in UK Local Government. Through compliance with these standards, all members of the section adhere to the Ethics and Professionalism requirements of the Standards.
- 4.3 Monmouthshire County Council's internal audit function mandate is found in The Accounts and Audit (Wales) Regulations 2014, which states 'A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control' (Part 3, Regulation 7).
- 4.4 The Council's Financial Procedure Rules, contained within the Constitution, sets the key controls for Internal Audit within Monmouthshire County Council and the responsibilities of the Section 151 Officer to maintain a continuous and independent internal audit of the Authority's accounting, financial and other operations of the Authority.
- 4.5 The internal audit function's authority is created by its direct reporting relationship to the Governance and Audit Committee to which it has free and unrestricted access. The Local Government and Elections (Wales) Act 2021 requires the appointment of Governance and Audit Committees to oversee the authority's internal and external audit arrangements.

Internal Audit Charter (Appendix 1)

- 4.6 This report aims to make members of the Governance and Audit Committee aware of the revised Council's Internal Audit Charter in order to enable them to make an informed decision to approve The Charter.
- 4.7 The MCC Internal Audit Charter has been based upon the Public Sector Model Charter provided by the Institute of Internal Auditors but amended and expended to suit the operations of the Council.
- 4.8 The purpose of this Charter is to define what Internal Audit at Monmouthshire Council is and explain its purpose, authority and responsibility.
- 4.9 This Charter has been written in accordance with Standard 6.2 (Internal Audit Charter) of the GIAS.
- 4.10 Internal Audit has specific responsibilities and rights of access to people and documents written into the Council's Financial Procedure Rules which are included within the Charter, along with its objectives, roles and responsibilities, the staff involved and how it demonstrates its organisational independence. The expectations and responsibilities of the Chief Internal Auditor are also included within the Charter.
- 4.11 The Charter reinforces the point that Internal Audit provides assurance to Members and Senior Management and should not be involved with operational matters of service delivery. It reflects the requirements of the Standards for the Chief Internal Auditor to disclose any interference experienced in determining the scope of internal auditing, performing work and communicating results to the Governance and Audit Committee and to discuss the implications of any such interference. Similarly, any roles and responsibilities assigned to the Chief Internal Auditor beyond the scope of internal audit work should be disclosed to the Governance and Audit Committee and their implications discussed.
- 4.12 The expectations of how Internal Auditors will approach their work in terms of due professional care, integrity, independence, impartiality is written into the Charter; the work itself being delivered through an Audit Strategy, Methodology and an Annual Audit Plan. The reporting and quality assurance processes are also included, along with how relationships with the Team's stakeholders will be developed.
- 4.13 Dealing with fraud and irregularities is an important part of what the Internal Audit Team does in order to safeguard public money; it is important to include this aspect of its work within the Charter. How the Internal Audit Team will be resourced and continually developed through training has also been included.
- 4.14 The intention is to maintain the Charter as a working document, which from time to time, will need to be refreshed and updated. The Internal Audit Charter will therefore be reviewed every 3 years by the Chief

Internal Auditor and presented to the Strategic Leadership Team and the Governance & Audit Committee for approval.

Internal Audit Strategy (Appendix 2)

- 4.15 Standard 9.2 (Internal Audit Strategy) of the GIAS requires the chief audit executive to develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organization and aligns with the expectations of the Governance & Audit Committee, senior management, and other key stakeholders.
- 4.16 An internal audit strategy is a plan of action designed to achieve a long-term or overall objective. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function. An internal audit strategy helps guide the internal audit function toward the fulfilment of the internal audit mandate.
- 4.17 The requirement to have a 'strategy' is new as part of the move towards a global set of internal audit standards. The strategy aims to ensure accountability, transparency, and the efficient utilization of resources. It provides a structured approach for identifying, assessing, and managing risks, ensuring that the authority operates in compliance with relevant laws, regulations, and policies.
- 4.18 The Monmouthshire County Council Internal Audit teams vision is to is to:
- Safeguard public resources: Champion transparency and ensure the responsible management of taxpayers' funds to deliver value and meet community needs.
 - Support robust governance: Strengthen risk management, compliance, and ethical practices across all departments, fostering an environment of excellence and accountability.
 - Be a trusted advisor: Collaborate with stakeholders to provide actionable insights and strategic guidance that aligns with organizational goals and legislative requirements.
 - Drive innovation: Promote adaptability and forward-thinking solutions that enable continuous improvement and responsiveness to changing needs.
 - Enhance public trust: Demonstrate the highest standards of professionalism and objectivity, ensuring every audit contributes to building confidence in local government operations.
 - Inspire internal auditors: To continuously improve emphasising the importance of fostering a culture of excellence and innovation within the internal audit team.

- 4.19 By delivering insightful recommendations and ensuring compliance with regulations, the internal audit team will be instrumental in shaping a Council that operates with transparency, efficiency, and a relentless commitment to serving its community.

Internal Audit Methodologies

- 4.20 The Chief Internal Auditor is required to engage the Governance & Audit Committee on the Audit Methodologies, although approval by Committee is not a requirement of the GIAS.
- 4.21 The Internal Audit Methodologies are being introduced from April 2025 and will be kept live and subject to regular evaluation of effectiveness by the Chief Internal Auditor. The Methodologies will be updated as considered necessary to improve the internal audit function and to respond to significant changes that may affect the function in accordance with GIAS Standard 9.3 - Methodologies. The Audit Methodologies have been sent to Committee members under separate cover.

5. RESOURCE IMPLICATIONS

None

6. CONSULTEES

Deputy Chief Executive and Chief Officer Resources
Strategic Leadership Team
Internal Audit Team

Results of Consultation:

To present the Internal Audit Charter and Strategy to the Governance & Audit Committee for approval.

7. EQUALITY IMPACT ASSESSMENT

There is no equality impact arising directly from this report.

8. SUSTAINABLE DEVELOPMENT IMPLICATIONS

None

9. BACKGROUND PAPERS

[Global Internal Audit Standards](#)
[Application Note: Global Internal Audit Standards in the UK Public Sector](#)
[Code of Practice for the Governance of Internal Audit in UK Local Government](#)

Section 151 of the Local Government Act 1972

10. AUTHORS AND CONTACT DETAILS

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



monmouthshire
sir fynwy

Appendix 1

INTERNAL AUDIT CHARTER

MAY 2025

Version
Author
Approved by
Date of Approval
Review Date

Draft v3
Jan Furtek, Acting Chief Internal Auditor
Governance & Audit Committee
1st May 2025
May 2028 (3 Years)



Table of Content

Section	Page
1. Introduction & Purpose	2
<i>Professionalism</i>	
<i>Purpose</i>	
<i>Commitment to Adhering to the Global Internal Audit Standards</i>	
2. Mandate	5
<i>Authority</i>	
<i>Independence,</i>	
<i>Organisational Position, and Reporting Relationships</i>	
<i>Fraud, Corruption & Bribery</i>	
<i>Changes to the Mandate and Charter</i>	
3. Governance & Audit Committee Oversight	8
4. Chief Internal Auditor Roles and Responsibilities	10
<i>Ethics and Professionalism</i>	
<i>Objectivity</i>	
<i>Managing the Internal Audit Function</i>	
<i>Communication</i>	
<i>Quality Assurance and Improvement Program</i>	
5. Scope and Types of Internal Audit Services	14
6. What is Expected from Managers and Staff	15
7. Reporting Standards	16
<i>Audit Reports</i>	
<i>Errors and Omissions</i>	
<i>Communicating the Acceptance of Risks</i>	
8. Exceptions to the Global Internal Audit Standards and Alternative Arrangements	19
9. Approval	24
Appendix 1 Internal Audit Risk Ratings and Definitions	25
Appendix 2 Internal Audit Conclusions and Definitions	26
Appendix 3 Internal Audit Team Structure (March 2024)	27

1. Introduction & Purpose

- 1.1 'Internal auditing plays a critical role in enhancing an organisation's ability to serve the public interest. While the primary function of internal auditing is to strengthen governance, risk management, and control processes, its effects extend beyond the organisation. Internal auditing contributes to an organisation's overall stability and sustainability by providing assurance. This, in turn, fosters public trust and confidence in the organisation and the broader systems of which it is a part.' (Global Internal Audit Standards 2024)
- 1.2 The purpose of this Charter is to define what Internal Audit is and explain its authority, responsibility and position within Monmouthshire County Council.
- 1.3 This Charter has been written in accordance with the [Global Internal Audit Standards](#), the [Application Note: Global Internal Audit Standards in the UK Public Sector](#) and the [Code of Practice for the Governance of Internal Audit in UK Local Government](#) and sets out how the Internal Audit Section will discharge its duties in compliance with those standards.

Professionalism

- 1.4 A professional, independent and objective Internal Audit service is one of the key elements of good governance in Local Government. The Council's Internal Audit Section will adhere to the Global Internal Audit Standards, subject to the interpretations and additional requirements set out in the Application Note of the Standards in the UK Public Sector, and the Code of Practice for the Governance of Internal Audit in UK Local Government. Through compliance with these standards, all members of the section adhere to the Ethics and Professionalism requirements of the Standards.
- 1.5 The Chief Internal Auditor will report periodically to the Governance and Audit Committee and senior management regarding the internal audit function's conformance with the Standards, Application Note and Code, which will be assessed through a quality assurance and improvement program in addition to External Quality Assessments as required by the Standards.

Purpose

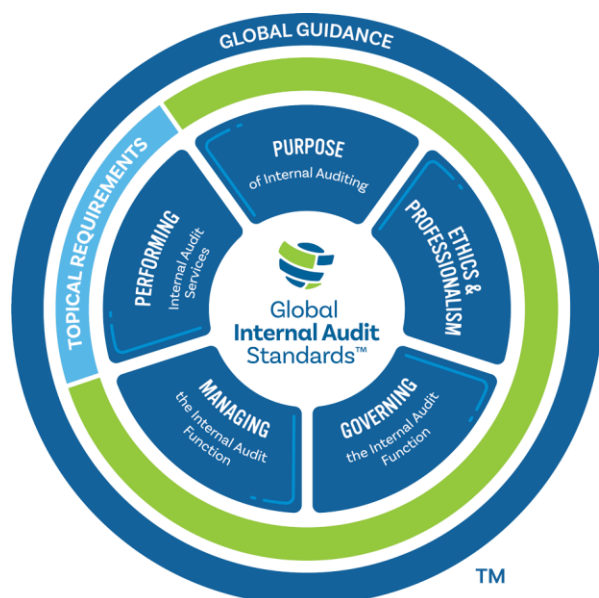
- 1.6 The purpose of the internal audit function is to strengthen Monmouthshire County Council's ability to create, protect, and sustain value by providing the Council, Cabinet, Governance & Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
- 1.7 The purpose of this Charter is to define what Internal Audit is and explain its mission, authority, responsibility and position within Monmouthshire County Council.
- 1.8 The internal audit function enhances Monmouthshire County Council's:
- Successful achievement of its objectives.
 - Governance, risk management, and control processes.
 - Decision-making and oversight.
 - Reputation and credibility with its stakeholders.
 - Ability to serve the public interest.

1.9 Monmouthshire County Council's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards, which are set in the public interest.
- Act in compliance with the [Application Note: Global Internal Audit Standards in the UK Public Sector](#) and the [Code of Practice for the Governance of Internal Audit in UK Local Government](#).
- The internal audit function is independently positioned with direct accountability to the Governance & Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

1.10 The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements.



**International
Professional Practices
Framework®**
(IPPF)

1.11 The Chief Internal Auditor will report annually to the Governance & Audit Committee and the Strategic Leadership Team regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

2. Mandate

Authority

- 2.1 Monmouthshire County Council's internal audit function mandate is found in [The Accounts and Audit \(Wales\) Regulations 2014](#), which states 'A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control' (Part 3, Regulation 7).
- 2.2 The Council's Financial Procedure Rules, contained within the [Constitution](#), sets the key controls for Internal Audit within Monmouthshire County Council and the responsibilities of the Section 151 Officer to maintain a continuous and independent internal audit of the Authority's accounting, financial and other operations of the Authority.
- 2.3 The internal audit function's authority is created by its direct reporting relationship to the Governance and Audit Committee to which it has free and unrestricted access. The [Local Government and Elections \(Wales\) Act 2021](#) requires the appointment of Governance and Audit Committees to oversee the authority's internal and external audit arrangements.
- 2.4 The Chief Internal Auditor has unrestricted access to the Chair of the Governance & Audit Committee and also the Chair of the Cabinet.
- 2.5 The Governance & Audit Committee authorises the Chief Internal Auditor and their delegated representatives (the Internal Audit team) to:
 - Have full and unrestricted access to all the Authority's functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information. It may be necessary to limit access to the Chief Internal Auditor or named individuals as agreed where highly sensitive or confidential information is involved.
 - Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
 - Obtain assistance from the necessary personnel of Monmouthshire County Council and other specialised services from within or outside to complete internal audit services.
- 2.6 All employees of Monmouthshire County Council are required to assist the internal audit function in fulfilling its roles and responsibilities.
- 2.7 The scope of Internal Audit allows for unrestricted coverage of the Authority's activities in order to review, report and provide the appropriate assurance based on its reviews to the Governance and Audit Committee.
- 2.8 In addition to the above, the Chief Internal Auditor will have unrestricted access to:-
 - the Governance and Audit Committee
 - the Chief Executive
 - the Leader of the Council
 - Members of the Council
 - individual Strategic Directors, Chief Officers and Heads of Service
 - all Authority employees.

Independence, Organisational Position, and Reporting Relationships

- 2.9 The Chief Internal Auditor will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. (See “Mandate” section.) The Chief Internal Auditor will report functionally to the Governance & Audit Committee and administratively (for example, day-to-day operations) to the Deputy Chief Executive & Strategic Director of Resources (the nominated Section 151 Officer). Internal Audit is part of the Resources Directorate. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Governance & Audit Committee, when necessary, without interference and supports the internal auditors’ ability to maintain objectivity.
- 2.10 The Chief Internal Auditor will confirm to the Governance & Audit Committee, at least annually, the organisational independence of the internal audit function. The Chief Internal Auditor will disclose to the Governance & Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function’s effectiveness and ability to fulfill its mandate.
- 2.11 Internal Audit carry out some non-audit functions, including controlling the small number of remaining imprest accounts, issuing controlled stationery and undertaking financial appraisals for departments on request. The department also monitor the exemption procedure within the Council’s Contract Procedure Rules. The Chief Internal Auditor reports Officers the use of this process to the Governance & Audit Committee twice a year. The Chief Internal Auditor will report to the Governance & Audit Committee if, in their opinion, these non-audit functions impact on the independent of the Team or their ability to meet the requirements of the Global Internal Audit Standards.

Fraud, Corruption & Bribery

- 2.12 Chief Officers / Heads of Service / Operational Managers are responsible for managing risks in order to prevent fraud, irregularity, waste of resources, etc. Internal Audit will assist service colleagues to effectively manage these risks.
- 2.13 The Chief Internal Auditor is responsible for reviewing and updating the Council’s Anti-Fraud, Bribery and Corruption Policy and for promoting an anti-fraud culture within the Council. This is achieved by the following:
- line management and coordination of the Council’s Counter Fraud Officer who sits within the Internal Audit Team.
 - specific detailed testing in high risk areas
 - participation in the Cabinet Office National Fraud Initiative data matching exercise
 - investigation of areas of concern identified through proactive work, routine audits, concerns of management or via the Council’s Whistleblowing Policy.

- 2.14 However, no level of controls can guarantee that fraud will not occur, even when the controls are performed diligently with due professional care.
- 2.15 Where there is evidence or reasonable suspicion that a fraud or irregularity has occurred, then this must be reported immediately to Internal Audit. All cases will be dealt with in accordance with the Council's *'Anti-Fraud, Corruption and Bribery Policy'* and the *'Whistleblowing Policy'*.

Changes to the Mandate and Charter

- 2.16 Circumstances may justify a follow-up discussion between the Chief Internal Auditor, Governance & Audit Committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:
- A significant change in the Global Internal Audit Standards.
 - A significant reorganisation within the organisation.
 - Significant changes in the Chief Internal Auditor, Governance & Audit Committee, and/or senior management.
 - Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
 - New laws or regulations that may affect the nature and/or scope of internal audit services.

3. Governance & Audit Committee Oversight

- 3.1 The Governance and Audit Committee responsibilities are in accordance with the Committee's terms of reference as set out in the Council's Constitution.
- 3.2 To establish, maintain, and ensure that Monmouthshire County Council's internal audit function has sufficient authority to fulfill its duties, the Governance & Audit Committee will:
- a) Discuss with the Chief Internal Auditor and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
 - b) Ensure the Chief Internal Auditor has unrestricted access to and communicates and interacts directly with the Governance & Audit Committee, including in private meetings without senior management present. Any such meetings will be held in accordance with laws and/or regulations applicable to public records.
 - c) Discuss with the Chief Internal Auditor and senior management other topics that should be included in the internal audit charter.
 - d) Participate in discussions with the Chief Internal Auditor and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
 - e) Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
 - f) Review the internal audit charter periodically, at least every 3 years, with the Chief Internal Auditor to consider changes affecting the organisation, such as the employment of a new Chief Internal Auditor or changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter.
 - g) Approve the risk-based internal audit plan.
 - h) Provide input to the internal audit function's human resources administration.
 - i) Provide input to senior management on the appointment and removal of the Chief Internal Auditor, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.
 - j) Review and provide input to senior management on the Chief Internal Auditor's performance.
 - k) Receive communications from the Chief Internal Auditor about the internal audit function including its performance relative to its plan.
 - l) Ensure a quality assurance and improvement program has been established and review the results annually.
 - m) Make appropriate inquiries of senior management and the Chief Internal Auditor to determine whether scope or resource limitations are inappropriate.
 - n) Discuss and agree any specific exceptions and alternative arrangements to the essential criteria or wider Standards, in accordance with the sector specific interpretations of the Application Note.

- 3.3 In Monmouthshire County Council, the Governance & Audit Committee does not have direct oversight to the budget of the Internal Audit function. Therefore, this charter documents the alternative steps taken to achieve the intent of the Global Internal Audit Standards.
- As the Internal Audit budget is approved by a meeting of the Full Council, the Governance & Audit Committee should be consulted prior to any changes being made. They should advocate to senior management, for sufficient budget and resources allowing the internal audit function to fulfill its mandate and accomplish its audit plan.
- 3.4 The resources allocated to the internal audit function are outlined in Appendix 3, in conjunction with the reporting arrangements.

4. Chief Internal Auditor Roles and Responsibilities

Ethics and Professionalism

- 4.1 The standards of Ethics and Professionalism are set out within the Global Internal Audit Standards are followed in alignment with the Council's Employee Code of Conduct. The internal audit function will adhere to all relevant policies and procedures of Monmouthshire County Council.
- 4.2 The Chief Internal Auditor will ensure that internal auditors:
- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
 - Uphold the Seven Principles of Public Life; selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.
 - Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
 - Encourage and promote an ethics-based culture in the organisation.
 - Report organisational behavior that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

- 4.3 The Chief Internal Auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Internal Auditor determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.
- 4.4 Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.
- 4.5 Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:
- Assessing specific operations for which they had responsibility within the previous year.
 - Performing operational duties for Monmouthshire County Council or its affiliates.
 - Initiating or approving transactions external to the internal audit function.
 - Directing the activities of any Monmouthshire County Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.
- 4.6 Internal auditors will:
- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Chief Internal Auditor, Governance & Audit Committee, management, or others.
 - Exhibit professional objectivity in gathering, evaluating, and communicating information.

- Make balanced assessments of all available and relevant facts and circumstances.
 - Take necessary precautions to avoid conflicts of interest, bias, and undue influence.
- 4.7 In all of the relationships the person/s concerned will be treated with respect, courtesy, politeness and professionalism. Any confidential or sensitive issues raised with, or reported to, Internal Audit staff will be dealt with in an appropriate manner. Where issues could cause embarrassment to the Council, the appropriate manager will be advised immediately so that the issue can be addressed without delay.
- 4.8 In accordance with the Councils Employee Code of Conduct, members of the Internal Audit team will complete, on an annual basis, a Record of Employee Disclosure form and submit it to the Chief Internal Auditor for review and authorisation. A copy will be saved on the employees HR personnel file. Officers are not to be involved in areas of work where potential conflicts have been identified or could be interpreted as being identified.

Managing the Internal Audit Function

4.9 The Chief Internal Auditor has the responsibility to:

- a) At least annually, develop a risk-based internal audit plan that considers the input of the Governance & Audit Committee and senior management. Discuss the plan with the Governance & Audit Committee and senior management and submit the plan to the Governance & Audit Committee for review and approval.
- b) Communicate the impact of resource limitations on the internal audit plan to the Governance & Audit Committee and senior management.
- c) Review and adjust the internal audit plan, as necessary, in response to changes in Monmouthshire County Council's business, risks, operations, programs, systems, and controls.
- d) Communicate with the Governance & Audit Committee and senior management if there are significant interim changes to the internal audit plan.
- e) Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and laws and/or regulations.
- f) Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Governance & Audit Committee and senior management and for each engagement as appropriate.
- g) Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards, the Application Note of the Standards in the UK Public Sector, the Code of Practice for the Governance of Internal Audit in UK Local Government, and fulfill the internal audit mandate.
- h) Identify and consider trends and emerging issues that could impact Monmouthshire County Council and communicate to the Governance & Audit Committee and senior management as appropriate.
- i) Consider emerging trends and successful practices in internal auditing.

- j) Establish and ensure adherence to methodologies designed to guide the internal audit function.
- k) Ensure adherence to Monmouthshire County Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Governance & Audit Committee and senior management.
- l) Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Chief Internal Auditor cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Governance & Audit Committee.

Communication

4.10 The Chief Internal Auditor will report quarterly to the Governance & Audit Committee and senior management regarding:

- a) The internal audit function's mandate.
- b) The internal audit plan and performance relative to its plan.
- c) Significant revisions to the internal audit plan.
- d) Potential impairments to independence, including relevant disclosures as applicable.
- e) Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards, the Application Note of the Standards in the UK Public Sector, and the Code of Practice for the Governance of Internal Audit in UK Local Government and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- f) Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Governance & Audit Committee that could interfere with the achievement of Monmouthshire County Council's strategic objectives.
- g) Results of assurance and advisory services.
- h) Resource requirements.
- i) Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Monmouthshire County Council's risk appetite.

Quality Assurance and Improvement Program

4.11 The Chief Internal Auditor will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

4.12 Annually, the Chief Internal Auditor will communicate with the Governance & Audit Committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments)

and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside Monmouthshire County Council.

5. Scope and Types of Internal Audit Services

- 5.1 The scope of internal audit services covers the entire breadth of Monmouthshire County Council, including all of activities, assets, and personnel. The Internal Audit Universe will be kept under review at least annually by the Chief Internal Auditor and members of SLT are required to communicate updates when new services are being implemented. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Governance & Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for Monmouthshire County Council.
- 5.2 The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.
- 5.3 Internal audit engagements may include evaluating whether:
- Risks relating to the achievement of Monmouthshire County Council's strategic objectives are appropriately identified and managed.
 - The actions of Monmouthshire County Council's members, officers, directors, management, employees, and contractors or other relevant parties comply with Monmouthshire County Council's policies, procedures, and applicable laws, regulations, and governance standards.
 - The results of operations and programs are consistent with established goals and objectives.
 - Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
 - Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Monmouthshire County Council.
 - The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
 - Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.
- 5.4 Alongside the listed value for money requirements of GIAS Standard 9.1, auditors in the UK public sector must be aware of the importance of securing value for money and the definitions which define that term in their part of the UK public sector.

6. What is Expected from Managers and Staff

6.1 Managers and staff should co-operate with audit team, for example:

- Agreeing the scope of the audit promptly prior to the commencement of audit fieldwork.
- Providing Internal Audit with full support and co-operation, including complete access to all records, data, property and personnel relevant to the performance of their responsibilities at all levels of operations, without unreasonable delay.
- Responding to the draft internal report, including provision of management responses to recommendations, within the timescale requested by the Audit Team. Where a response is not forthcoming a reminder will be issued. However, if a response is still not received then the matter will be referred up to the Head of Service, Chief Officer, Strategic Director, Chief Executive or Governance & Audit Committee, as appropriate.
- Implementing agreed audit recommendations or management actions in accordance with the agreed timescales.
- Updating Internal Audit with progress made on audit recommendations.
- Informing Internal Audit of proposed changes and developments in processes and systems and newly identified significant risks.
- Where a contract or partnership arrangement exists, managers must ensure that a right of access for Internal Audit is documented within the agreement.
- Management are to notify the Chief Internal Auditor immediately, in accordance with the Council's Financial Procedure Rules and Anti-Fraud, Corruption & Bribery Policy, of any suspected breach, theft or loss of Council assets, and any suspected or detected fraud, bribery, corruption or impropriety.

6.2 Managers and staff are encouraged to feedback any comments which would help improve the future delivery of internal audit services during the audit and through the client questionnaire issued at the conclusion of each audit.

7. Reporting Standards

Audit Reports

- 7.1 All audit assignments will be the subject of formal report or memoranda. Where appropriate, draft reports will be sent to the managers responsible for the area under review for agreement of the factual accuracy of findings. After agreement, the final reports will be issued to the relevant Head of Service and Chief Officer.
- 7.2 Audit reports will:
- Show the findings based on a risk assessment e.g. critical, significant, or moderate risk, together with control strengths identified during the audit. The definition of risk ratings can be found in Appendix 1.
 - Are balanced, showing strengths and weaknesses identified from the evidence obtained during the audit work.
 - Include an action plan showing the audit recommendations, agreed management actions, responsible officer and the target date for implementation.
 - Give a conclusion of the system of internal control as at the time of the audit. The conclusions used by Internal Audit will be in accordance with [CIPFA - Internal Audit Engagement Opinions: Setting common definitions](#). These can be found as Appendix 2.
 - Define the circulation of the draft and the final reports.
 - All reports will be issued on behalf of the Chief Internal Auditor.
- 7.3 The Internal Audit function is fully committed to the Authority's Welsh Language Policy. Upon request, Internal Audit reports will be available bilingually in Welsh.
- 7.4 Audit report circulation/reporting structure:
- Operational managers will receive a draft report for discussion followed by the final report.
 - Extracts from reports may be shared with additional Officers where it is considered that they will be the appropriate responsible officer to action the findings.
 - Where an unfavourable conclusion has been reached, the respective Head of Service, Chief Officer and the Councils Section 151 Officer will be provided with a copy of the draft report for early insight.
 - Heads of Service (and for schools, Chairs of Governors) and Chief Officers will receive a copy of all final reports within their service area.
 - The Chief Executive and Strategic Leadership Team will receive a copy of all quarterly update reports presented to the Governance and Audit Committee and can request individual reports as required.
 - To allow for effective coordination and to prevent a duplication of effort, reports both in draft and final form may be shared with the Councils External Auditor upon request.

- At the discretion of the Chief Internal Auditor, reports may be shared with external regulators (such as but not limited to, Care Inspectorate Wales, Social Care Wales, ESTYN, the Health & Safety Executive etc.) and also to external agencies such as the Police or other law enforcement agencies.

Errors and Omissions

- 7.5 In accordance with GIAS Standard 11.4 – Errors and Omissions, if a final engagement communication contains a significant error or omission, the Chief Internal Auditor must communicate corrected information promptly to all parties who received the original communication. Significance is determined according to the following criteria.
- 7.6 The error or omission will be deemed significant if:
- a) It would result in a Critical recommendation being added or removed from the
 - b) It would result in a change to the overall conclusion for the audit.
- 7.7 In the event of any error or omission, on a case-by case basis the Chief Internal Auditor will:
- Evaluate whether the mistaken or omitted information could have legal or regulatory consequences or change the findings, conclusions, recommendations, or management's action plans, and the significance of this relative to the objectives of the respective audit engagement.
 - Determine the most appropriate method of communication so that the corrected information is received by all parties who received the original communication.
 - Identify the cause of the error or omission and take corrective action to prevent a similar situation from occurring in the future.

Communicating the Acceptance of Risks

- 7.8 In accordance with GIAS Standard 11.5, the Chief Internal Auditor must communicate unacceptable levels of risk.
- 7.9 When the Chief Internal Auditor concludes that management has accepted a level of risk that exceeds the Council's risk appetite or risk tolerance, as defined within the Risk Management Policy, the matter must be discussed with senior management. If the Chief Internal Auditor determines that the matter has not been resolved by senior management, the matter will be escalated to the Governance and Audit Committee. It is not the responsibility of the Chief Internal Auditor to resolve the risk.
- 7.10 The Councils established risk management process is the preferred approach to communicating significant risks. The following approach will be followed;
- In the event that a matter identified already sits on the corporate risk register, and has been appropriately recorded as exceeding the Council's risk appetite or tolerance, it will be considered that the risk has already been appropriately reported to the Governance and Audit Committee as part of quarterly reporting on corporate risk management.
 - In the event that management agree to update the corporate risk register to appropriately report the identified risk, the Chief Internal Auditor will escalate the matter to the Governance and Audit Committee in their next quarterly progress report and will provide appropriate details.
 - In any case where the Chief Internal Auditor considers the risk is / will not be reported as necessary through the risk management process the Chief Internal Auditor will generally

escalate the risk to the Governance and Audit Committee as part of their next quarterly progress report.

- Consideration will be given to the significance of the risk, and the necessity to inform the Chair of the Governance and Audit Committee more promptly on a case-by-case basis.
- Timescales for reporting will be informed by any professional advice or guidance required, such as legal counsel or from other compliance functions / advisors.
- Reporting will include a description of risk, the reason for concern, management's reason for not implementing internal auditors' recommendations or other actions, those responsible for accepting the risk, and the date of discussions.

8. Exceptions to the Global Internal Audit Standards and Alternative Arrangements

- 8.1 The Application Note provides UK public sector-specific context, interpretations of GIAS requirements in the specific circumstances expected to apply across the UK public sector and some additional requirements which are considered essential for the practice of internal audit in the UK public sector. In accordance with the interpretations of the Application Note for auditors working in the UK public sector, the following paragraphs outline the areas where alternative arrangements will be followed. The elements of the Standards which will not be followed, and the alternative approach being taken in accordance with the Application Note, are set out below.

8.1 **Standard 6.3 Board and Senior Management Support**

The following element of the essential criteria for this standard will not be met in full by the Governance and Audit Committee - "Demonstrate support by approving the internal audit charter, internal audit plan, budget, and resource plan".

Alternative Arrangement: The Governance and Audit Committee will engage in, but will not approve the internal audit budget and resource plan.

8.2 **Standard 7.1 Organisational Independence**

In accordance with the Code, the following elements of the essential criteria for this standard will not be met in full by the Governance and Audit Committee – "Authorise the appointment and removal of the chief audit executive" and "Provide input to senior management to support the performance evaluation and remuneration of the chief audit executive." Accordingly, senior management will not "Provide input to the board on the appointment and removal of the chief audit executive."

Alternative Arrangement: The Governance and Audit Committee may comment on, but will not authorise the appointment and removal of the Chief Internal Auditor. Via the Chairperson, input will be provided to support the performance evaluation of the Chief Internal Auditor, but in accordance with the Councils Job Evaluation Scheme, the remuneration of the Chief Internal Auditor would not be a responsibility of the Committee.

8.3 **Standard 8.2 Resources**

There is a requirement in this Standard, with associated essential conditions, that "the chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan. If not, the chief audit executive must develop a strategy to obtain sufficient resources and inform the board about the impact of insufficient resources and how any resource shortfalls will be addressed".

Alternative Arrangement: The Chief Internal Auditor will follow the interpretation of the Application Note in meeting the requirements as follows: "The chief audit executive may have no ability to develop resource management approaches distinct from their organisation and tailored to the needs of the internal audit function. The chief audit executive's ability to develop a strategy to obtain sufficient resources and address shortfalls may also be constrained by their organisation's legal or regulatory obligations. In such circumstances to fulfil GIAS 8.2 the chief audit executive must develop a resource strategy which suggests practical approaches for consideration by the board. To supplement this the chief audit executive must set out in the Charter what alternative approaches apply to the internal audit service." The alternative approaches in respect of financial resource management, human resource management and technological resources are set out in the following sections of this Charter with further reference to Standards 10.1 – 10.3.

8.4 **Standard 8.4 External Quality Assessment**

The Standard includes the following - “When selecting the independent assessor or assessment team, the chief audit executive must ensure at least one person holds an active Certified Internal Auditor designation.”

Alternative Arrangement: The interpretation of the Application Note will be followed, which has determined that this requirement is “replaced by a requirement that at least one person have the characteristics outlined for chief audit executive qualification.” The Application Note states that “such a person would normally have an understanding of the GIAS commensurate with the Certified Internal Auditor designation, including internal audit relevant continuing professional development and an understanding of how the GIAS are applied in the UK public sector. These matters must be considered as part of the selection process.”

8.5 **Standard 9.5 – Coordination and Reliance**

The Standard requires the following - “The chief audit executive must coordinate with internal and external providers of assurance services and consider relying upon their work. Coordination of services minimises duplication of efforts, highlights gaps in coverage of key risks, and enhances the overall value added by providers. If unable to achieve an appropriate level of coordination, the chief audit executive must raise any concerns with senior management and, if necessary, the board. When the internal audit function relies on the work of other assurance service providers, the chief audit executive must document the basis for that reliance and is still responsible for the conclusions reached by the internal audit function.”

Alternative Arrangement: The Chief Internal Auditor will follow the interpretation of the Application Note in meeting the requirements as follows, with communication being to the Governance and Audit Committee: “In the UK public sector, there are various relevant outside assurance providers whose authority flows from separate legal or regulatory sources beyond the control or influence of the chief audit executive. The chief audit executive may not have any ability to access the work of those assurance providers or gain insight into the scope and timing of their work. Under these circumstances the chief audit executive must consider whether it is possible or practical to co-ordinate. Where they do not coordinate, they must set out to the board the barriers to being able to achieve effective coordination.” Standards 10.1 – 10.3 The GIAS section on ‘Applying the Global Internal Audit Standards in the Public Sector’ notes that funding processes for internal audit functions vary, that some governance and organisational structures do not give boards authority over budget and that such conditions prevent the chief audit executive from being able to seek or obtain additional funding due to other funding priorities within the organisation. Chief audit executives may also be constrained in the way in which they use financial resources and manage human and technological resources. In accordance with the ‘Application note’ the Chief Internal Auditor is not expected to follow the requirements of Resources (GIAS Standard 10.1 Financial Resource Management, GIAS Standard 10.2 Human Resources Management, GIAS Standard 10.3 Technological Resources), if they cannot develop distinct resource management approaches that achieve the objectives of those standards. Instead, the Chief Internal Auditor must set out in the Charter what alternative approaches apply to the internal audit service, and then seek to manage financial, human and IT resources within those constraints. These details are provided below.

8.6 **Standard 10.1 Financial Resource Management**

The requirements are that: “The chief audit executive must manage the internal audit function’s financial resources. The chief audit executive must develop a budget that enables the successful implementation of the internal audit strategy and achievement of the plan. The budget includes the resources necessary for the function’s operation, including training and acquisition of technology and tools. The chief audit executive must manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget. The chief audit executive must seek budget approval from the board. The chief audit executive must communicate promptly the impact of insufficient financial resources to the board and senior management.”

Alternative Arrangement: In place of the above standard, the following financial resource management approach will be followed.

- The Chief Internal Auditor will consider the financial resources required to deliver the internal audit strategy and achievement of the plan on an ongoing basis.
- The Chief Internal Auditor will communicate the impact of insufficient resources to the Governance and Audit Committee and senior management promptly.
- The Chief Internal Auditor will manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget and the controllable budget position will be reported to the Governance and Audit Committee in an annual report.
- The Chief Internal Auditor will ensure that audit staff have an appropriate combination of training and supervision, in accordance with the training plan and quality assurance and improvement plan to deliver audit objectives effectively. In the event that there is insufficient knowledge and skills within the team to deliver any area of the audit plan, consideration will be given to buying in expertise to achieve the audit objectives.

8.7 **Standard 10.2 Human Resource Management**

The requirements are that: "The chief audit executive must establish an approach to recruit, develop, and retain internal auditors who are qualified to successfully implement the internal audit strategy and achieve the internal audit plan. The chief audit executive must strive to ensure that human resources are appropriate, sufficient, and effectively deployed to achieve the approved internal audit plan. Appropriate refers to the mix of knowledge, skills, and abilities; sufficient refers to the quantity of resources; and effective deployment refers to assigning resources in a way that optimises the achievement of the internal audit plan. The chief audit executive must communicate with the board and senior management regarding the appropriateness and sufficiency of the internal audit function's human resources. If the function lacks appropriate and sufficient human resources to achieve the internal audit plan, the chief audit executive must determine how to obtain the resources or communicate timely to the board and senior management the impact of the limitations. (See also Standard 8.2 Resources.) The chief audit executive must evaluate the competencies of individual internal auditors within the internal audit function and encourage professional development. The chief audit executive must collaborate with internal auditors to help them develop their individual competencies through training, supervisory feedback, and/or mentoring. (See also Standard 3.1 Competency.)"

Alternative Arrangement: In place of the above standard, the following financial resource management approach will be followed.

- The Council's corporate policies and procedures are followed in all human resources processes Post entry training applications can be submitted by auditors, will be considered by the Chief Internal Auditor,
- On the job training and supervision arrangements are in place as part of the quality assurance and improvement programme.
- A Training Plan is in place for all auditors, and personal reviews are used to identify any further training needs, informed by audit supervision processes, audit review points, and associated post audit assessments on each engagement.

8.8 **Standard 10.3 Technological Resources**

The requirements are that: "The chief audit executive must strive to ensure that the internal audit function has technology to support the internal audit process. The chief audit executive must regularly evaluate the technology used by the internal audit function and pursue opportunities to improve effectiveness and efficiency. When implementing new technology, the chief audit executive must implement appropriate training for internal auditors in the effective use of technological resources. The chief audit executive must collaborate with the organisation's information technology and information security functions to implement technological resources properly. The chief audit executive must communicate the impact of technology limitations on the effectiveness or efficiency of the internal audit function to the board and senior management."

Alternative Arrangement: In place of the above standard, the following financial resource management approach will be followed.

- The Chief Internal Auditor is required to ensure that the internal audit function has technology to support the internal audit process, but this will be undertaken both in the context of the budget and corporate technology initiatives.
- The Chief Internal Auditor will regularly evaluate the technology used by the internal audit function and pursue opportunities to improve effectiveness and efficiency.
- The general approach to meeting the technology needs of the internal audit service will be through engagement with the Shared Resource Service.
- When implementing new technology, the Chief Internal Auditor there will be appropriate training in place.
- The Chief Internal Auditor will discuss any required technology needs that cannot be provided in-house or via corporate systems and technology with the Section 151 Officer, and any gaps in technology impacting on the efficient and effective running of the service will be reported to the Governance and Audit Committee and senior management.

Approved by the Governance & Audit Committee at its meeting on 1st May 2025

Acknowledgments/Signatures

Jan Furtek
Chief Internal Auditor

Date

Andrew Blackmore
Chair of the Governance & Audit Committee

Date

Paul Matthews
Chief Executive

Date

Peter Davies
Deputy Chief Executive & Strategic Director (Resources)
Section 151 Officer

Date

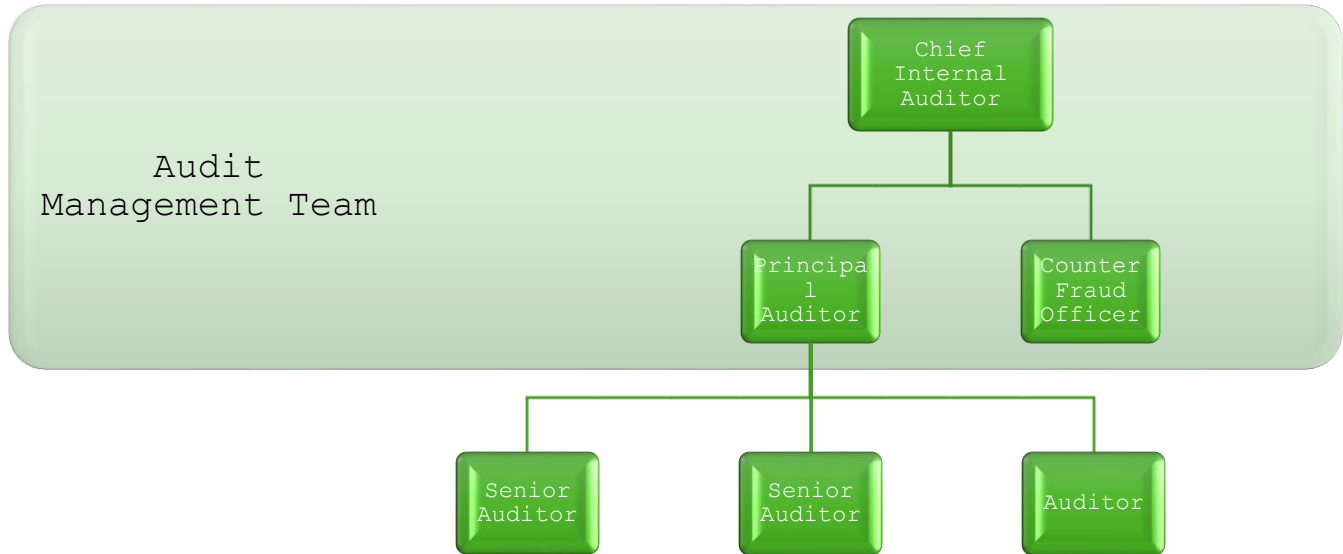
Appendix 1 - Internal Audit Risk Ratings and Definitions

RISK RATING	DESCRIPTION
CRITICAL	Major or unacceptable risk which requires immediate action.
SIGNIFICANT	Important risk that requires attention as soon as possible.
MODERATE	Risk partially mitigated but should still be addressed.
STRENGTH	No risk. Sound operational controls and processes confirmed.

Appendix 2 - Internal Audit Conclusions and Definitions

CONCLUSION	DESCRIPTION
SUBSTANTIAL ASSURANCE	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
REASONABLE ASSURANCE	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
LIMITED ASSURANCE	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
NO ASSURANCE	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Appendix 3 – Internal Audit Team Structure (March 2025)







INTERNAL AUDIT STRATEGY

MAY 2025

Version
Author
Approved by
Date of Approval
Review Date

Draft v3
Jan Furtek, Acting Chief Internal Auditor
Governance & Audit Committee
1st May 2025
May 2028 (3 Years)



Table of Content

Section	Page
1. Introduction & Purpose	2
2. Objectives of Internal Audit	2
3. Vision of Internal Audit	3
4. Governance and Oversight	3
5. Continuous Professional Development	4
6. Continuous Improvement	4
7. Review	4

1. Introduction & Purpose

- 1.12 The objective of this internal audit strategy is to describe the framework for conducting audits within Monmouthshire County Council that will support the strategic objectives and success of the Council and aligns with the expectations of the Governance & Audit Committee, senior management, and other key stakeholders. The strategy aims to ensure accountability, transparency, and the efficient utilisation of resources. It provides a structured approach for identifying, assessing, and managing risks, ensuring that the authority operates in compliance with relevant laws, regulations, and policies.
- 1.13 It is a requirement of the Global Internal Audit Standards that the vision and strategic objects of the Internal Audit Team is documented.

Standard 9.2 Internal Audit Strategy

The chief audit executive must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organisation and aligns with the expectations of the board, senior management, and other key stakeholders. An internal audit strategy is a plan of action designed to achieve a long-term or overall objective. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function. An internal audit strategy helps guide the internal audit function toward the fulfillment of the internal audit mandate. The chief audit executive must review the internal audit strategy with the board and senior management periodically.

- 1.14 The Internal Audit Strategy is designed to be read in conjunction with the Monmouthshire County Council Internal Audit Charter.

2. Objectives of Internal Audit

- 2.1 The primary objectives of the internal audit team are:
- a) To deliver independent assurance regarding the adequacy and effectiveness of the authority's risk management, control, and governance processes.
 - b) To support the authority in achieving its strategic aims and objectives by providing recommendations for enhancing processes and systems.
 - c) Fulfilment of the Internal Audit Mandate as contained within the Internal Audit Charter.
 - d) To ensure compliance with statutory and regulatory requirements.
 - e) To foster a culture of continuous improvement within the authority.
 - f) Deliver audit services in accordance with the Global Internal Audit Standards, subject to the interpretations and additional requirements set out in the Application Note of the Standards in the UK Public Sector, and the Code of Practice for the Governance of Internal Audit in UK Local Government.

- g) Support managers to develop and maintain a culture in which fraud, bribery and corruption are understood across the organisation as being unacceptable.

3. Vision of Internal Audit

- 3.1 The internal audit team aspires to be a cornerstone of accountability, integrity, and continuous improvement within Monmouthshire County Council. By providing independent, objective assurance and consulting services, the team will empower decision-makers, enhance public trust, and drive the efficient use of resources.
- 3.2 Our vision is to:
- **Safeguard public resources:** Champion transparency and ensure the responsible management of taxpayers' funds to deliver value and meet community needs.
 - **Support robust governance:** Strengthen risk management, compliance, and ethical practices across all departments, fostering an environment of excellence and accountability.
 - **Be a trusted advisor:** Collaborate with stakeholders to provide actionable insights and strategic guidance that aligns with organisational goals and legislative requirements.
 - **Drive innovation:** Promote adaptability and forward-thinking solutions that enable continuous improvement and responsiveness to changing needs.
 - **Enhance public trust:** Demonstrate the highest standards of professionalism and objectivity, ensuring every audit contributes to building confidence in local government operations.
 - **Inspire internal auditors:** To continuously improve emphasising the importance of fostering a culture of excellence and innovation within the internal audit team.
- 3.3 By delivering insightful recommendations and ensuring compliance with regulations, the internal audit team will be instrumental in shaping a Council that operates with transparency, efficiency, and a relentless commitment to serving its community.

4. Governance and Oversight

- 4.1 Effective governance and oversight are critical to the success of the internal audit strategy. The Governance & Audit Committee and the Senior Leadership Team will play a pivotal role in:
- a) Providing oversight and direction to the internal audit function.
 - b) Ensuring that the audit process is conducted in accordance with established standards and practices.
 - c) Reviewing and approving the audit plan and reports.
 - d) Monitoring the implementation of audit recommendations.

5. Continuous Professional Development

5.1 Continuous professional development for auditors is crucial to maintaining high standards of audit quality and effectiveness. The Chief Internal Auditor will ensure there are opportunities to help internal auditors develop their competencies. This can be achieved through:

- Regular participation in professional training programs and workshops.
- Obtaining industry-recognised certifications and qualifications.
- Engaging in peer reviews and benchmarking exercises.
- Staying updated with the latest developments in audit methodologies, regulations, and best practices.
- Encouraging knowledge sharing and collaboration among audit staff.

6. Continuous Improvement

6.1 The internal audit strategy promotes a culture of continuous improvement by:

- Regularly reviewing and updating the audit universe, audit methodologies and practices.
- Incorporating feedback from stakeholders, the Senior Leadership Team and the Governance & Audit Committee to better understand their expectations and provide valuable insight.
- Adopting best practices and industry standards.
- Enhancing the skills and capabilities of audit personnel.
- The Chief Internal Auditor regularly evaluating the technology used by the internal audit function and pursue opportunities to improve effectiveness and efficiency.

7. Review

7.1 This internal audit strategy will be adjusted on a periodic basis or whenever changes occur to Monmouthshire County Councils strategic objectives. Factors that may prompt a more frequent review of the internal audit strategy include:

- Changes in the Council's strategy or the maturity of its governance, risk management, and control processes.
- Significant changes in the Council's Constitution, policies and procedures or relevant laws and/or regulations.
- Significant changes in members of the Governance & Audit Committee, senior management, or the Chief Internal Auditor.
- Results of internal and external assessments of the internal audit function.



This page is intentionally left blank

GOVERNANCE & AUDIT COMMITTEE WORK PROGRAMME 2025-26

1ST MAY 2025

Reports to be with Peter by – 7th April 2025
 Reports to be with Wendy Barnard/Chair prior to pre-meeting – 10th April 2025
 Pre-meeting – 14th April 2025
 Finalised reports to Democratic Services – 17th April 2025
 Despatch by Democratic Services – 23rd April 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Self - assessment of Performance Management Arrangements Report	Richard Jones		✓			
Audit Wales Work Programme: Council Progress Update	Richard Jones		✓			
Internal Audit Plan 25/26	Jan Furtek				✓	
Implementation of Internal Audit agreed recommendations	Jan Furtek				✓	
Internal Audit Charter, Mandate and Strategy	Jan Furtek				✓	
Audit Wales Annual Audit Plan 2025 - 26	Steve Wyndham					✓

12TH JUNE 2025

Reports to be with Peter by – 23rd May 2025
 Reports to be with Wendy Barnard/Chair prior to pre-meeting – 29th May 2025
 Pre-meeting – 2nd June 2025
 Finalised reports to Democratic Services – 3rd June 2025
 Despatch by Democratic Services – 4th June 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Effectiveness of Strategic Risk Management Framework	Richard Jones		✓			
Draft Freedom of Information (FOI) & Data Protection Act (DPA) Breaches & Date Subject Access Request (DSARs)	Sian Hayward		✓			
Internal Audit Annual Report 2024/25	Jan Furtek				✓	
SRS Annual Internal Audit Report – Torfaen CBC IA Team	Jan Furtek				✓	
2024/25 Treasury Outturn report	Jonathan Davies	✓				
Draft Financial Strategy	Jon Davies/Peter Davies	✓				

Audit Wales Annual Audit Summary 2024	Audit Wales/Richard Jones		✓			✓
Audit Wales Counter Fraud Arrangements Review & Management Response	Audit Wales/Richard Jones		✓			✓
Audit Wales Work Programme and Timetable quarterly update - March 2025	Audit Wales					✓
Whistleblowing Annual Report	Philippa Green	✓				✓

24TH JULY 2025

Reports to be with Peter by – 7th July 2025

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 10th July 2025

Pre-meeting – 14th July 2025

Finalised reports to Democratic Services – 15th July 2025

Despatch by Democratic Services – 16th July 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Revenue & Capital MTFP update and process	Jon Davies	✓				
2025/6 Q1 - Treasury report	Jon Davies	✓				
2024/25 Draft WCF/Mon Farm Statement of Accounts	Jon Davies	✓				
Draft Annual Governance Statement 2024/25	Jan Furtek				✓	
CPR Exemptions - 6 monthly update to 31st March 2025	Jan Furtek				✓	
Global Internal Audit Standards – Implementation and Self-Assessment	Jan Furtek				✓	
Draft Self-Assessment Report 2024/25	Richard Jones		✓			
Governance & Audit Committee Annual report 2024/5	Chair – Andrew Blackmore		✓			

11TH SEPTEMBER 2025

Reports to be with Peter by – 22nd August 2025

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 28th August 2025

Pre-meeting – 1st September 2025

Finalised reports to Democratic Services – 2nd September 2025

Despatch by Democratic Services – 3rd September 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Internal Audit Quarterly progress report (Q1)	Jan Furtek				✓	
2024/25 MCC Draft Statement of Accounts	Jon Davies	✓				

16TH OCTOBER 2025

Reports to be with Peter by – 29th September 2025

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 2nd October 2025

Pre-meeting – 6th October 2025

Finalised reports to Democratic Services – 7th October 2025

Despatch by Democratic Services – 8th October 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Anti-Fraud, Corruption & Bribery Policy Update	Jan Furtek				✓	

27TH NOVEMBER 2025

Reports to be with Peter by – 10th November 2025

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 13th November 2025

Pre-meeting – 17th November 2025

Finalised reports to Democratic Services – 18th November 2025

Despatch by Democratic Services – 19th November 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
25/26 Q2 Treasury report	Jon Davies	✓				
2024/25 MCC Statement of Accounts Final	Jon Davies	✓				
ISA260 audit report of MCC accounts	Rachel Freitag/Jon Davies					✓
Audit Wales Work Programme: Council Progress update	Richard Jones		✓			
Whole Authority Annual Complaints Report	Annette Evans			✓		
The Ombudsmans's Annual Letter	Annette Evans			✓		
Audit Grants report	Audit Wales					✓
Audit Wales Financial Sustainability Review	Audit Wales					✓
Annual Audit Plan 24-25 Welsh Church Funds						✓
CPR Exemptions - 6 monthly update to 30th September 2025	Jan Furtek				✓	
Internal Audit quarterly progress report (Q2)	Jan Furtek				✓	

15TH JANUARY 2026

Reports to be with Peter by – 24th December 2025

Reports to be with Wendy Barnard/Chair prior to pre-meeting – Wednesday 31st December 2025

Pre-meeting – 5th January 2026

Finalised reports to Democratic Services – 6th January 2026
Despatch by Democratic Services – 7th January 2026

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
2024/5 WCF/Mon Farm Statement of Accounts Final	Jon Davies	✓				
2026/27 Capital strategy & Treasury strategy	Jon Davies	✓				
Effectiveness of Strategic Risk Management Framework and summary of wider arrangements	Richard Jones		✓			

26TH FEBRUARY 2026

Reports to be with Peter by – 9th February 2026
Reports to be with Wendy Barnard/Chair prior to pre-meeting – 12th February 2026
Pre-meeting – 16th February 2026
Finalised reports to Democratic Services – 17th February 2026
Despatch by Democratic Services – 18th February 2026

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
ISA260 for trust funds	Rachel Freitag/Jon Davies					✓
25/26 Q3 Treasury report	Jon Davies	✓				
Anti Fraud, Bribery & Corruption Risk Assessment	Jan Furtek				✓	
Internal Audit quarterly progress report (Q3)	Jan Furtek				✓	
Draft Internal Audit Plan 2025/26	Jan Furtek				✓	

Public Document Pack Agenda Item 15

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 20th February, 2025 at 2.00 pm

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

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

County Councillor: Sara Burch, John Crook, Malcolm Lane,
Phil Murphy, Peter Strong and Ann Webb

OFFICERS IN ATTENDANCE:

Peter Davies	Acting Chief Executive
Jan Furtek	Acting Chief Internal Auditor
Wendy Barnard	Democratic Services Officer
Jonathan Davies	Head of Finance
Steve Wyndham	Audit Wales Officer
Gemma Ellis	Ardal Interim Head of Procurement
John Paxton	Ardal Strategy & Development Manager
Kathy Buckley	Chief Information Security Officer
Sian Hayward	Digital and Technology Manager

APOLOGIES:

County Councillors David Jones

1. Declarations of Interest

None.

2. Public Open Forum

None present.

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

The Action List from the previous meeting was noted.

https://youtu.be/dNQTC-ktyxY?si=XRUYJla_yBY1K6v&t=2

1. Dates of Meetings: The dates were shared with the Chair and approved: CLOSED

4. Update of Contract Procedure Rules

Gemma Ellis and John Paxton, Ardal (procurement partners) presented a report providing an update of Contract Procedure Rules. Following their presentation, Committee Members were invited to ask questions:

<https://youtu.be/dNQTC-ktyxY?si=BT2yFLphoflNYrjH&t=12>

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 20th February, 2025 at 2.00 pm

As in the report recommendations, the Committee:

1. noted and considered the draft Contract Procedure Rules, and raised relevant comments or queries during the Committee meeting.
2. noted that the CPR's are subject to subsequent approval by full Council at its meeting on 6th March 2025.

ACTION: The Leader of the Council to be advised that whilst generally supportive of the draft document, the Committee raised some points as follows:

- The Committee identified some tension between ensuring transparent purchasing versus the need to have a Value for Money process which doesn't overly constrain the council's agility; also
- Concerns over the absence of a de minimis value in respect of the need for one quotation.

The Committee was unwilling to accept the document in its current form and requested that consideration was given to some adjustments.

5. 2024/25 Q3 Treasury report

The Head of Finance presented the 2024/25 Q3 Treasury Report. Following presentation of the report, Committee Members were invited to ask questions:

<https://youtu.be/dNQTC-ktYxY?si=Y9tdF3yT1jDCBFo6&t=1449>

As contained in the report recommendations, the Governance & Audit Committee reviewed the results of treasury management activities and the performance achieved in quarter 3 as part of their delegated responsibility to provide scrutiny of treasury policy, strategy and activity on behalf of Council.

6. 2025/26 Capital Strategy and Treasury Strategy

The Head of Finance presented the 2025/26 Capital Strategy and Treasury Strategy Report. Following presentation of the report, Members were invited to ask questions:

<https://youtu.be/dNQTC-ktYxY?si=JYcR9L58mnIjAgKz&t=2902>

As per the report recommendations:

1. The Governance & Audit Committee considered the draft Capital strategy for 2025/26 as found at **Appendix 1** and endorsed it for onward circulation and approval by full Council.
2. The Governance & Audit Committee considered the draft Treasury management strategy for 2025/26 as found at **Appendix 2** and endorsed it for onward circulation and approval by full Council. This includes the:
 - 2025/26 Minimum Revenue Provision Policy Statement, and;
 - 2025/26 Investment & Borrowing Strategies

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Governance and Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 20th February, 2025 at 2.00 pm**

3. The Governance & Audit Committee noted the requirement to review the Council's treasury management activities on behalf of the Council by continuing to receive quarterly treasury management activity updates during 2025/26 as per the requirements of the updated CIPFA Treasury Code of Practice.

7. Internal Audit Quarterly Progress report (Q3)

The Acting Chief Internal Auditor presented the Internal Audit Quarterly Progress Report for Q3. Following presentation of the report, questions were invited from Members:

<https://youtu.be/dNQTC-ktyxY?si=PGSWKeCIIDJzsVZP&t=4139>

As per 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 9 month stage of the financial year.

8. Governance and Audit Committee Forward Work Plan

The Forward Work Plan was noted.

It was decided to cancel the meeting of the 13th March 2025.

<https://youtu.be/dNQTC-ktyxY?si=re97xmmRRCj4DUQI&t=5139>

9. To approve the minutes of the previous meeting

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

<https://youtu.be/dNQTC-ktyxY?si=nsaxJ-5FrpsBMFwi&t=5341>

10. Date of Next Meeting: 13th March 2025

11. **To consider whether to exclude the press and public from the meeting during consideration of the following items of business in accordance with Section 100A of the Local Government Act 1972, as amended, that it involves the information as defined in Paragraph 14 of Part 4 of Schedule 12A to the Act (proper officers view attached)**

https://youtu.be/dNQTC-ktyxY?si=b_nLhH3eR3EQvXfF&t=5353

12. Cyber Security

The Head of Information Security and Technology and Chief Information Security Officer presented a report on Cyber security.

The following points were covered:

- Infrastructure
- Staff training
- Cyber security and resilience

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Governance and Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 20th February, 2025 at 2.00 pm**

- Role of Senior Information Risk Owner (SIRO)

Members noted the report and the cyber security arrangements outlined for MCC and confirm that they have assurance over the arrangements in place

Meeting ended at 3.35 pm