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County Hall
Rhadyr
Usk
NP15 1GA

Wednesday, 2 September 2026

Notice of Meeting

Draft Agenda

Governance and Audit Committee

Thursday, 10th September, 2026 at 2.00 pm,
The Council Chamber, County Hall, The Rhadyr, Usk, 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.	**Apologies for Absence**	
2.	**Declarations of Interest**	
3.	**Public Open Forum**	
4.	**To note the Action List from the previous meeting.**	
5.	**Internal Audit quarterly progress report (Q2)**	1 - 22
6.	**Whistleblowing Policy and Guidance**	23 - 56
7.	**2026/27 Q1 - Treasury report**	57 - 82
8.	**2025/26 Welsh Church Fund/Monmouthshire Farm School Endowment Trust Draft Statements of Accounts**	
9.	**Audit Wales: Review of Housing Adaptations**	83 - 108
10.	**Audit Wales: Recruitment and Retention Challenges**	109 - 126
11.	**MCC Grants Report 2023-24 and 2024-25**	127 - 140
12.	**Governance and Audit Committee Forward Work Plan**	141 - 142

Paul Matthews
Chief Executive

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

Andrew Blackmore

Colin Prosser

Rhodri Guest

Michael Thomas

County Councillor Sara Burch	***Cantref;***	***Labour and Co-Operative Party***
County Councillor Tony Easson	***Dewstow;***	***Welsh Labour/Llafur Cymru***
County Councillor David Jones	***Crucorney;***	***Independent Group***
County Councillor Malcolm Lane	***Mardy;***	***Welsh Conservative Party***
County Councillor Phil Murphy	***Caerwent;***	***Welsh Conservative Party***
County Councillor Peter Strong	***Rogiet;***	***Welsh Labour/Llafur Cymru***
County Councillor Ann Webb	***St Arvans;***	***Welsh Conservative Party***
County Councillor Rachel Garrick	***Caldicot Castle;***	***Labour and Co-Operative Party***

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Governance and Audit Committee Public Open Forum Guidance

Our Governance and Audit Committee meetings are live streamed and a link to the live stream will be available on the meeting page of the Monmouthshire County Council website

If you would like to share your thoughts on any matters being discussed by Governance and Audit Committee, you may attend the meeting in person (or join remotely via Microsoft Teams), or submit written representations (via Microsoft Word, maximum of 500 words).

The deadline for submitting representations to the Council is 5pm three clear working days in advance of the meeting. All representations received will be made available to the committee members prior to the meeting.

The amount of time afforded to each member of the public to speak is at the Committee Chair's discretion. We ask that contributions are no longer than 4 minutes.

If you would like to attend one of our meetings to speak under the Public Open Forum at the meeting, you will need to give three working days' notice by contacting GACRegistertoSpeak@monmouthshire.gov

If you would like to suggest future topics for consideration by Governance and Audit Committee, please do so by emailing GACRegistertoSpeak@monmouthshire.gov.uk

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	
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? - Discuss members' views/ key concerns with the papers and agree priorities	
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?	*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?

Governance	*Budgeting/ Financial Risk/ Reserves*
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 of) material partnerships and collaborations? 3. Is there clarity over the apportionment of responsibilities and decision making authorities? 4. How are governance/ control breaches identified and reported? 5. Are we confident that the arrangements for material expenditure (tendering, contracting and capital procurement) are robust? 6. Do we have confidence in whistleblowing (and similar arrangements) for raising concerns? *Corporate Risks* 1. Have key accountabilities for the identification, assessment, monitoring and management of risks been adequately defined and implemented? 2. Has the approach to risk management been designed and implemented effectively? 3. How can the Committee be confident that the Corporate Risk Register captures all significant risks facing the Authority? 4. Are the risk mitigation action plans credible and sufficient so as to achieve the desired outcomes?	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 assumptions understood, credible, documented and stress tested? 4. Does the Finance function have suitable capabilities and capacity to manage financial risk/ meet statutory requirements and obligations to the Council? 5. Do we have confidence that the budgetary process is likely to produce a plausible budget/ MTFP? 6. Are there suitable arrangements in place to manage and report on overall financial performance? *Financial Statements/ Misstatement Risk* 1. Is there a shared understanding as to the purpose of the Committee in reviewing draft financial statements? a. Are the Notes to the Accounts reasonable? b. Are the narrative reports, including the Annual Governance Statement reasonable and accord with the committee's view? 2. Are we comfortable with EA's work and audit opinion?

Questions for the Committee to conclude…
Do we have the necessary information to form conclusions/make recommendations/ escalate matters to the executive, council, relevant scrutiny committee? Do we need to follow up? If so, how?

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SUBJECT:	**INTERNAL AUDIT** **Progress Report for Quarter 1 (2026/27) & Quarter 3 Agile Audit Plan (2026/27)**
DIRECTORATE:	**Resources**
MEETING:	**Governance & Audit Committee**
DATE:	**September 2026**
DIVISION/WARDS AFFECTED: All	

1. PURPOSE

To consider the adequacy of the internal control environment within the Council based on the outcomes of internal audit reviews and subsequent conclusions issued to the 30th June 2026.

To consider the performance of the Internal Audit Section over the first 3 months of the 2026/27 financial year and the audit reviews to be undertaken during the 3rd quarter of the year.

2. RECOMMENDATION(S)

1. That the Committee note the audit conclusions issued.

2. That the Governance & Audit Committee 'Call-In' the Strategic Director for Social Care & Safeguarding to a future meeting to discuss the reasons for the second consecutive unfavourable audit conclusions in relation to the Safeguarding of Children's Money, and to seek assurance that appropriate controls will be implemented urgently.

3. That the Committee note the progress made by the Section towards meeting the 2026/27 Internal Audit Strategy and Agile Internal Audit Plan along with the performance indicators at the 3 month stage of the financial year which are currently just below the profiled target.

4. That the Committee approve the Agile Internal Audit 'Rolling Plan' covering Quarter 3 2026/27.

3. KEY ISSUES

3.1 Audit work has started in line with the 2026/27 Internal Audit Strategy, agreed by the Governance & Audit Committee in February 2026. The Agile Internal Audit Rolling Plan was agreed for quarter 1 in February 2026.

3.2 The Global Internal Audit Standards (GIAS) came into force for the UK public sector in April 2025 replacing the Public Sector Internal Audit Standards. A self-assessment and gap analysis of compliance to the new standards has been completed and an action plan is in place to ensure the team fully meet the requirements. The self-assessment will be updated during quarter 2 of the 2026/27 financial year.

3.3 The year end opinion for 2026/27 will be based on the audit work undertaken during the year, cumulative audit knowledge from previous years on key financial systems along with any assurance gained from other parties where relevant.

3.4 Attached as Appendix 1 to this report is the Internal Audit & Counter Fraud Update Report from the Chief Internal Auditor covering the period until the 30th June 2026.

3.5 The report included as Appendix 1 covers the following 5 areas.

1. Results from Internal Audit Reviews (Q1 2026/27)
2. Follow-up of Previous Audit Recommendations
3. Quarterly Internal Audit Plan (Q3 2026/27)
4. Counter Fraud Investigations and Outcomes
5. Performance Indicators

3.6 Within the results from Internal Audit Reviews completed during Quarter 1 2026/27, two audit reviews concluded with limited assurance opinions. The Safeguarding of Children's Money review received a consecutive limited assurance opinion, and it is therefore recommended that the relevant Strategic Director be called before the Committee to provide assurance on the action being taken to address the identified weaknesses. The Social Value Procurement review also received a limited assurance opinion. Full details of the findings arising from both reviews are set out in Appendix 1.

3.7 The proposed Quarter 3 Internal Audit Plan has been developed on a risk-based basis. In determining the programme of work, consideration has been given to the Council's Strategic Risk Register, emerging themes and management requests, alongside the key non-negotiable audit reviews agreed within the 2026/27 Internal Audit Strategy and the follow-up of previously agreed audit actions.

3.8 Consultation on the proposed Quarter 3 Plan will be completed with the Strategic Leadership Team ahead of its submission to the Governance and Audit Committee for approval. This will provide an opportunity to confirm that the plan remains aligned with the Council's current risk profile, organisational priorities and any developing assurance requirements.

4. SERVICE MANAGEMENT RESPONSIBILITIES

4.1 Chief Officers, Heads of Service and Service Managers are responsible for addressing any weaknesses identified in internal systems and demonstrate this by including their management responses within the audit reports. When management agree the audit action plans, they are accepting responsibility for addressing the issues identified within the agreed timescales.

4.2 Ultimately, managers within MCC are responsible for maintaining adequate internal controls within the systems they operate and for ensuring compliance with Council policies and procedures. All reports, once finalised, are sent to the respective Chief Officers and Heads of Service for information and appropriate action where necessary.

5. RESOURCE IMPLICATIONS

None.

6. CONSULTEES

Deputy Chief Executive / Strategic Director – Resources (S151 Officer)
Strategic Leadership Team

Results of Consultation:

N/A

7. BACKGROUND PAPERS

Internal Audit Strategy 2026/27
Agile Internal Audit Rolling Plan Q1 2026/27
Agile Internal Audit Rolling Plan Q2 2026/27

8. AUTHORS AND CONTACT DETAILS

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MONMOUTHSHIRE COUNTY COUNCIL
INTERNAL AUDIT

INTERNAL AUDIT & COUNTER FRAUD

UPDATE REPORT

JAN FURTEK
CMIIA CIA
CHIEF INTERNAL AUDITOR

2026/27 Quarter 1 Update
2026/27 Quarter 3 Rolling Plan

QUARTERLY REPORT CONTENT

1. Results from Internal Audit Reviews
2. Follow-up of Previous Audit Recommendations
3. Quarterly Internal Audit Plan
4. Counter Fraud Investigations and Outcomes
5. Performance Indicators

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sir fynwy

SUMMARY OF AUDITS CONCLUSIONS

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.

Each Internal Audit report contains a conclusion (opinion) which is an overall assessment of the control environment reviewed.

The conclusions used are those recommended by CIPFA within their paper Internal Audit Engagement: Setting Common Definitions.

SUMMARY OF AUDITS YEAR TO DATE

The number of Audit Conclusions issued since 01st April 2026 to the end of quarter 1 (30th June 2026).

Conclusion	Number
Substantial Assurance	2
Reasonable Assurance	1
Limited Assurance	2
No Assurance	0
Unqualified (Grant Claim)	0
Qualified (Grant Claim)	0
Total Conclusions issued	5

SUMMARY OF AUDITS COMPLETED

Assurance work and Conclusions issued in draft since the last update report.

It has been agreed that where an Unfavourable Conclusion has been issued further information will be provided to G&AC on the following slides (if applicable).

Audit Title	Conclusion	Status
School Admissions & Appeals	Substantial Assurance	Draft
Osbaston Primary School	Substantial Assurance	Final
Caldicot Castle (Follow-Up)	Reasonable Assurance	Final
Safeguarding of Children's Monies	Limited Assurance	Final
Social Value Procurement	Limited Assurance	Draft
Additional Payments (Schools)	Non-Opinion	Final
Enterprise Car Club – Early Consultancy	Non-Opinion	Final
Annual Governance Statement	Non-Opinion	Draft

SUMMARY OF AUDITS
UNFAVOURABLE CONCLUSION

Safeguarding of Children's Monies – Limited Assurance

The follow-up review concludes that arrangements for safeguarding children's monies remain at **Limited Assurance**. None of the eight significant recommendations from the May 2024 audit had been fully implemented: four were partially implemented and four were not implemented.

Key unresolved risks include 141 Junior ISAs totalling £39,271.82 remaining under Authority administration for young people no longer in care or aged 18, incomplete pathway planning and settlement records, and the absence of a fully consulted and approved financial policy. A new significant weakness was also identified because the Authority had not progressed with making the promised £5 weekly savings contributions into these accounts.

RISK RATING	DESCRIPTION	TOTAL IDENTIFIED
CRITICAL	Major or unacceptable risk which requires immediate action.	0
SIGNIFICANT	Important risk that requires attention as soon as possible.	8
MODERATE	Risk partially mitigated but should still be addressed.	1

SUMMARY OF AUDITS
UNFAVOURABLE CONCLUSION

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Safeguarding of Children's Monies – Limited Assurance

Ref.	SIGNIFICANT
1.02	The Authority did not have a fully consulted upon and approved Financial Policy for Children Looked After.
3.02	Appropriate and effective action if not been taken on receipt of the statements from the Share Foundation.
3.03	As per the 22nd January 2026 Share Foundation Statement the Authority was administering 141 Junior ISA's totalling £39,271.82 who were no longer under local authority care or had turned 18 years of age. Young People had not been paid money they were entitled to.
3.04	There was no evidence available to confirm that Young People, Parents/Guardians or Carers were made aware of the existence of a Junior ISA account at the appropriate time.
3.05	Pathway Plans were not in place for all eligible young people. Reviews of those plans that were in place were not being undertaken at the required frequency.
4.01	A record was not maintained of all Young People who have Duty of Care Settlements where a Monmouthshire County Council employee was acting as the Litigation Friend.
4.02	Social Workers / Personal Assistants were not always aware of the financial settlements held by the Court Funds Office on behalf of the Children Looked After or Young People.
New	The Authority had not made the £5 per week savings contributions promised to Children Looked After.

Ref.	MODERATE
1.03	Young People should be formally advised to seek independent financial advice ahead of their 18th Birthday.

SUMMARY OF AUDITS
UNFAVOURABLE CONCLUSION

Social Value Procurement – Limited Assurance

The audit identified some elements of the Council's approach to social value that provide a basis for the intended control framework; however, these arrangements were not consistently supported by effective implementation in practice.

Corporate strategies, procurement procedures and an evaluation methodology were in place, and social value had been incorporated into the significant procurement exercises reviewed.

However, the limited use of the Thrive Social Value Reporting System, gaps in records and weaknesses in monitoring arrangements reduced the extent to which these processes could demonstrate effective oversight and delivery of social value outcomes. The use of frameworks and quarterly newsletters provided some structure for defining and communicating social value activity, but these arrangements did not fully mitigate the wider issues identified during the audit.

RISK RATING	DESCRIPTION	TOTAL IDENTIFIED
CRITICAL	Major or unacceptable risk which requires immediate action.	0
SIGNIFICANT	Important risk that requires attention as soon as possible.	10
MODERATE	Risk partially mitigated but should still be addressed.	4
STRENGTH	No risk. Sound operational controls and processes confirmed.	9

SUMMARY OF AUDITS
UNFAVOURABLE CONCLUSION

Social Value Procurement – Limited Assurance

Ref.	SIGNIFICANT
2.05	A signed version of the contract could not always be located.
2.06	Although a contract register was published, this did not comprehensively cover all contracts which the Authority had in place.
2.07	No Social Value commitment has been attached to any procurement exercise less than £250k. There was no evidence that Social Value had been considered for contracts greater than £75k in value.
2.08	A schedule of penalties had not been established and included within contractual documentation.
2.09	A significant underperformance on delivering the committed Social Value was identified with no documented action taken to rectify the situation.
3.03	Despite the existence of a social value system / portal (Thrive) it did not contain all current contracts.
3.04	Access to Thrive had not been granted to all relevant individuals, limiting their ability to effectively monitor agreed Social Value activity.
3.05	There was no evidence of oversight and management of Social Value commitments by either Contract or Category Managers.

Ref.	MODERATE
1.04	No dedicated training had been provided to procurement managers or contract managers on how to achieve and monitor Social Value outcomes.
2.12	Collaborative contracts with other Ardal partners were not always sought, potentially missing out social value opportunities.
3.08	Invitation to Tender (ITT) documentation only required social value targets for the initial contract term and did not set out a documented approach for agreeing / contracting social value commitments for any extension period(s).
3.09	Although quarterly newsletters were produced and published on the Ardal website sharing stories around social value delivered, these were not circulated through the Authority.

SUMMARY OF AUDITS IN PROGRESS

Audit work currently in progress where no draft report has yet been issued.

This is as of 11/08/26

Audit Title	IA Plan	Fieldwork % Complete			
		25%	50%	75%	100%
Fuel Cards (2025/26)	C/F 2025/26				
Goytre Primary (2025/26)	C/F 2025/26				Issued Q2
Commercial Waste (2025/26)	C/F 2025/26				Issued Q2
Purchasing Cards Follow-up	2026/27 Q1				
Licensing	2026/27 Q1				
Grounds Maintenance	2026/27 Q1				
Data Protection / SharePoint Implementation	2026/27 Q2				
Caldicot Castle (Admin Processes)	2026/27 Q2				
Enterprise Car Scheme	2026/27 Q2				
Secondments	2026/27 Q2				
School Exclusions	2026/27 Q2				
New Children's Home	2026/27 Q2				
Housing Support Grant	2026/27 Q2				

SUMMARY OF AUDITS IN PROGRESS

Audit work agreed within the agile audit plan for previous quarters which has not yet commenced and the reason why a delay has occurred.

This is as of 11/08/26

Audit Title	IA Plan	Reason
Corporate Safeguarding	2026/27 Q1	Agreed with Strategic Director to delay the review until Q4 due to process changes being implemented.
Seven View Park	2026/27 Q1	Amended to Q3 start due to change in site management.
Raglan VC Primary School	2026/27 Q1	Amended to Q3 start due to IA Resource
Planning Obligations (S106)	2026/27 Q2	Agreed to amend this review to 2027/28 Q1 due to the delay in the Replacement Local Development Plan (RLDP) examination process.
Health & Safety	2026/27 Q2	Agreed with Strategic Director to delay review to Q4.

SUMMARY OF AUDITS
CONTINUOUS ASSURANCE

Value-added audit work is internal audit activity that improves organisational performance by providing meaningful assurance, practical insights, and recommendations that enhance governance, risk management, and operational effectiveness.

Advice is often delivered by email, through Microsoft Teams calls, or as part of an internal audit review. The Audit team also contributes to several programme boards, including the New Social Care Management System and the Information Governance Group, to provide insight.

Area
Financial, Internal Control and Governance Advice
Monitoring Implementation of Previous Recommendations & Management Actions
New Social Care Management System
Social Care Provider Financial Assessments
Annual Governance Statement
Information Governance Group - Standing Member
Systems Admin Network - Standing Member
Procurement Network - Standing Member
Corporate Induction
National Fraud Initiative
NAFN Fraud Alerts
Fleet Management Board - Standing Member

FOLLOW-UP AUDITS
PREVIOUSLY UNFAVOURABLE

The requirement for follow-up sits within the Global Internal Audit Standards ***Domain V: Performing Internal Audit Services****, specifically under* ***Principle 15 – Communicate Engagement Conclusions and Monitor Action Plans.***

Unfavourable audit opinions (Limited or No Assurance) are formally followed up to confirm that agreed actions have been implemented and controls improved. A revised conclusion will be issued and reported to the G&AC.

For Substantial or Reasonable Assurance opinions, responsible officers must complete a self-assessment, which Internal Audit may validate through testing.

Follow-up reviews are scheduled based on the date of the final report allowing enough time for management actions to be implemented and then embedded.

Year	Audit Title	Original Opinion	Status
2023/24	Employee Mileage	Limited	Limited
	General Expenses	Limited	Limited
	Children Looked After Savings	Limited	Limited
2024/25	Procurement Cards	Limited	Fieldwork
	Bank Imprest - Severn View	Limited	2026/27 Q3
	Supply Staff at Schools	Limited	2026/27 Q3
	Contract Management	Limited	2026/27 Q4
	Pupil Referral Service	Limited	2026/27 Q3
2025/26	My Mates	Limited	2026/27 Q4
	H&S Building Compliance	Limited	2026/27 Q4
	Deprivation of Liberty Safeguards	Limited	2026/27 Q4
	King Henry VIII 3-19 School	Limited	2026/27 Q4
	Caldicot Castle	No Assurance	Reasonable
2026/27	Social Value Procurement	Limited	2027/28 Q1

AUDIT PLAN

NON-NEGOTIABLES

As agreed within the Internal Audit Strategy 2026-27, there are a number of areas to be considered within each Quarterly Internal Audit plan considered to be non-negotiables.

The table opposite details these areas and when a review of the area can be next expected.

Audit Title	Directorate	Type of Review	Last Reviewed	Next Review
Payroll	People, Policy & Performance	Assurance	2022/23	2027/28
Budgetary Control (Revenue)	Resources	Assurance	2021/22	2027/28
Budgetary Control (Capital)	Resources	Assurance	2025/26	2028/29
Procurement	Resources	Assurance	2024/25	2026/27 Q1
Creditors	Resources	Assurance	2023/24	2027/28
Procurement Cards	Resources	Assurance	2025/26	2027/28
Debtors	Resources	Assurance	2025/26	2028/29
Council Tax	Resources	Assurance	2023/24	2027/28
National Non Domestic Rates (NNDR)	Resources	Assurance	2022/23	2026/27 Q3
Housing Benefits	Resources	Assurance	2023/24	2028/29
Health & Safety	Resources	Assurance	2019/20	2026/27 Q4
Safeguarding	Social Care & Safeguarding	Assurance	2020/21	2026/27 Q4
Annual Governance Statement	Cross Cutting	Assurance	Annual	Annual
Financial Advice	Cross Cutting	Added Value	Ongoing	Ongoing
Financial Assessments (Social Care Providers)	Social Care & Safeguarding	Added Value	Ongoing	Ongoing

AUDIT PLAN
QUARTER 3

Based on the ongoing rolling Internal Audit Plan, the Chief Internal Auditor has identified the areas scheduled for review during this quarter.

A risk-based internal auditing approach has been applied to prioritise the team's workload for the period. These priorities may be adjusted if organisational needs or risk levels change.

Audit Title	Directorate	Type of Review	Risk
Treasury Management	Resources	Assurance	High
National Non Domestic Rates (NNDR)	Resources	Assurance	High
Pupil Referral Service (Follow- up)	CLSE	Assurance	High
Supply Teachers (Follow-up)	CLSE	Assurance	Medium
School Building Usage	CLSE	Assurance	Medium
Ysgol y Ffin	Schools	Assurance	Medium
Schools Control Risk Self Assessments	Schools	Assurance	Medium
Children's Services Imprest Account	Social Care	Assurance	Medium
SWTRA	Infrastructure	Assurance	High
Outdoor Adventure	Place & Community Wellbeing	Assurance	Medium
MonLife Control Risk Self-Assessments	Place & Community Wellbeing	Assurance	Medium
Member Allowances & Expenses	Law & Governance	Assurance	Medium

COUNTER FRAUD
CURRENT INVESTIGATIONS

These are the investigations or pieces of Counter Fraud work which were ongoing at the end of the quarter.

After an initial review, some concerns may be deemed not to require any further action. Others may be investigated directly by Internal Audit, or the team may provide support to other Council officers who are appointed as the formal Investigating Officer.

Year	Investigation Title	Reason for Investigation	Status
2025/26	Employee E (School Based)	Inappropriate payments & non-compliance with Policy	Ongoing
2026/27	Employee F (Place & Community Wellbeing)	Theft	Ongoing
	Complaint A	Independent investigation required	Ongoing

COUNTER FRAUD
INVESTIGATION OUTCOMES

These are investigations or proactive pieces of Counter Fraud work completed which have been deemed as being closed at the end of the quarter.

Where necessary, concerns may be passed to outside agencies such as the Police, Social Care Wales or the Education Workforce Council.

Year	Investigation Title	Reason for Investigation	Outcome
	No outcomes to report during Q1		

INTERNAL AUDIT
PERFORMANCE INDICATORS

These are the performance indicators agreed within the Internal Audit Strategy 2026/27.

The suite of indicators are new for this year and due to this there is no comparable data from previous years.

	2026/27	Target	Q1	Q2	Q3	Q4
1	Audits completed to draft within 4 months	90%	100%			
2	Number of Audit Conclusions issued during the quarter	8	5			
3	Number of Audit Conclusions issued during the rolling 12 month period	35	33			
4	Clients satisfied with service received	100%	100%			
5	Number of staff	6 FTE	6 FTE			
6	Frequency of Plan Updates reported to GAC & SLT	Quarterly	Target Met			
7	Recommendations either fully or partially implemented within 12 months	90%	PI not yet captured – work in progress.			
8	Response to fraud allegations or requests for advice	2 days	Same day			

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SUBJECT:	**WHISTLEBLOWING POLICY AND GUIDANCE REVIEW**
MEETING:	**GOVERNANCE AND AUDIT COMMITTEE**
DATE:	**SEPTEMBER 2026**

1. PURPOSE:

The purpose of this report is to provide the Governance and Audit Committee with information in relation to the current review of Monmouthshire County Council's Whistleblowing Policy and Guidance.

2. RECOMMENDATION:

That the Committee supports the revised and reformatted versions of Monmouthshire County Council's Whistleblowing Policy and Guidance documents, enabling the documents to be approved and subsequent communication to be shared with all employees, to raise awareness.

3. KEY ISSUES:

All Monmouthshire County Council's HR policy and guidance documents have been reviewed and transferred to a revised format and structure, in the past 18 months, or are due to be reviewed and transferred by the end of October 2026. The purpose of this is to ensure that the information available in Monmouthshire County Council's HR policies is more concise, accessible and focussed, and by expanding the content in Monmouthshire County Council HR guidance documents, this is then more relevant and supportive of colleagues and people leaders, at varying stages of employment related processes. It is hoped that this revised approach will enable colleagues and people leaders to find employment related processes easier to navigate and subsequently apply to circumstances they are experiencing.

Monmouthshire County Council's Whistleblowing Policy was last reviewed and updated in 2024. The current review commenced in May 2026, and consultation has been undertaken with relevant officers and trade union representatives, including presentation and discussion at the Joint Advisory Group meeting on Monday 6th July 2026, as outlined in the version control tables in the policy and guidance documents. The following amendments were made to the Whistleblowing Policy and Guidance documents, following consultation:

- Including reference to additional legislation
- Replacing the term "in good faith" with "reasonable belief and public interest"

- Adding new sections on protected disclosures (including a list of external contacts with an explanation of legal conditions), “Acting on Suspicions” and Data Protection and Security

- Making it clearer that the Designated Officer should contact Human Resources, in the first instance of a concern being raised, for advice on the process to be followed

- Including a caveat on timescales to complete investigations (i.e. indicative timescales)

- Referring to malicious complaints potentially resulting in disciplinary action, up to and including dismissal

- Providing a more detailed explanation around anonymous complaints and confidentiality.

4. REASONS:

Monmouthshire County Council and school governing bodies expect the highest standards of conduct from all employees and therefore encourage employees and others with serious concerns about any aspect of the Council/school’s work to come forward and voice those concerns in a safe environment.

In line with the Council’s commitment to openness and accountability, employees are encouraged to raise concerns. Such concerns will be taken seriously, investigated and appropriate action taken in response. The Whistleblowing Policy and Guidance are designed to ensure that concerns about wrongdoing or malpractice can be raised without fear of victimisation, subsequent discrimination, disadvantage or dismissal.

The policy and guidance aim to:

- Encourage an individual to feel confident to raise a serious concern at the earliest opportunity
- Provide a route for an individual to raise concerns and to receive feedback on any action taken
- Provide reassurance that an individual will be protected from reprisals or victimisation, if they have made a disclosure in good faith.

5. BACKGROUND PAPERS:

None

6. AUTHOR:

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Whistleblowing (Joint)

GUIDANCE

CONTENTS

1. Purpose

The purpose of this Whistleblowing Guidance is to enable employees to raise concerns about serious wrongdoing, malpractice, or unsafe practice in a safe, confidential and supportive manner. This guidance aims to provide information and support to colleagues and managers on the application of the Whistleblowing (Joint) Policy and should be read in conjunction with that policy.

The Council/School Governing Body is committed to openness and integrity. This Guidance explains how to raise concerns and what will happen next.

This Guidance aims to encourage individuals to speak up where they have concerns that wrongdoing has occurred, is occurring or likely to occur, and to ensure that such concerns are taken seriously and investigated properly.

The Council/School Governing Body recognises that early disclosure of concerns helps to prevent harm, identify risks, and maintain trust with colleagues, service users and the wider community.

This Guidance applies to concerns about serious wrongdoing affecting the Council or the public interest and is separate from other procedures such as the Resolution Policy, which is intended for personal employment related issues.

2. Roles and Responsibilities

Monmouthshire County Council will be responsible for:

- Raising awareness of the Whistleblowing Policy and Guidance to all colleagues.
- Providing safe reporting routes to ensure that colleagues know who to contact and feel confident that their concern will be received appropriately.
- Ensuring concerns are handled confidentially and shared on a need-to-know basis.

- Making clear about situations where confidentiality cannot be maintained (for example in legal or safeguarding matters).

- Only sharing information on a strictly need to know basis.
- Assessing all whistleblowing concerns promptly and ensuring that appropriate investigations are carried out in a fair, proportionate, and independent manner, where possible.
- Providing feedback on progress and outcomes of any investigation.
- Reviewing this Guidance (and Policy) to ensure legal compliance and best practice.

Colleagues will be responsible for:

- Familiarising themselves with the application of the Whistleblowing Policy and Guidance.
- Raising concerns promptly where they reasonably believe that serious wrongdoing or malpractice, or unsafe practice has occurred, is occurring or likely to occur, and where the concern is in the public interest.
- Using the procedures set out in this Whistleblowing Guidance to raise concerns through the appropriate reporting channels.
- Understanding the differences between whistleblowing and grievances.
- Providing information honestly and responsibly, ensuring that concerns are raised in good faith and not for personal gain or with malicious intent.
- Cooperating with any investigation.
- Respecting confidentiality including not discussing a whistleblowing matter with colleagues or others unless authorised to do so.
- Attending training or awareness sessions as and when necessary.

Leaders will be responsible for (in addition to their responsibilities as colleagues):

- Understanding and being aware of this Whistleblowing Guidance and of their role in receiving and escalating concerns appropriately.
- Responding promptly to a whistleblowing concern, taking the concern seriously, listening carefully and acting in a non-judgemental manner.
- Acknowledging receipt of the concern.
- Maintaining confidentiality and sharing information on a need-to-know basis only.

- Being clear with the individual about situations where confidentiality cannot be maintained, (for example where required by law, safeguarding duties or serious risk).
- Ensuring that concerns are referred to the appropriate senior manager, HR and/or safeguarding lead, or designated whistleblowing contact.
- Protecting the whistleblower from detriment, ensuring that no action or behaviour. results in victimisation, harassment or unfair treatment as a result of raising a concern.
- Seeking advice and support from HR or other appropriate services when handling whistleblowing matters, particularly where the concern is complex, or involves, legal, safeguarding or disciplinary considerations.
- Cooperating with investigations, including providing information and support as required.
- Providing feedback to the individual raising the concern, while respecting confidentiality.
- Ensuring that colleagues are aware of the support mechanisms, including HR and Trade Union Representatives, and other sources of advice.
- Attending relevant training to ensure that they are confident and competent in handling whistleblowing concerns in line with policy, guidance and legal requirements.

HR colleagues will be responsible for:

- Providing support and advice to managers and colleagues on the application of the Whistleblowing Policy and Guidance.
- Supporting managers in handling whistleblowing concerns, particularly where issues involve complex employment, legal, safeguarding or disciplinary considerations.
- Ensuring confidentiality is maintained, in line with data protection requirement, while recognising that may need to be breached in limited circumstances (e.g. by law, safeguarding or serious risk).
- Advising on protection from detriment, helping to ensure that whistleblowers are not subject to victimisation, harassment or unfair treatment, as a result of raising a concern.
- Liaising with specialist services, including safeguarding leads, if appropriate.
- Supporting and advising on investigations including ensuring a fair process, consistent with employment law and aligned to the Council's policies and procedures.

- Maintaining appropriate records relating to whistleblowing concerns, in accordance with data protection and record keeping requirements (please see section 9 of this guidance for information).
- Reviewing this Guidance (and Policy) to ensure legal compliance and best practice.

Safeguarding colleagues will be responsible for:

- Managing a whistleblowing concern that indicates a child or vulnerable adult is at risk.
- Enabling concerns to be escalated to external bodies, if appropriate and necessary.
- Providing advice and support to individuals raising a safeguarding concern under this Whistleblowing Guidance (and Policy).

Trade Union or Workplace Representatives will be responsible for:

- Providing advice, support and representation to their members.
- Working with managers, HR and colleagues to ensure the application of this Guidance (and Policy) and protection of individuals.
- Maintaining confidentiality but also understanding that confidentiality can be broken to protect the safety of individuals.

3. Definitions

Statutory protection for employees who whistle blow is provided by the legislation, Public Interest Disclosure Act 1998 (“PIDA” - amended by the Enterprise and Regulatory Reform Act 2013). The PIDA protects employees against victimisation if they make a protected disclosure within the meaning of the PIDA and speak out about concerns around conduct or practice within the Council/school which is potentially illegal, corrupt, improper, unsafe, and unethical or which amounts to malpractice.

4. Policy Process – What Will Happen?

Types of Issues/Disclosures that can be raised

In legislation, protection under the Public Interest Disclosure Act (PIDA) only arises in relation to protected disclosures The types of qualifying disclosures that can be made include the following:

a) a criminal offence - has been committed, is being committed, or is likely to be committed.
b) a breach of a legal obligation - that a person has failed, is failing, or is likely to fail to comply with any legal obligation to which they are subject.
c) a miscarriage of justice has occurred, is occurring, or is likely to occur.
d) someone’s health and safety is being or is likely to be endangered.
e) the environment has been, is being, or is likely to be damaged.
f) sexual harassment - if someone is sexually harassed by a manager/colleague/unwanted behaviour of a sexual nature.
g) That information tending to show any of (a) to (f) above has been concealed or is likely to be deliberately concealed.

In addition to the above, and as further examples, this guidance also covers whistleblowing relating to alleged:

- unlawful conduct
- miscarriages of justice in the conduct of statutory or other processes
- failure to comply with a statutory or legal obligation
- potential maladministration, misconduct, or malpractice
- abuse of authority
- unauthorised use of public or other funds, fraud, bribery, or corruption
- breaches of financial regulations or policies

- mistreatment of any person
- action that has caused or is likely to cause physical danger to any person or risk serious damage to Council or School property
- sexual, physical, or emotional abuse of employees, service users, or pupils
- unfair discrimination or favouritism
- behaviour which is discriminatory towards someone with a protected characteristic under the Equality Act 2010
- racist incidents or acts, or racial harassment or intimidation
- attempts to prevent disclosure of any of the issues listed.

A disclosure will not be a qualifying disclosure if the person making it commits an offence by making it.

A protected disclosure can be made to one of the following recipients (subject to certain conditions), these are:

- The worker's employer
- A legal adviser
- Other bodies, e.g. Police, Member of Parliament (MP), media
- A regulatory body, e.g. HSE, Audit Wales, ICO

The circumstances in which disclosures may be made vary depending upon the intended recipient of the information. The most likely recipient of information from Council and or School employees concerning misconduct will be the Council or School Governing Body as the employer of the worker in question.

If the whistleblower does not feel able to raise a concern internally, they may choose to raise concerns in the public interest externally with prescribed bodies. These are listed in the 'Reporting concerns to external bodies' section of this guidance. Before deciding to do this, whistleblowers should be aware when making an external report that to qualify for the protections available under the Public Interest Disclosure Act, additional conditions need to be met.

To be protected by the Public Interest Disclosure Act (PIDA), a worker wishing to make a disclosure must make sure that they reasonably believe that the disclosure tends to show a relevant failure and that the disclosure is in the public interest.

If a disclosure is made to:

- the employer, it must arise from a reasonable belief that the alleged malpractice has occurred, is occurring or likely to occur
- a regulator, e.g. Health and Safety Executive, in addition it must be honestly and reasonable believed that the information and any allegations contained are substantially true
- other bodies such as the Police, media, MP etc, in addition to the tests for regulatory disclosure, no personal gain will be made from the disclosure and in all circumstances, that it is reasonable for the disclosure to be made.

If a disclosure is made to **"other bodies"**, further preconditions apply. It must be:

- reasonably believed that the whistleblower would be victimised if the matter were raised internally
- reasonably believed that the disclosure related to a criminal offence
- the case that there is no prescribed regulator, and it was believed that relevant information would be concealed or destroyed
- that the concern has already been raised with the employer or regulator or
- that the concern is of an exceptionally serious nature.

How to raise a concern

Wherever possible, employees are encouraged to use relevant Council procedures to report issues in an open and transparent way. In the first instance, concerns from employees should normally be raised with their line manager, individually or as a group. Similarly, non-employees (e.g. agency workers or contractors) should raise a concern in the first instance with the contact at the Council/School, usually the person to whom they directly report.

In some cases, the nature or sensitivity of the concern means that this may not be appropriate. If individuals feel that they cannot raise a concern with their immediate manager or normal Council contact, they may feel a whistleblowing disclosure is the most appropriate option.

Concerns should ideally be raised in writing to enable the Council/School Governing Body to review concerns effectively. Whistleblowers should give the background and history of the issues, giving relevant details such as names and dates, if possible, and the reason why they are particularly concerned about the situation.

Whistleblowers may ask for a private meeting with the person to whom they wish to raise a concern. If they wish, individuals can be accompanied by a trade union representative or work colleague to any meetings in connection with the concerns being raised.

If an individual wishes to make a whistleblowing disclosure, or discuss their concerns, the following officers should be their first point of contact:

CONCERN RELATES TO:	**REPORT TO** **(who becomes the Designated Officer)**
General concern/Employee/Volunteer	Line Manager/Headteacher
Line Manager	Head of Service/Head teacher

Head of Service/Head teacher	Chief Officer/Strategic Director/Chair of Governors
Chief Officer/Strategic Directors	Chief Executive (Tel: 01633 644 644)
Chair of Governors	Vice Chair of Governors
Chief Executive	Leader of the Council (Tel: 01633 644 644)
Whole Governing Body	Strategic Director - Children, Learning, Skills and Economy (Tel: 01633 644 644)
County Councillor	Monitoring Officer (Tel: 01633 644 644)
Malpractice about child/children in a school*	Strategic Director - Social Care and Safeguarding (Tel: 01633 644 644)
Malpractice about an adult(s) at risk*	Strategic Director - Social Care and Safeguarding (Tel: 01633 644 644)

Financial Irregularity/Impropriety	Chief Internal Auditor (Tel: 01633 644 644)

*** If the concern is a safeguarding concern about a child or adult at risk (rather than about potential malpractice), this should be reported to Monmouthshire Children's Services or Adult Services respectively via normal Child Protection /Safeguarding Procedures: Tel: 01633 644 644.**

If the concern needs to have Police or other statutory authority involvement, the whistleblowing process will be halted until the statutory authorities have completed their investigations and confirmed that it is appropriate to continue with the whistleblowing process. This must take place even if the statutory authorities take the decision not to pursue a criminal investigation.

Normally, the person who the concern is raised with, or reported to, becomes the Designated Officer. The Designated Officer is responsible for making initial enquiries about the matter and for keeping all parties informed of progress and advising of the outcome. It may be necessary for the Council/School Governing Body to appoint a person, as the Designated Officer, other than the person to whom the allegation or concern was raised with/reported to.

The Designated Officer should, in the first instance, contact Human Resources, to make them aware that a concern has been raised, provide details of the concern and receive advice on the process to be followed.

Acting on Suspicions

Do

- **Note your concerns:** Record details such as your concerns, names, dates, times, details of conversations and possible witnesses, and sign your notes.
- **Retain evidence:** Retain any evidence that may be destroyed or make a note and advise your line manager.
- **Report your suspicion:** Confidentiality will be respected; delays may lead to further concerns or financial loss.

Do Not

- **Confront the suspect or convey concerns to anyone other than those authorised:** Never attempt to questions a suspect yourself, this could alert a fraudster or accuse an innocent person.
- **Try to investigate:** Never attempt to gather evidence yourself unless it is about to be destroyed; gathering evidence must consider legal procedures in order for it to be useful.
- **Be afraid of raising your concerns:** The Public Interest Disclosure Act 1998 (PIDA) and the Council's Whistleblowing Policy protect employees who have reasonable concerns. This guidance has been written to take account of the Public Interest Disclosure Act 1998 (PIDA). You will not suffer discrimination or victimisation by following the correct procedures.

What the Council/School Governing Body will do

A key principle for the Council/School Governing Body will be the public interest. To be fair to all employees, initial enquiries will be made by the Designated Officer, with support from Human Resources, to decide whether an investigation is appropriate and if so, what form it should take. The concern raised may require the following:

- enquiry internally in the Council/School.
- need to be passed to the Police if it relates to alleged criminal activity.
- need to be passed to Internal Audit if the complaint is about financial management or financial propriety.
- need to be referred through established child protection/safeguarding procedures.

At this stage concerns/allegations are neither considered founded or unfounded, pending an investigation if deemed necessary.

Timescales

The Designated Officer will normally provide a written acknowledgement to the whistleblower **within 5 working days** (except in the case of anonymous allegations), acknowledging the concern has been received and:

- indicating how it is proposed to deal with the matter
- giving an estimate of how long it will take to provide a final response
- advising of the support available whilst matters are investigated
- outlining whether further investigations will take place and if not, why not.

The Designated Officer will write to the whistleblower and the individual(s) against whom the concern(s) has been raised, to acknowledge receipt and to indicate that the procedures have been commenced.

Depending on the nature of the concern/allegation, provision of a final response may take longer than 5 working days. If this is the case, the Designated Officer will notify all individuals in writing, providing an indication when the enquiry will be completed.

Where possible, enquiries will be completed within **10-15 working days** from the date of receipt of the initial written response from the Designated Officer. If the enquiry extends beyond the timescales above all individuals concerned will be notified in writing by the Designated Officer, providing an indication of when the enquiry will be completed.

The Designated Officer might investigate the concerns raised themselves or the Designated Officer might appoint an independent investigator to do so. As part of this process, the person who investigates the concerns raised will:

- Look into the concern - seeking evidence and interviewing witnesses as necessary
- Maintain confidentiality wherever possible (but there is not a 100% guarantee that the whistleblower can remain anonymous)
- If appropriate, refer the matter to Audit, if the complaint is about financial management or financial propriety in schools
- If appropriate, for concerns of criminal behaviour refer the matter to the Police
- If appropriate, for concerns of child protection or vulnerable adults, refer the matter through the established child protection/safeguarding procedures.

The amount of contact time between the whistleblower and the Designated Officer or person appointed to investigate the issues will depend on the nature of the matters raised, the potential difficulties involved and the clarity of information provided. It is likely that the whistleblower will be interviewed to ensure that their disclosure is fully understood.

Any meeting with the whistleblower can be arranged away from the workplace, if needs be, and a trade union representative or workplace colleague may accompany, for support. The whistleblower needs to be assured that their disclosure has been properly addressed. Unless there are legal reasons why this cannot be done, the whistleblower will be kept informed of the progress and outcome of any investigation. Following completion of the enquiry/investigation process, the Designated Officer or independent investigator will make a written report normally within **5 working days**. This report will contain findings and make recommendations for the Designated Officer (if an independent investigator has been appointed) or the appropriate committee of the School Governing Body to consider.

The report will not contain the name of the whistleblower, unless the individual has expressly stated that they wish to be named.

The Council/School Governing Body acknowledges that whistleblowers should feel confident that their concerns have been properly handled. Therefore, on conclusion of any investigation, unless there are legal reasons why this cannot be done, the whistleblower and the person(s) against whom the allegation is made, will be told the outcome of the investigation and what action has been taken/is proposed. The amount of information shared will be at the discretion of the Designated Officer/Investigating Officer, in conjunction with HR advice. If no action is to be taken, the reason for this will be explained. In addition, matters raised as part of the investigation may:

1. be referred to the Police
2. be referred to the External Auditor
3. form the subject of an independent inquiry
4. be referred to an alternative policy (e.g. Disciplinary Policy or Resolution Policy)
5. be resolved as an agreed action without the need for investigation.

Please note: All timescales in this guidance are indicative rather that definitive and may change based on the complexity of the investigation or referral to an alternative policy.

Reporting concerns to external bodies

If the whistleblower does not feel able to raise their concerns internally, they may choose to raise concerns externally with prescribed persons or bodies (details are provided in the 'Types of Issues/Disclosures that can be raised' section of this guidance). If a whistleblower does take the matter outside of the Council/School, they should be careful not to disclose confidential information and ensure that they comply with the requirements of the Public Interest Disclosure Act (PIDA), so that they do not lose the protection of the Act against dismissal or other detriment.

If a whistleblower has reported a matter internally but is not satisfied that the concern has been properly dealt with, they should first raise it with the Designated Office. If still unsatisfied, and it is necessary and in the public interest, the whistleblower may also consider raising concerns externally to prescribed persons or bodies.

The full list of prescribed persons and bodies can be found on the UK government website at: Whistleblowing: list of prescribed people and bodies - GOV.UK (www.gov.uk). This includes:

- HM Revenue and Customs
- The Auditor General for Wales
- The Director of the Serious Fraud Office
- The Children's Commissioner for Wales
- Social Care Wales
- Older People's Commissioner for Wales
- Public Services Ombudsman for Wales
- The Information Commissioner
- The Health and Safety Executive
- Natural Resources Wales
- The Equality and Human Rights Commission

If instead of going to a prescribed person a worker chooses to make a disclosure to an "other body" such as the media or a Member of Parliament (MP), they should note that the conditions set out in this guidance apply.

Those who receive payment for a disclosure (which may be relevant in dealings with the media) are unlikely to receive the protection outlined in this guidance (and policy).

5. Support For You

The Council/School Governing Body have a duty of care to their employees. Support for the individuals involved in this process is key to fulfilling this duty.

For those individuals who raise concerns and for those individuals who may have concerns raised about them, the Council/ School Governing Body will do all it can to help them throughout the process. Support for employees will include the offer of access to counselling and or referral to occupational health, for advice and support.

Individuals will be advised to contact their Trade Union representative, or a workplace colleague (not involved in the area of work to which the concern relates) for additional support. Individuals will also be offered an additional, independent point of contact for support during the process.

Any meetings that may be required as part of the process can be arranged away from the workplace if necessary and individuals have the right to be accompanied by their trade union representative or workplace colleague.

6. Safeguarding Whistleblowers – Our Assurances to You

Any individual who raises a genuine concern under this policy, will be protected from detriment, victimisation, or adverse treatment arising from this disclosure. It won't matter if the whistleblower is mistaken, provided they have reasonable belief and they are acting in the public interest.

Any individual who is found to have threatened or retaliated against a whistleblower in any way may be subject to disciplinary action, in line with the Council's/School Governing Body

Disciplinary Policy and Procedures. This assurance cannot be extended to an individual who maliciously raises a matter they know to be untrue.

Your legal rights

This guidance has been written to take account of the Public Interest Disclosure Act 1998 (PIDA) which protects workers making disclosures about certain matters of concern, when those disclosures are made in accordance with the Act's provisions and in the public interest. The Act makes it unlawful for the Council/School Governing Body to dismiss anyone or allow them to be victimised on the basis that they have made an appropriate lawful disclosure in accordance with the Act.

Harassment and Victimisation

The Council/School Governing Body is committed to good practice and high standards and to being supportive of employees/workers.

The Council/School Governing Body recognises that the decision to report a concern can be a difficult one to make. If a whistleblower honestly and reasonably believes what they are saying is true, they should have nothing to fear because they will be doing their duty to their employer, their colleagues and those for whom they are providing a service.

Harassment or victimisation of any kind against a whistleblower will not be tolerated and will be treated as a serious disciplinary offence and action will be taken against those responsible which may result in formal action up to and including summary dismissal, in line with the Council's/School's Disciplinary Policy and Procedures.

Confidentiality

All concerns will be handled confidentially in line with the Whistleblowing Policy. Further details on confidentiality can be found in the Whistleblowing Policy and in Section 8 (Anonymous Allegations) of this guidance.

7. Untrue or Vexatious Allegations

If an allegation is made which is believed to be in the public interest, but it is not confirmed by further enquiry or by an investigation, no action will be taken against the person who raised the initial concern. If, however, the enquiry/investigation shows that untrue concerns were malicious and/or vexatious or made frivolously or made for personal gain, then the Council/School Governing Body disciplinary process may be instigated which may result in dismissal from the Council/School.

8. Anonymous Allegations

Any disclosures made under this process will be treated seriously, and actions taken in accordance with the Whistleblowing Policy and Guidance. If asked to treat the matter in confidence, the identity of the whistleblower will not be revealed and we will do our best to respect the request as far as possible, restricting to "a need-to-know basis".

In circumstances, where it is not possible to resolve the concern without revealing the whistleblower's identity, the whistleblower will be advised first, and protective measures will be put in place before proceeding with any investigation. The same consideration of confidentiality should be afforded to the people/persons at the centre of the concern, as far as appropriate.

The best way to raise a whistleblowing concern is to do so openly, and when making a protected disclosure, the whistleblower is asked to give us a name. Reasons for this is so that we can protect your rights, and it's harder to do this if we don't know who you are. Additionally, if the nature of the protected disclosure is such that rather than an investigation (or prior to an investigation), immediate action could be taken, this would be agreed with the whistleblower.

At the end of any investigation we would like to tell the whistleblower (as far as the law allows us to), the outcome and steps taken or that we are going to take. We may also want to discuss a proposed action plan with the whistleblower before taking the action.

Although the Council/School Governing Body encourages whistleblowers to provide contact details, they can still raise a concern anonymously and raising a concern anonymously is preferred to silence about a potential wrongdoing. However, whistleblowers should be aware that if concerns are reported anonymously, they may find it hard to argue that any subsequent unfair treatment was as a result of the whistleblowing.

Potential whistleblowers should be aware that the protection of confidentiality may not apply where an individual intentionally reveals their identity in the context of a public disclosure.

It is recognised that the prospect of whistleblowing can place considerable stress on an individual. If employees are contemplating making a whistleblowing complaint, they may wish to seek advice from a third party such as a trade union representative or Human Resources.

The Council/School suggests a whistleblower wishing to remain anonymous should consider using an anonymous email account so that the Council/School Governing Body can respond and communicate details of the investigation. Anonymous whistleblowers may wish to keep copies of all correspondence to demonstrate that a concern was raised.

Anonymous concerns will be considered under the Whistleblowing Policy, especially concerns raised relating to the welfare of children or vulnerable adults. In relation to determining whether an anonymous allegation will be taken forward the Council/School Governing Body will take the following factors into account:

- the seriousness of the issue raised.
- the credibility of the concern.
- the likelihood of confirming the allegation from attributable sources and obtaining information provided.

If an employee raises a concern following the correct procedure and in the reasonable belief that it is in the public interest, the employee raising the concern will be protected. The Public Interest Disclosure Act (PIDA) protects workers who make a protected disclosure of information concerning certain types of matters relating to their employment, from being dismissed or penalised as a result of the disclosure.

9. Data Protection and Security

The provisions of the Data Protection Act 1998 must be observed during the whistleblowing process, particularly in disclosure, use and processing of personal information.

The Council's/Schools Governing Body processes all reported data in strict compliance with General Data Protection Regulation (GDPR) and Data Protection Act (2018) Policy. Whistleblowing files will be stored, with restricted access. Access will be limited to authorised individuals. To protect privacy and retaliation, the identity of the whistleblower will remain confidential and will be redacted from any third party subject access requests. Case records will be retained following the conclusion of an investigation to meet legal and regulatory requirements and in accordance with the Council's/School's Governing Body Retention Policy in relation to Whistleblowing.

10. How The Matter Can Be Taken Further

External Contacts regarding whistleblowing:

- GOV.UK website: www.gov.uk/whistleblowing
- ACAS: 0300 123 1100 or Get advice from the Acas helpline | Acas
- Citizen's Advice: www.citizensadvice.org.uk
- Public Concern at Work: 020 7404 6609 or www.pcaw.org.uk
- Education Workforce Council: 02920 460099 or www.ewc.wales
- Care and Social Services Inspector for Wales: 0300 7900 126 or www.cssiw.org.uk
- The Auditor General for Wales: 02920 320500 or Whistleblowing | Audit Wales whistleblowing@audit.wales

- Children's Commissioner for Wales: 01792 765600 or www.childcomwales.org.uk post@childcomwales.org.uk
- The Office of the Information Commissioner: 02920 678400 or https://www.ico.gov.uk
- The Police
- Your local councillor or AMs or MPs
- Health & Safety Executive: HSE - Working with Wales: HSE in Wales

Version Control

Title	Whistleblowing Guidance (Joint)
Owner	Human Resources
Approved by	TBC
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Consultation	Head of Litigation and Deputy Monitoring Officer Audit Manager Equality and Welsh Language Manager Trade Union Representatives Workforce Development Manager Head of Systems and Payroll Health and Safety Manager Governance and Audit Committee Safeguarding Manager

monmouthshire
sir fynwy

Whistleblowing (Joint)

POLICY

CONTENTS

1. Policy Brief - When do I use this policy?

1.1 Monmouthshire County Council and school governing bodies are committed to achieving the highest possible standards of conduct and service and the highest possible ethical standards in public life and in all its practices and will treat whistleblowing as a serious matter. Whistleblowing is defined as:

> 'The action someone takes to report wrongdoing at work that affects others' (The law - Whistleblowing at work - Acas 2026).

1.2 In line with the council and school governing bodies' commitment to openness and accountability, colleagues and others are encouraged to raise concerns, in a safe environment, about any aspect of the council and/or school's work which will be taken seriously, investigated, and appropriate action taken in response. The Whistleblowing Policy is designed to ensure that concerns about wrongdoing or malpractice can be raised without fear of victimisation, subsequent discrimination, disadvantage or dismissal.

1.3 The Whistle Blowing Policy aligns with our values of:

Openness: We are committed to fostering an open culture where colleagues feel safe and supported to raise concerns. We encourage honest communication and treat all disclosures with seriousness and transparency.
Fairness: We treat every individual fairly and consistently when handling whistleblowing concerns. All disclosures will be considered objectively, without prejudice or bias, and in line with our legal and ethical responsibilities.
Flexibility: We recognise that individuals may require different forms of support when raising concerns. We will take a flexible approach to the process and communication, ensuring that colleagues can speak up in the way that is safest and most appropriate for them.

***Teamwork**:* We work collaboratively across teams and departments to ensure that concerns are addressed effectively and responsibly. We value shared responsibility in creating a safe environment and take collective action to prevent and respond to wrongdoing.
Kindness: We prioritise respectful relationships and clear communications in all interactions, including supporting colleagues who raise concerns under this policy.

1.4 Monmouthshire County Council recognises its responsibilities under the following legislation:

- Employment Rights Act 1996, as amended
- The Trade Union and Labour Relations (Consolidation) Act 1992
- The Public Interest Disclosure Act 1998
- The Equality Act 2010
- The Bribery Act 2010
- The Enterprise and Regulatory Reform Act 2013
- UK General Data Protection Regulations (UK GDPR) and Data Protection Act 2018
- Employment Rights Act 2025.

2. Policy Scope – What does this policy cover?

2.1 The policy is designed to ensure that colleagues raise any concerns about wrongdoing or malpractice within the Council/ School without fear of victimisation, subsequent discrimination, disadvantage or dismissal. The policy aims to:

- Encourage colleagues to feel confident in raising serious concerns at the earliest opportunity and to question and act upon concerns about practice, so that they can be properly investigated.
- Provide avenues for colleagues to raise those concerns and receive feedback on any action taken.

- Ensure that colleagues receive a response to their concerns and that they are aware of how to pursue them if you are not satisfied.
- Provide reassurance that colleagues will be protected from possible reprisals or victimisation if they have made disclosure with reasonable belief and within the meaning of the PIDA (Public Interest Disclosure Act 1998, amended by the Enterprise and Regulatory Reform Act 2013).

2.2 The policy applies to all:

- Employees of Monmouthshire County Council/School Governing Bodies
- Employees of contractors working for the council/school
- Those providing services under a contract or other agreement with the council/school
- Voluntary workers working with the council/school.

2.3 This Policy should be read in conjunction with the Council's:

- Codes of Conduct for employees and County Councillors
- Dignity at Work Policy and Guidance (Joint)
- Disciplinary Policy and Guidance (Corporate/Schools)
- Resolution and Guidance Policy (Joint) and Guidance (Corporate/Schools)
- Sexual Abuse and Domestic Violence Policy and Guidance (Joint)
- Volunteering Policy (Joint)
- Whistleblowing Guidance (Joint).

2.4 If a colleague is the subject of an employee relations process, ongoing processes will not be halted as result of whistleblowing.

2.5 In its application, this policy seeks to ensure that there is no discrimination against colleagues either directly or indirectly on grounds prohibited by the Equality Act 2010 which covers age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

3. Confidentiality

3.1 The Council/School Governing Body aims to ensure that whistleblowers feel able to voice whistleblowing concerns under this policy. However, if colleagues wish to raise concerns confidentially, Monmouthshire County Council will make every effort to ensure whistleblowing protections are applied and that the whistleblowers(s) identity is not shared with anyone other than those involved in investigation the concerns raised. If it becomes necessary for anyone else to know the identity of the whistleblower(s), to adequately investigate the concerns, this will be discussed with the whistleblower(s) first.

3.2 In some circumstances, for example in disciplinary processes, it may not be possible to act because of a disclosure without asking the whistleblower(s) to come forward as a witness(es). If this is agreed to, the whistleblower(s) will be offered advice and support.

3.3 The Council/School Governing Body will not place colleagues under pressure to give their name and will give due consideration to proceeding with investigating the concern based on an anonymous allegation.

4. Support – Who can I contact?

- HR Colleagues - humanresources@monmouthshire.gov.uk
- Chief Internal Auditor - 01633 644 644
- External Counselling Service - contact HR Colleagues
- Safeguarding - 01633 644 644
- Trade Union Officer

Version Control

Title	Whistleblowing Policy (Joint)
Owner	Human Resources
Approved by	TBC
Date	March 2026
Version Number	1. Whistleblowing Policy (2004) 2. Whistleblowing Policy (2013) 3. Whistleblowing Policy (2016) 4. Whistleblowing Policy (2024) 5. Whistleblowing Policy (Joint) (2026)
Review Date	2028 – 2030
Status	Draft
Consultation	Head of Litigation and Deputy Monitoring Officer Audit Manager Equality and Welsh Language Manager Trade Union Representatives Workforce Development Manager Head of Systems and Payroll Health and Safety Manager Governance and Audit Committee Safeguarding Manager

REPORT

SUBJECT:	**TREASURY MANAGEMENT ACTIVITY UPDATE - QUARTER 1 2026/27**
MEETING:	**Governance & Audit Committee**
DATE:	**10 September 2026**
DIVISIONS/WARD AFFECTED:	**All**

1. **PURPOSE:**

1.1. The Prudential Code and CIPFA treasury guidance require local authorities to produce annually a Treasury Management Strategy Statement and Prudential Indicators on their likely financing and investment activity, and to ensure that the appropriate governance function that oversees the treasury management activities of the Authority is kept informed of activity quarterly.

1.2. The Authority's treasury management strategy for 2026/27 was approved by Council on 26th February 2026. Over the first quarter of the year the Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

1.3. This report represents the first update of treasury management activity during 2026/27.

2. **RECOMMENDATIONS:**

2.1. That Governance & Audit Committee considers the 2026/27 Treasury Management Outturn report, including performance against the approved Treasury Management Strategy and compliance with treasury limits and prudential indicators, in order to discharge its delegated scrutiny and assurance responsibilities on behalf of Council.

3. **KEY ISSUES:**

3.1. **Key data metrics at quarter end:**

Type	Metric	Q1 2526	Q2 2526	Q3 2526	Q4 2526	Q1 2627
External	Bank of England base rate	4.25%	4.00%	3.75%	3.75%	**3.75%**
External	UK Consumer Prices Index	3.6%	3.8%	3.4%	3.3%	**2.6%**
External	10-year UK gilt yield	4.49%	4.70%	4.48%	4.86%	**4.77%**
Internal	Borrowing	£208.2m	£179.2m	£182.8m	£197.6m	**£186.8m**
Internal	Borrowing Average rate	3.93%	3.72%	3.69%	3.77%	**3.93%**
Internal	Investments	£37.0m	£11.7m	£12.0m	£17.7m	**£19.7m**

Internal	Investment Average rate	4.40%	4.57%	4.56%	4.33%	**3.98%**
Internal	Credit score/rating	AA- / 4.50	AA-/ 4.44	AA- / 4.45	A+ / 4.51	**AA- / 4.15**

3.2. **Key messages:**

Treasury management activities undertaken during the first quarter of 2026/27 complied fully with the CIPFA code and the limits and indicators set out in the Authority's approved Treasury Management Strategy.
The Authority's average cost of borrowing decreased slightly over the quarter from 3.77% at year end to 3.61% at the end of the quarter.
Cash balances increased over the quarter from £17.7m to £19.7m. During quarter 1, the Authority's investment balances ranged between £13.0m and £42.2m, reflecting the timing of income receipts and expenditure, and achieved an average return of 3.98% at year end.
Investments in externally managed pooled funds generated £65k of income during the year, equivalent to a 6.22% income return, together with a £150.6k unrealised capital gain. Accumulated unrealised capital losses over the lifetime of these pooled fund investments stand at £27.5k, for which the Authority maintains an adequate treasury risk reserve to mitigate against any future realisation.
The Authority continues to invest in a specific Environmental, Social and Governance (ESG) investment product and prioritises it where returns remain competitive. At 30 June 2026 this product returned 3.78% compared with an average rate of 3.88% for all Money Market Funds.
Non-treasury investments, comprising the Authority's Solar Farm and two strategic property assets, generated a net surplus of £454k in 2025/26 and an overall return of 1.61%.

4. ECONOMIC SUMMARY

4.1. **Economic Overview:** The quarter was dominated by the escalation of the Middle East conflict, which disrupted global energy markets following strikes on Iran and the temporary closure of the Strait of Hormuz. This led to higher oil and gas prices and increased inflationary pressures, although energy prices eased later in the quarter as peace negotiations began. Despite these challenges, UK inflation fell from 3.3% in March to 2.8% in May, while core inflation also declined, suggesting that higher energy costs had not yet fed through broadly into the wider economy.

4.2. **UK Economic and Monetary Policy Developments:** Although the Bank of England had been expected to reduce Bank Rate from 3.75%, it kept rates unchanged throughout the quarter due to inflation remaining above its 2% target. The Monetary Policy Committee judged that a weakening economy and softer labour market conditions would help absorb the energy price shock without triggering sustained inflation. UK GDP grew by 0.6% in Q1 2026, but momentum weakened during the quarter, with falling business activity, softer employment conditions, lower vacancies and rising unemployment indicating slowing economic growth.

4.3. **Financial Markets and Credit Conditions:** Financial markets were volatile, with bond yields and equity prices initially reacting negatively to heightened geopolitical tensions before recovering as expectations of further interest rate rises diminished. UK gilt yields fluctuated significantly during the quarter, influenced by both monetary policy expectations and domestic political uncertainty. Credit conditions remained stable overall, with bank credit default swap (CDS) spreads rising briefly during the conflict before returning to pre-conflict levels. Credit rating upgrades by Fitch and Moody's strengthened the outlook for many banks, and Arlingclose maintained confidence in the creditworthiness of institutions on its counterparty list while continuing to monitor market volatility closely.

5. **BORROWING ACTIVITY**

Lender	31 Mar 2026 Balance £m	31 Mar 2026 Weighted Average Rate %	31 Mar 2026 Weighted Average Maturity (years)	Balance Movement	30 Jun 2026 Balance £m	30 Jun 2026 Weighted Average Rate %	30 Jun 2026 Weighted Average Maturity (years)
Public Works Loan Board	158.7	3.7	15.2	(11.5)	147.1	3.6	16.1
Banks (LOBO)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Welsh Gov Interest Free	5.9	0.0	2.4	(0.2)	5.7	0.0	2.4
Local authorities /Other	33.0	4.7	0.1	1.0	34.0	4.1	0.6
Total borrowing	197.6	**3.77**	**12.3**	**(10.8)**	**186.8**	**3.6**	**12.8**

5.1. The Authority maintained its borrowing strategy focused on affordability and long-term debt stability, continuing to rely on internal borrowing where possible. Gilt yields remained volatile and ended the year up. Public Works Loan Board (PWLB) rates fluctuated across maturities, with 10-year loans ranging from 4.77% to 5.45%, and short-term borrowing costs from other local authorities broadly aligned with the Base Rate at 4.0% to 4.50%. The Authority's average short-term borrowing rate decreased slightly over the quarter, reflecting lower market rates.

5.2. As of 30th June 2026, the Authority's total borrowing stood at £186.8m, a decrease of £10.7m from 31st March 2026. The decrease in total borrowing reflects timing differences, as new temporary loans were drawn shortly before the maturity of the loans they were intended to replace.

5.3. The Authority continues to balance securing low interest costs with maintaining flexibility to adjust borrowing in line with evolving long-term plans, ensuring a prudent and responsive approach to debt management.

6. **INVESTMENT ACTIVITY**

6.1. During the first quarter, the Authority's investment balances ranged between £13.0m and £42.2m, reflecting timing differences between income receipts and expenditure.

Investment Type	31 Mar 2026 Balance £m	Net Movement £m	30 Jun 2026 Balance £m	30 Jun 2026 Income Return %	31 Mar 2026 Weighted Average Maturity Days
Banks & building societies (unsecured)	(2.0)	0.0	(2.0)	Average 3.76% (4.33% 25/26)	Up to 180 days
Government (incl. local authorities)	(3.0)	(6.0)	(9.0)		
Money Market Funds (MMFs)	(8.7)	4.0	(4.7)		
Multi asset income, Pooled funds	(4.0)	0.0	(4.0)	4.83% (5.39% 25/26)	N/A
Total investments	**(17.7)**	**(2.0)**	**(19.7)**	**3.98% (4.33% 25/26)**	

6.2. Bank Rate was held at 3.75% over the first quarter with short term interest rates largely being around this level. The rates on DMADF deposits ranged between 3.70% and 3.79% and money market rates between 3.60% and 3.90%.

6.3. **Externally Managed Pooled Funds:** £4m of the Authority's investments are invested in externally managed strategic pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and longer-term price stability.

6.4. These funds provide and important diversification for the Authority and generated £65k (6.22%) income return, together with a £150.6k (3.48%) unrealised capital gain over the year.

6.5. Accumulated unrealised capital loses over the lifetime of the investment stand at £27.5k. The Authority maintains an adequate treasury risk reserve to mitigate against the risk that capital losses on pooled funds become realised and consequently result in a charge against the Council Fund.

7. **Environmental, Social and Governance**

7.1. During the first quarter, the Council has continued to review its investment portfolio against two ESG charters that organisations can voluntarily sign up for to ensure that all are meeting minimum level of ESG responsibility.

7.2. The authority continues to hold an ESG specific Investment product. This fund aims to provide security of capital and liquidity while focussing on the performance of the underlying issuers on a range of environmental, social and governance.

7.3. At 31st March 2026, the Authority's ESG-specific Money Market Fund returned 3.78% compared to an average rate of 3.88% for all Money Market Funds.

8. **NON-TREASURY INVESTMENTS:**

8.1. The Authority held a net book value of £29.53m of such non-financial asset investments at the 31st March 2026 (£29.19m as at 31st March 2025) made up of:

	Budgeted (Surplus) / deficit 2026/27 £000's	**Carrying Value 31 Mar 2026 £000's**	**Return 2026/27 %**	**Return 2024/25 %**
Oak Grove Solar Farm	(347)	5,938	5.84	8.47
Newport Leisure Park & service loan	(332)	16,418	2.02	1.70
Castlegate Business Park	217	7,177	-3.02	-4.22
Total	**(462)**	**29,533**	**1.56**	**1.61**

8.2. At this early stage of the financial year, there is insufficient information to produce a reliable forecast of the 2026/27 performance of the Authority's non-treasury investments. Performance will continue to be monitored against the approved budgets and expected returns for Oak Grove Solar Farm, Newport Leisure Park and Castlegate Business Park.

8.3. A further update, including the latest forecast position where available, will be provided through the period 1 financial monitoring report. The period 1 financial monitoring report is due to progress through the committee cycle in late September and October 2026.

9. **Compliance with treasury limits and indicators**

9.1. The Section 151 officer reports that all treasury management activities undertaken during the year complied fully with the CIPFA code and the limits and indicators as set out in the Authority's approved Treasury Management Strategy.

10. **CONSULTEES**

Cabinet Member – Resources

Head of Finance

Deputy Chief Executive, Strategic Director Resources (Section 151 Officer)

Arlingclose Limited – External Treasury management advisors to Monmouthshire CC

11. **APPENDICIES**

Appendix 1 – 2026/27 Treasury Management Quarter 1 Report

12. **AUTHORS**

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2026/27 Treasury Management Report – Quarter 1 (as at 30th June 2026)

1. External market conditions

1.1. Economic background: The main feature of the quarter was the continuation of the Middle East conflict, started on 28th February with strikes by Israel and the US on Iran. The conflict led to the closure of the Hormuz Strait, a waterway through which around 20% of the world's oil and liquified natural gas flows, resulting in sharp rises in energy and other commodity prices. Towards the end of the quarter, the US and Iran came to an agreement to negotiate a peace settlement, which prompted a reduction in energy commodity prices, albeit remaining higher than pre-war.

1.2. Coming close on the heels of the last energy price shock in 2022 following Russia's invasion of UK, central bank policymakers and financial markets reacted quickly to reflect the new reality for monetary policy. In the UK, the headline consumer price inflation (CPI) rate was widely expected to fall back to 2% in April, with changes to government energy policy announced in the budget reducing energy bills and therefore headline inflation rates. Instead, the sharp rise in petrol prices occurring from the war maintained the CPI rate well above target at 2.8%.

1.3. Having been expected to cut Bank Rate from 3.75%, the Bank of England's Monetary Policy Committee (MPC) instead held Bank Rate steady throughout the quarter. Despite sending hawkish signals with each monetary policy decision, and the voting split changing from a 9-0 hold in March to a 7-2 hold in June, the majority of committee members appear to believe the UK economy and labour market were soft enough to absorb the price shock without producing the persistent inflationary conditions seen in 2022, which led to Bank Rate rising to 5.25%. This appears to be backed up by business surveys towards the end of the quarter suggesting that business pricing pressures, while elevated, are abating.

1.4. Against expectations, UK headline CPI decreased over the quarter, from an annual rate of 3.3% in March to 2.8% in May, but still well above the Bank of England's 2% target. The core measure of CPI inflation also decreased, from 3.1% to 2.6% over the same period. Upside pressure in inflation generally reflected fuel prices, but many other categories experienced disinflation, providing some evidence that higher energy prices were not immediately feeding into a wider subset of products.

1.5. Data released during the period showed the UK economy expanded by 0.6% in the first quarter of the calendar year, following three previous quarters of weaker growth. However, monthly GDP data showed a contraction of 0.1% in April as weaker confidence affected spending and investment decisions. Purchasing managers' index (PMI) data indicated that softer growth was also likely in May and June, with the services PMI denoting a small contraction in activity from both months.

1.6. Labour market data showed a continued softening in employment conditions, as weaker private sector earnings growth was reported for the period February to April 2026. The unemployment rate for April was 4.9%, PAYE employment was down over the year, and the number of vacancies continued to fall. The looser labour market is supporting the MPC's decision not to tighten monetary policy, with the likelihood of wage growth rising in line with inflation appearing remote.

1.7. Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate remain at 3.75%, and that the Bank of England would focus on the spare capacity in the economy, notably the labour market, rather than the upside risk of persistent inflation. The balance of risks over the near term, however, is deemed to be to the upside as signs of second round inflationary effects will prompt policymakers to raise interest rates. Over the medium term, the balance of risk for Bank Rate shifts to the downside, with tighter monetary policy, higher prices and weaker growth presenting downside risks for inflation.

1.8. The US Federal Reserve also held interest rates steady the period, maintaining the Fed Funds Rate at 3.50%-3.75%. The decision in June was the sixth consecutive month where no changes were made to the main interest rate. US CPI jumped to 4.2% in May on the back of higher gasoline prices, raising the possibility that policy under new Fed Chair Kevin Warsh may lead to higher rather than lower rates.

1.9. The European Central Bank (ECB) hiked rates in June, the first rise since September 2023. The ECB noted heightened uncertainty in the near-term from the effects of the war, including higher inflation and potentially weaker growth. The June hike to 2.40% represented an insurance move to maintain inflation around the 2% target.

1.10. **Financial markets:** After the sharp deterioration early in the quarter, sentiment in financial markets showed signs of improvement during the period as hopes for an end to the US/Israel war with Iran increased. However, bond and equity markets remained volatile. Early in the period bond yields rose sharply due to tighter monetary policy expectations, but yields steadily declined as it became apparent central banks, including the Bank of England, were not going to immediately hike policy rates. Equity markets sold off sharply in March but gained back some of the previous declines, particularly in US markets, where AI-related sentiment remained strong.

1.11. Political uncertainty in the UK due to poor local election results for the Labour party placed upward pressure on medium and longer-term gilt yields. The eventual resignation of Keir Starmer and likely accension of Andy Burnham reduced some uncertainty and prompted a decline in yields.

1.12. Over the quarter, the 10-year UK benchmark gilt yield started at 4.86% and ended at 4.77% having hit 5.20% in late April. The 20-year gilt yield was slightly more stable, starting at 5.45% and finished at 5.42%, after peaking at 5.79% in May. The Sterling Overnight Rate (SONIA) averaged 3.73% over the quarter to 30th June.

1.13. **Credit review:** Arlingclose maintained its advised recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. Other banks remain on 100 days

1.14. During the quarter, Fitch upgraded numerous banks due to a rating methodology change, which placed greater emphasis on resolution regimes, loss-absorbing debt buffers and depositor protection. It also changed the reference obligations used for Issuer Default Ratings and introduced more differentiated notching between deposits, senior preferred, senior unsecured and senior non-preferred debt ratings.

1.15. Moody's also made changes to the ratings of European banks following the passing of EU legislation introducing full depositor preference across the bloc which places deposits ahead of senior unsecured debt in the creditor hierarchy. This resulted in upgrades to the ratings to several counterparties on Arlingclose's recommended list.

1.16. Credit default swap (CDS) prices on UK banks spiked through late March/early April following escalation in the Iran war but eased back over the rest of the quarter to end at broadly pre-conflict levels.

1.17. European banks' CDS prices followed a similar pattern, albeit some German banks were modestly higher compared to the previous quarter. Trade tensions between Canada and the US caused Canadian bank CDS prices to rise over the quarter and remain elevated compared to earlier Q1 2026 while Australian and Singaporean lenders were broadly unchanged.

1.18. Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

1.19. Financial market volatility is expected to remain a feature, at least in the near term, and credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

2. Movement in Treasury balances

2.1. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available to offset the CFR or for investment.

Table 1: Balance Sheet Summary

	31.3.26 £m	Movement £m	30.6.26 £m
General Fund CFR	226.8	9.1	235.9
Less: *Other debt liabilities	(1.8)	0.0	(1.8)
Borrowing CFR	**225.0**	**9.1**	**234.1**
Less: External borrowing	(197.6)	10.8	(186.8)
Net External borrowing	**27.5**	**19.9**	**47.3**
Less: Usable reserves	(42.5)	0.0	(42.5)
Less: Working capital	(2.7)	(21.8)	(24.5)
(Net Investments)	**(17.7)**	**(2.0)**	**(19.7)**

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

2.2. The Authority pursued its strategy of keeping borrowing and investments below their underlying levels for the quarter, known as internal borrowing. Table 1 above highlights that at the end of the quarter the Authority was internally borrowed by £47.3m, meaning that reserves and working capital were being used in lieu of external borrowing.

2.3. At the end of the quarter the Authority had net investments of £19.7m. Balances over the period ranged from between £13.0m and £42.2m due to timing differences between income and expenditure and borrowing activity.

2.4. The treasury management position at 30th June 2026 and the change during the year is shown in Table 2 below.

Table 2: Borrowing and Investment Summary

	31.3.26 Balance £m	31.3.26 Rate %	Movement	30.6.26 Balance £m	30.6.26 Rate %
Long-term borrowing	138.9	3.51	(6.7)	132.2	3.47
Short-term borrowing	58.7	4.39	(4.0)	54.7	3.97
Total borrowing	**197.6**	**3.77**	**(10.7)**	**186.8**	**3.61**
Long-term investments	0.0	N/A	0.0	0.0	N/A
Short-term investments	(3.0)	4.02	(6.0)	(9.0)	3.76
Pooled Funds	(4.0)	5.39	0.0	(4.0)	4.83
Cash and cash equivalents	(10.7)	Included in ST above	4.0	(6.7)	Included in ST above
Total investments	**(17.7)**	**4.33**	**(2.0)**	**(19.7)**	**3.98**
Net Borrowing	**179.9**		**(12.8)**	**167.1**	

2.5. The authorities net borrowing position has slightly decreased over the quarter. This is due to temporary increases in cash balances as significant amounts of Council funding are front-loaded into the earlier periods of the financial year.

3. Borrowing activity during the year

3.1. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio and, where practicable, to maintain borrowing and investments below their underlying levels, known as internal borrowing.

3.2. Gilt yields have varied during the period but overall have decreased slightly. Oil prices have reduced and inflationary figures in the UK have not risen by as much as markets initially expected. Concerns about the tepid UK economy have also lessened expectations of future rate rises which has lowered gilt yields.

3.3. The PWLB certainty rate for 5-year maturity loans was 5.16% at the beginning of the period and 5.07% at the end. The lowest available 5-year maturity certainty rate was 5.04% and the highest was 5.49%. In contrast rates for 20-year maturity loans ranged from 6.02% to 6.50% during the period, and 50-year maturity loans from 5.89% to 6.35%. After coming down from a characteristic spike seen around financial year end, the cost of short term borrowing from other local authorities has remained a little above Base Rate, at between 4.0% and 4.5%, throughout the period.

3.4. CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

3.5. The Authority currently holds commercial investments that were purchased prior to the change in the CIPFA Prudential Code. The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able to access PWLB borrowing if considered cost effective.

3.6. The Authority's short-term borrowing cost has reduced slightly over the period in line with Base Rate and short-dated market rates. The average rate on the Authority's short-term loans at 30th June 2026 on £54.7m was 3.97%, this compares with 4.39% on £58.7m loans 3 months ago.

3.7. At 30th June 2026 the Authority held £186.8m of loans, a decrease of £10.7m from 31st March 2026, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 30th June are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.26 Balance £m	31.3.26 Weighted Average Rate %	31.3.26 Weighted Average Maturity (years)	Balance Movement	30.6.26 Balance £m	30.6.26 Weighted Average Rate %	30.6.26 Weighted Average Maturity (years)
Public Works Loan Board	158.7	3.7	15.2	(11.5)	147.1	3.6	16.1
Banks (LOBO)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Welsh Gov Interest Free	5.9	0.0	2.4	(0.2)	5.7	0.0	2.4
Local authorities /Other	33.0	4.7	0.1	1.0	34.0	4.1	0.6
Total borrowing	**197.6**	**3.77**	**12.3**	**(10.8)**	**186.8**	**3.61**	**12.8**

3.8. The Authority's chief objective when borrowing has always been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

3.9. The weighted average maturity of loans continues to reduce as shorter term funding has represented better value for a significant period. This will continue to be monitored to ensure that the Council is not overly exposed to volatility in interest rates by needing to refinance large amounts of loans at any one time.

3.10. **Long-dated Loans:** No long-term loans taken during the period.

3.11. **Forward Starting Loans:** No loans taken during the period.

3.12. The Authority currently holds commercial investments that were purchased prior to the change in the CIPFA Prudential Code. The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able to access PWLB borrowing if considered cost effective.

4. Investment activity during the quarter

4.1. The CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (revised in 2021) defines treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

4.2. The Authority holds significant invested funds during the year, representing income received in advance of expenditure plus balances and reserves held. During the quarter, the Authority's investment balances ranged from between £13.0m and £42.2m due to timing differences between income and expenditure. The investment position at the end of the quarter was:

Table 6: Treasury Investment Position

	31.3.26 Balance £m	Net Movement £m	30.6.26 Balance £m	30.6.26 Income Return %	30.6.26 Weighted Average Maturity Days
Banks & building societies (unsecured)	(2.0)	0.0	(2.0)	Average 3.76%	Up to 180 days
Government (incl. local authorities	(3.0)	(6.0)	(9.0)		
Money Market Funds (MMFs)	(8.7)	4.0	(4.7)		
Multi asset income, Pooled funds	(4.0)	0.0	(4.0)	4.83%	N/A
Total investments	**(17.7)**	**(2.0)**	**(19.7)**	**3.98%**	

4.3. Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

4.4. The Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

4.5. The rates on DMADF deposits ranged between 3.7% and 3.79% and money market rates between 3.6% and 3.8%.

4.6. The combination of risk and return metrics are shown in the extracts from the Arlingclose quarterly investment benchmarking in the table below.

Table 7: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
MCC 31 Mar 2026	A+	4.51	78%	20	4.33
MCC 30 Jun 2026	AA-	4.15	42%	14	3.98
Similar LAs	AA-	4.32	46%	79	3.90
All LAs	A+	4.59	66%	11	3.95

4.7. **Externally Managed Pooled Funds:** £4m of the Authority’s investments are invested in externally managed strategic pooled multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and longer-term price stability.

4.8. These funds provide and important diversification for the Authority and generated £65k (6.22%) income return, together with a £150.6k (3.48%) unrealised capital gain during the first month.

4.9. Accumulated unrealised capital loses over the lifetime of the investment stand at £27.5k. The Authority maintains an adequate treasury risk reserve to mitigate against the risk that capital losses on pooled funds become realised and consequently result in a charge against the Council Fund.

4.10. Most major asset classes delivered positive returns over quarter 1 of 2026/27, although markets remained volatile and sensitive to geopolitical developments, energy prices and changing expectations for interest rates. The quarter generally represented a recovery from the weakness seen towards the end of 2025/26, when markets were unsettled by the escalation of conflict between the US, Israel and Iran. As tensions in the Middle East began to ease and oil prices fell back, investor sentiment improved and most asset prices recovered.

4.11. Equity markets generally performed strongly over the quarter, supported by improving risk appetite, resilient corporate earnings and continued enthusiasm for technology and AI-related investment. Emerging markets performed most strongly, with UK equities also delivering positive returns, although lagging overseas markets. This partly reflected the more defensive composition of the UK market and its exposure to falling commodity prices (such as oil).

4.12. Bond markets produced more modest but generally positive returns. Government bond markets were affected by competing influences. Higher energy prices and geopolitical uncertainty initially raised concerns about inflation, while later falls in oil prices and softer economic data helped support expectations that global central banks may still ultimately be able to reduce interest rates over time. UK gilts came under pressure (prices falling, yields increasing) with expectations of Bank Rate increases, plus domestic political uncertainty rising, but yields declined during June following the apparent ‘conclusion’ of the war, reduction in energy prices and decline in interest rate expectations, finishing the quarter at similar levels to the start.

4.13. UK commercial property capital returns were broadly flat to modestly negative over the quarter, with performance continuing to be driven primarily by income rather than capital growth. Although the commercial property market has stabilised compared with the more difficult conditions seen in recent years, economic uncertainty, elevated financing costs and movements in gilt yields continued to weigh on investor sentiment. Rental income therefore remained the main contributor to total return, while capital values remained subdued.

4.14. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority’s medium to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over the longer term that total returns will exceed cash interest rates.

4.15. **Statutory override:** The statutory override on accounting for gains and losses in pooled investment funds has been extended up until the 1st April 2029 for investments already in place before 1st April 2024. The override does not apply to any new investments taken out on or after 1st April 2024. The Authority maintains a treasury management risk reserve which currently holds £590,000 to mitigate the impact of such risks materialising.

4.16. **Minimum Revenue Provision (MRP):** Legislation has been passed giving the Authority the option, but not the obligation, to reduce the MRP charge for the financial year 2026/27. Nil MRP, or MRP lower than what would be considered the normal minimum charge, is allowable for this year only. Any MRP not made in 2026/27 must be made over a maximum of 10 future years. In view of these revenue savings leading to additional invest costs / lost investment income and higher MRP costs in subsequent years the Authority has decided not to use this provision.

5. Environmental, Social and Governance

5.1. During the first quarter of the year the investment portfolio has been assessed against two charters that organisations can voluntarily sign up for to ensure that all are meeting minimum level of ESG responsibility. These are shown in the table below:

Table 8: ESG Charter Signatories

	UN Principles for Responsible Investment	Uk Stewardship Code 2020
Aberdeen Standard	✓	✓
Aegon	✓	✓
CCLA Investment Management	✓	✓
Federated (Prime Rate) Liquidity Fund	✓	✓
Goldman Sachs	✓	✓
HSBC Global Asset Management	✓	✓
LEGAL AND GENERAL MMF	✓	✓
Morgan Stanley	✓	✓
Ninety-One	✓	✓
Royal London Asset Management	✓	✓
State Street Investment Management	✓	✓

5.2. An updated list of signatories to the two charters is provided by the Authority's treasury advisors each quarter and will continue to be monitored. Any counterparties not signed up to all three charters will be removed from the Authorities investment portfolio.

5.3. At 30th June 2026 the Authorities ESG specific Money Market Fund returned 3.78% compared to an average rate of 3.88% for all Money Market Funds.

5.4. In response to the ethical investment motion agreed by Council on 18 September 2025, the Council reviewed its own treasury investment portfolio and engaged with its treasury advisers and investment managers. The review identified no direct holdings in individual defence contractors, arms manufacturers or military companies. The Council also sought an update from the Greater Gwent (Torfaen) Pension Fund, recognising the Fund Committee's separate fiduciary responsibilities, and noted the revised Wales Pension Partnership Responsible Investment Policy and exclusions framework implemented from 1 April 2026. Ongoing monitoring and engagement on responsible investment matters will continue.

6. Non-Treasury Investments

6.1. The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return.

6.2. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and/or for commercial purposes (made primarily for financial return).

6.3. Investment Guidance issued by DLUHC and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.

6.4. The Authority held a net book value of £29.53m of such non-financial asset investments at the 31st March 2026 (£28.19m as at 31st March 2025) made up of:

	Budgeted (surplus) / deficit 2026/27 £000's	Carrying Value 31.03.26 £000's	Budgeted Return 2026/27 %	Net return 2025/26 %
Oak Grove Solar Farm	(347)	5,938	5.84	8.47
Newport Leisure Park & service loan	(332)	16,418	2.02	1.7
Castlegate Business Park	217	7,177	-3.02	-4.22
Total	**(452)**	**29,533**	**1.56**	**1.61**

6.5. These investments continue to represent an important income diversification for the Council and contributes towards the overall funding of services.

6.6. At this early stage of the financial year, there is insufficient information to produce a reliable forecast of the 2026/27 performance of the Authority's non-treasury investments. Performance will continue to be monitored against the approved budgets and expected returns for Oak Grove Solar Farm, Newport Leisure Park and Castlegate Business Park.

6.7. A further update, including the latest forecast position where available, will be provided through the period 1 financial monitoring report. The period 1 financial monitoring report is due to progress through the committee cycle in late September and October 2026.

6.8. The Authority also holds a portfolio of legacy non-financial asset investments that have been held for over a decade and are retained for income generation, capital gain or to support wider economic development or broader policy objectives. Income generation for these agricultural, retail and industrial assets are a secondary consideration and as such return against original investment would be considered negligible.

7. Treasury performance

7.1. The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 9 below.

Table 9: Budget performance

	Forecast 30.06.25 £000's	Budget £000's	Over / (under) Budget £000's
Interest Payable			
PWLB	5,364	5,607	(243)
Market loans	0	0	0
Short term loans	2,127	2,128	0
Other Activities (Internal Arrangements)	158	118	39
Total Interest payable on borrowing	**7,649**	**7,735**	**(86)**
Interest Receivable			
Invested cash short term	(596)	(804)	208
Pooled Funds	(184)	Included above	(184)
Finance lease income	(48)	Included above	(48)
Total income from Investments	**(827)**	**(804)**	**(23)**
Total	**6,097**	**6,931**	**(109)**

8. Compliance with treasury limits and indicators

8.1. The Section 151 officer reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA code and the limits and indicators as set out in the Authority's approved Treasury Management Strategy.

8.2. **Liability Benchmark:** This indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

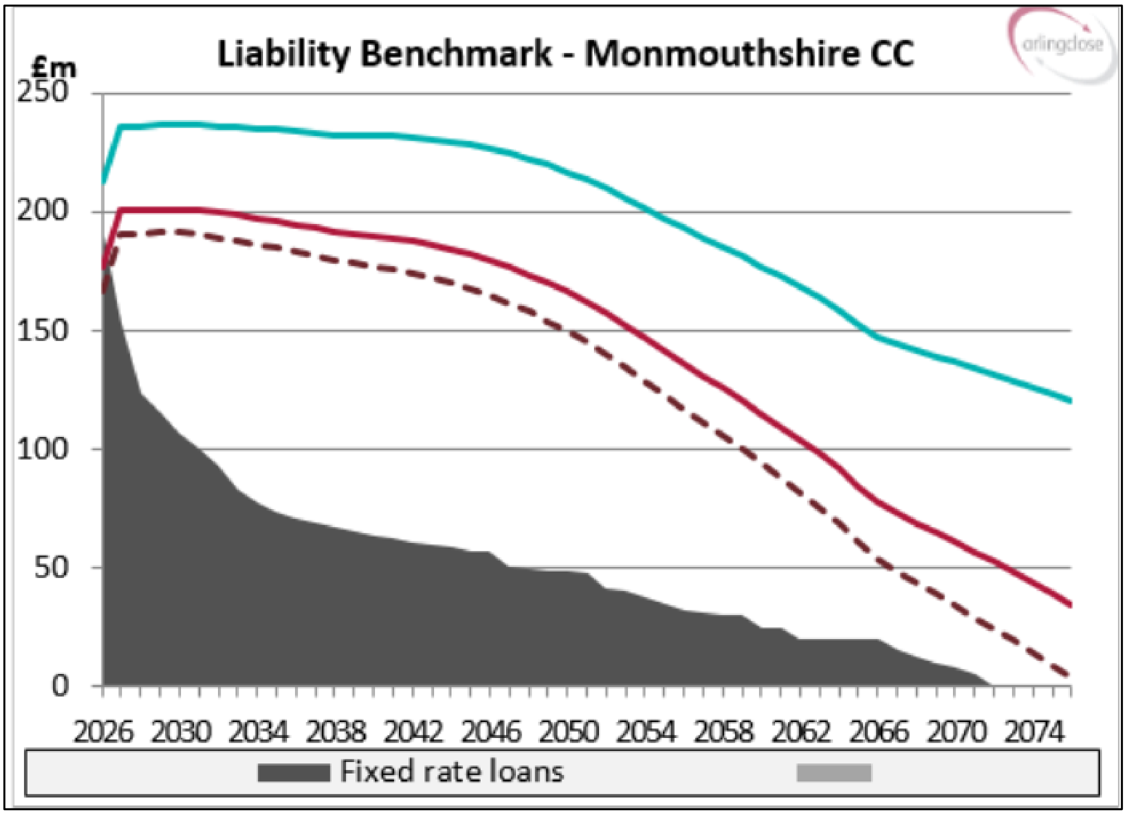
Table 10: Liability Benchmark

	31.3.26 Actual	31.3.27 Forecast	31.3.27 Forecast	31.3.28 Forecast	31.3.29 Forecast
Loans CFR	226.8	235.9	236.4	236.6	236.6

Less: Balance sheet resources	(39.2)	(45.5)	(45.5)	(45.5)	(45.5)
Net loans requirement	187.6	190.4	190.9	191.1	191.1
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
Liability benchmark	**197.6**	**200.4**	**200.9**	**201.1**	**202.1**
Current loan profile	(197.6)	(186.8)	(122.6)	(114.3)	(105.6)
Borrowing requirement	**0.0**	**13.6**	**78.3**	**86.8**	**95.5**

8.3. This indicates that if capital plans remains accurate the Council will have a borrowing requirement over the medium term of £95.5m. This projection forms the basis for future borrowing strategy and will be a consideration should any value loan opportunities present themselves in the market.

8.4. Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing is in line with the medium-term financial plan, minimum revenue provision on new capital expenditure is based on the annuity method, and expenditure and reserves all increasing by inflation of 2.5% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing.



8.5. The gap between the dotted red line and the grey shaded area of the chart represents the forecast difference between the estimated borrowing requirement and the Council's current loans profile. If capital expenditure plans remain accurate, the gap represents a borrowing requirement which will need be met by new and replacement loans over time.

8.6. **Borrowing limits:** Compliance with the [authorised limit]() and [operational boundary]() for external debt is demonstrated in the table below.

Table 11: Borrowing Limits

	2026/27 Maximum during the year £m	30.6.26 Actual £m	2026/27 Operational Boundary £m	2026/27 Authorised Limit £m	Complied? Yes/No
Borrowing	197.3	186.8	255.5	270.9	Yes
PFI, Finance Leases & Other LT liabs	1.8	1.8	17.8	18.8	Yes
Total debt	**199.03**	**188.6**	**273.3**	**289.7**	**Yes**

8.7. **Note**: Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

8.8. **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

Table 12: Maturity Structure of borrowing

Maturity	30.6.26 Actual	Lower Limit	Upper Limit	Complied?	31.3.26 Actual (For comparison)
Under 12 months	29%	0%	50%	Yes	30%
12 months and within 24 months	6%	0%	30%	Yes	8%
24 months and within 5 years	12%	0%	30%	Yes	12%
5 years and within 10 years	15%	0%	30%	Yes	15%
10 years and within 20 years	8%	0%	30%	Yes	7%
20 years and within 30 years	13%	0%	30%	Yes	12%
30 years and within 40 years	6%	0%	30%	Yes	6%
40 years and within 50 years	11%	0%	30%	Yes	10%
50 years and above	0%	0%	30%	Yes	0%

Table 13: Investment Limits

	Maximum in quarter	2026/27 Limit	Complied? Yes/No
The UK Government	£16.0m	Unlimited	Yes
Local Authorities per counterparty	£0m	£4m	Yes
Secured Investments	£0m	£4m	Yes
Banks per counterparty, rating A- or above	£3m (£4m total for the Councils operational bank)	£3m (£4m total for the Councils operational bank)	Yes
Building societies (unsecured)	£0m	£2m	Yes
Registered providers (e.g. Housing	£0m	£2m	Yes

Associations (unsecured)			
Money Market Funds	£4m	£4m	Yes
Any group of pooled funds under the same management	£2m	£5m	Yes
Real estate investment trusts	£0m	£5m	Yes
Covered or Supranational bonds	£0m	£5m	Yes
Other Investments	£0m	£2m	Yes

8.9. **Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating and credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 14: Credit Risk

	30.6.26 Actual	2026/27 Target	Complied?
Portfolio average credit	AA-/4.15	A-/5.0	Yes

8.10. **Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 15: Principal invested for period longer than a year

Price risk indicator	2025/26	2026/27	2027/28	No fixed date
Limit on principal invested beyond year end	£5m	£4m	£2m	£10m
Complied?	Yes			

8.11. For context, the changes in interest rates during the quarter were:

	01/04/26	30/06/26
Bank Rate	3.75%	3.75%
1-year PWLB certainty rate, maturity loans	4.93%	4.77%
5-year PWLB certainty rate, maturity loans	5.16%	5.07%
10-year PWLB certainty rate, maturity loans	5.62%	5.55%
20-year PWLB certainty rate, maturity loans	6.14%	6.09%
50-year PWLB certainty rate, maturity loans	6.00%	5.98%

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.

Background paper: Glossary of Treasury Terms

Authorised Limit	**The affordable borrowing limit determined in compliance with the Local Government Act 2003 (English and Welsh authorities) and the Local Government in Scotland Act 2003. This Prudential Indicator is a statutory limit for total external debt. It is set by the Authority and needs to be consistent with the Authority's plans for capital expenditure financing and funding. The Authorised Limit provides headroom over and above the *Operational Boundary* to accommodate expected cash movements. Affordability and prudence are matters which must be taken into account when setting this limit.** **(see also *Operational Boundary*, below)**
Balances and Reserves	Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.
Bail-in	Refers to the process which the banking regulatory authorities will use to restructure a financial institution which is failing or likely to fail. Unsecured creditors of and investors in that financial institution will participate in its restructure who will, as a consequence, incur a non-recoverable loss (commonly referred to as a 'haircut') on their obligation/investment. Local authority investments with banks and building societies such as term deposits, certificates of deposit, call accounts and non-collateralised bonds are unsecured investments and are therefore vulnerable to bail-in.
Bank Rate	The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". This rate is also referred to as the 'repo rate'.
Bond	A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.
Capital Expenditure	Expenditure on the acquisition, creation or enhancement of capital assets
Capital Financing Requirement (CFR)	The Council's underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.
Capital growth	Increase in the value of the asset (in the context of a collective investment scheme, it will be the increase in the unit price of the fund)
Capital receipts	Money obtained on the sale of a capital asset.
CIPFA	Chartered Institute of Public Finance and Accountancy
Constant Net Asset Value (CNAV)	Also referred to as Stable Net Asset Value. A term used in relation to the valuation of 1 share in a fund. This means that at all times the value of 1 share is £1/€1/US$1 (depending on the currency of the fund). The Constant NAV is maintained since dividend income (or interest) is either added to the shareholders' account by creating shares equal to the value of interest earned or paid to the shareholder's bank account, depending on which option is selected by the shareholder.
Collective Investment Schemes	Funds in which several investors collectively hold units or shares. The assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'Pooled Funds'). Unit Trusts and Open-Ended Investment Companies are types of collective investment schemes / pooled funds.

Corporate Bonds	Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.
Corporate Bond Funds	Collective Investment Schemes investing predominantly in bonds issued by companies and supranational organisations.
CPI ***Also see RPI***	Consumer Price Index. (This measure is used as the Bank of England's inflation target.)
Credit Default Swap (CDS)	A Credit Default Swap is similar to an insurance policy against a credit default. Both the buyer and seller of a CDS are exposed to credit risk. Naked CDS, i.e. one which is not linked to an underlying security, can lead to speculative trading.
Credit Rating	Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.
Cost of carry	When a loan is borrowed in advance of requirement, this is the difference between the interest rate and (other associated costs) on the loan and the income earned from investing the cash in the interim.
Credit default swaps	Financial instrument for swapping the risk of debt default; the buyer effectively pays a premium against the risk of default.
Diversification / diversified exposure	The spreading of investments among different types of assets or between markets in order to reduce risk.
Derivatives	Financial instruments whose value, and price, are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments. Derivatives may be traded on a regulated exchange or traded 'over the counter'.
ECB	European Central Bank
Federal Reserve	The US central bank. (Often referred to as "the Fed")
Floating Rate Notes	A bond issued by a company where the interest rate paid on the bond changes at set intervals (generally every 3 months). The rate of interest is linked to LIBOR and may therefore increase or decrease at each rate setting
GDP	Gross domestic product – also termed as "growth" in the economy. The value of the national aggregate production of goods and services in the economy.
General Fund	This includes most of the day-to-day spending and income. (All spending and income related to the management and maintenance of the housing stock is kept separately in the HRA).
Gilts (UK Govt)	Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged': being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.
Housing Revenue Account (HRA)	A ring-fenced account of all housing income and expenditure, required by statute

IFRS	International Financial Reporting Standards
Income Distribution	The payment made to investors from the income generated by a fund; such a payment can also be referred to as a 'dividend'
Investments - **Secured** - **unsecured**	Secured investments which have underlying collateral in the form of assets which can be called upon in the event of default Unsecured investments do not have underlying collateral. Such investments made by local authorities with banks and building societies are at risk of bail-in should the regulator determine that the bank is failing or likely to fail.
Liability Benchmark	Term in CIPFA's Risk Management Toolkit which refers to the minimum amount of borrowing required to keep investments at a minimum liquidity level (which may be zero).
LOBOs	LOBO stands for 'Lender's Option Borrower's Option'. The underlying loan facility is typically long term and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at predetermined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility.
LVNAV (Low Volatility Net Asset Value)	From 2019 Money Market Funds will have to operate under a variable Net Value Structure with minimal volatility (fluctuations around £1 limited to between 99.8p to 100.2p)
Maturity	The date when an investment or borrowing is repaid.
Maturity profile	A table or graph showing the amount (or percentage) of debt or investments maturing over a time period. The amount or percent maturing could be shown on a year-by-year or quarter-by-quarter or month-by-month basis.
MiFID II	MiFID II replaced the Markets in Financial Instruments Directive (MiFID I) from 3 January 2018. It is a legislative framework instituted by the European Union to regulate financial markets in the bloc and improve protections for investors.
Money Market Funds (MMF)	Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.
Minimum Revenue Provision	An annual provision that the Authority is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets
Non-Specified Investments	Term used in the Communities and Local Government Guidance and Welsh Assembly Guidance for Local Authority Investments. It includes any investment for periods greater than one year or those with bodies that do not have a high credit rating, use of which must be justified.
Net Asset Value (NAV)	A fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.
Operational Boundary	This is the limit set by the Authority as its most likely, i.e. prudent, estimate level of external debt, but not the worst case scenario. This limit links directly to the Authority's plans for capital expenditure, the estimates of the Capital Financing Requirement (CFR) and the estimate of cashflow requirements for the year.

Permitted Investments	Term used by Scottish Authorities as those the Authority has formally approved for use.
Pooled funds	See Collective Investment Schemes (above)
Premiums and Discounts	In the context of local authority borrowing, (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and (b) the discount is the gain arising when a loan is redeemed prior to its maturity date. If on a £1 million loan, it is calculated* that a £100,000 premium is payable on premature redemption, then the amount paid by the borrower to redeem the loan is £1,100,000 plus accrued interest. If on a £1 million loan, it is calculated that a £100,000 discount receivable on premature redemption, then the amount paid by the borrower to redeem the loan is £900,000 plus accrued interest. PWLB premium/discount rates are calculated according to the length of time to maturity, current market rates (plus a margin), and the existing loan rate which then produces a premium/discount dependent on whether the discount rate is lower/higher than the coupon rate. *The calculation of the total amount payable to redeem a loan borrowed from the Public Works Loans Board (PWLB) is the present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.
Private Finance Initiative (PFI)	Private Finance Initiative (PFI) provides a way of funding major capital investments, without immediate recourse to the public purse. Private consortia, usually involving large construction firms, are contracted to design, build, and in some cases manage new projects. Contracts can typically last for 30 years, during which time the asset is leased by a public authority.
Prudential Code	Developed by CIPFA and introduced on 01/4/2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.
Prudential Indicators	Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators between authorities.
PWLB	Public Works Loans Board. It is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.
Quantitative Easing	In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It "does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions – that could be insurance companies, pension funds, banks or non-financial firms – and credits the seller's bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim against the Bank of England (known as reserves). The end result is more money out in the wider economy". Source: Bank of England
Registered Provider of Social Housing	Formerly known as Housing Association

Revenue Expenditure	Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges
RPI	Retail Prices Index. A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent. Pensions and index-linked gilts are uprated using the CPI index.
SORP	Statement of Recommended Practice for Accounting (Code of Practice on Local Authority Accounting in the United Kingdom).
Specified Investments	Term used in the CLG Guidance and Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than 1 year. UK government, local authorities and bodies that have a high credit rating.
Supported Borrowing	Borrowing for which the costs are supported by the government or third party.
Supranational Bonds	Instruments issued by supranational organisations created by governments through international treaties (often called multilateral development banks). The bonds carry an AAA rating in their own right. Examples of supranational organisations are those issued by the European Investment Bank, the International Bank for Reconstruction and Development.
Treasury Management Code	CIPFA's Code of Practice for Treasury Management in the Public Services.
Temporary Borrowing	Borrowing to cover peaks and troughs of cash flow, not to fund spending.
Term Deposits	Deposits of cash with terms attached relating to maturity and rate of return (interest)
Unsupported Borrowing	Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.
Usable Reserves	Resources available to finance future revenue and capital expenditure
Variable Net Asset Value (VNAV)	A term used in relation to the valuation of 1 share in a fund. This means that the net asset value (NAV) of these funds is calculated daily based on market prices.
Working Capital	Timing differences between income/expenditure and receipts/payments
Yield	The measure of the return on an investment instrument

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Archwilio Cymru
Audit Wales

Housing Adaptations

Monmouthshire County Council

July 2026

We have prepared and published this report under section 17(2)(d) of the Public Audit (Wales) Act 2004

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Contents

Audit snapshot

What we looked at

1 Around 15 years ago, Monmouthshire County Council (the Council), like many other Welsh councils, transferred its housing stock to housing associations for them to manage. This means the process of delivering an adaptation to a home is different for people living in housing association properties compared to home-owners and people living in private rented homes.

2 We looked at how the Council provides housing adaptations for children, young people and adults living in their own homes and in private rented homes. We reviewed the Council's approach, delivery and monitoring arrangements.

Why this is important

3 Housing adaptations are changes to a home that make it easier for people to get around or do everyday tasks. They can help prevent falls or reduce or mitigate the need for formal care and unnecessary admissions to care settings. Examples of housing adaptations might include:

- installing ramps or grab rails;
- adding a stairlift or wheelchair lift;
- fitting a level access shower or shower seat; and
- widening doorways for wheelchair access.

4 The Council assesses people's needs to decide if they are eligible for support. If they are, the Council has a legal duty to arrange or provide services, such as home adaptations or equipment to help vulnerable people stay at home.

5 Audit Wales previously reported on Housing Adaptations in 2018. We found an overly complicated system which reinforced, rather than addressed, inequality in provision of adaptations.

What we have found

6 The Council delivers an effective preventative housing adaptations service with strong operational arrangements. However, improvements are needed to strengthen corporate oversight and improve the strategic use of data to address workforce risks and support longer-term planning.

What we recommend

7 We have made two recommendations. The Council should strengthen corporate oversight of the housing adaptations service by improving reporting to members on the service's performance, value and impact. It should also develop a workforce plan to better understand resilience risks and support the timely delivery of adaptations.

Key facts and figures

The average number of days to complete a Disabled Facilities Grant in Monmouthshire:

- 2023-24: 195 days
- 2024-25: 329 days
- 2025-26: 178 days

The number of Monmouthshire Adaptation Grants completed by the Council was:

- 60 in 2023-24
- 37 in 2024-25
- 55 in 2025-26

The number of Disabled Facilities Grants completed by the Council was:

- 7 in 2023-24
- 4 in 2024-25
- 2 in 2025-26

The combined number of DFGs and MAGs completed by the Council was:

- 67 in 2023-24
- 41 in 2024-25
- 57 in 2025-26

The average cost of delivering a DFG and MAG in Monmouthshire was:

- 2023-24: £ 13,268.52
- 2024-25: £ 7,366.73
- 2025-26: £ 6,069.16

The core budget for housing adaptations has remained at approximately £900,000 for several years.

Responses to the Council’s housing adaptations customer satisfaction surveys issued between 2025 and 2026 show that:

- 100% of respondents were either satisfied or very satisfied with the support provided by Council officers;
- 88% of respondents were either satisfied or very satisfied with the length of time it took to provide the adaptation;
- 73% of respondents strongly agreed that their quality of life has improved;
- 69% of respondents strongly agreed that they feel more confident and/or independent.

Our findings

What is working well

Integrated approach to housing adaptations

8 The Council has strong arrangements for delivering housing adaptations, supported by the move of the housing adaptations team from Housing into Social Services. This has strengthened links with wider preventative services. Staff and leaders see adaptations as a preventative service that helps people stay independent, live with dignity and return home safely from hospital or care.

9 The service makes good use of its Trusted Assessors model.[1] Under this model, Care & Repair assesses and installs minor adaptations costing up to £1,000. These include grab rails, small ramps and handrails. Using Care & Repair in this way reduces pressure on occupational therapists and surveyors and supports timely installation of low-risk adaptations.

10 In practice, social care teams work closely together to deliver housing adaptations. Staff are co-located with health teams and, in some areas, based on health sites. This includes Community Occupational Therapists, the Community Resource Team and hospital-based Occupational Therapy staff. All Occupational Therapists can refer service users for minor and major adaptations. These arrangements help people get the right support at the right time.

[1] A Trusted Assessor is someone acting on behalf of and with the permission of multiple organisations to carry out an assessment of health and/or social care needs in a variety of health or social care settings.

Application and assessment process

11 The Council uses means testing for larger adaptations through the Disabled Facilities Grant (DFG) process. Cases that are not means tested are processed through the Monmouthshire Adaptations Grant (MAG) programme. This offers a streamlined process for smaller adaptations. The Council supports people with their applications and keeps in regular contact with applicants to explain requirements, monitor progress and ensure they understand the process.

12 The Council has a clear approach to assessing applications. The occupational therapy service assesses people's needs and decides which adaptations are eligible. It then refers cases to the sustainable living team. Occupational therapists and the Council's surveyor then assess whether the home is suitable for the recommended adaptation.

13 The Council does not hold any council housing stock, but it provides clear information and an accessible application process for private landlords. Its DFG Conditions document explains eligibility for financial support and landlords can apply using a straightforward form, with contact details for further advice.

14 These arrangements help make the service easier to access. They also support timely applications and help people move through the process with a clearer understanding of its stages.

Operational performance and monitoring

15 The adaptations team collects data on service user profiles and referrals. Timescales, costs and progress of work are also recorded, including customer satisfaction results. Dashboards are used to track and manage this work. Occupational therapists record people's needs and circumstances through their referral and assessment processes. This includes urgency status and other factors to help manage and prioritise cases.

16 The housing adaptations service uses a Works in Progress record and an internal Excel dashboard to oversee delivery. It reviews performance at quarterly meetings, supported by monthly reports from Care & Repair. Regular case reviews and tracking help managers spot and respond to delays. However, reporting on outcomes and impact is less consistent and is not widely shared.

17 Operational performance has improved significantly since 2024-25, reflecting steps taken to build capacity, track cases better, and increase the pool of contractors. The ‘Average time taken to complete Disabled Facilities Grants’ has a target of 180 days. Performance against this measure for the last three years is as follows:

- 195 days in 2023–24
- 329 days in 2024-25
- 178 days in 2025-26

18 Occupational therapists and the housing adaptations team meet regularly to discuss adaptations and share learning. This learning helps identify good practice and informs prioritisation and future delivery. The Council also participates in the South Wales Renewals and Adaptations Group, which supports shared learning with other councils. Together, these arrangements give managers a clear view of performance, support timely action where delays emerge, and help the service improve over time.

Quality

19 The Council has arrangements in place to assure the quality of housing adaptations. At the start of each adaptation, it sets out clear specifications in the job schedule. This gives contractors clear instructions about the work they must complete. The Council surveyor carries out sign-off visits and, for works that need formal approval, such as extensions or garage conversions, Building Control staff sign off the required specifications. These arrangements help make sure adaptations are completed safely and to the required standard.

20 The Council manages contractors through its Code of Conduct. This sets out expectations around behaviour, quality and consideration for residents. The Code of Conduct requires contractors to consider any occupant vulnerabilities and make reasonable adjustments to their working methods. This can help reduce mess and disruption and demonstrates consideration of residents' needs.

21 The Council routinely seeks feedback from service users on contractor performance, including quality of work, tidiness, and timekeeping. This helps support a strong culture of quality and accountability. Contractors who receive poor client feedback may not be used for future work. This helps maintain standards and encourages contractors to deliver a good service.

Service user experience

22 The Council uses a customer satisfaction survey when it completes DFG works. The survey includes a range of questions to help understand the service user's overall experience. This person-centred approach provides valuable feedback on how the service made clients feel.

23 We looked at responses to customer satisfaction surveys issued between 2025 and 2026. They indicate that service users feel supported, listened to and are treated with dignity and respect. Most respondents also indicated that their adaptation has had a positive impact on their lives. This included improved quality of life, feeling safer at home and feeling more confident or independent. However, the Council does not routinely analyse this information or include it in performance reports or corporate updates. This is a missed opportunity to demonstrate the impact of the service.

What needs to improve

Corporate profile and strategic decision making

24 The housing adaptations service has a low corporate profile. The Council does not refer to it clearly in key documents such as the Community and Corporate Plan 2022-28 or Annual Self-Assessment 2024-25. This makes it difficult for the Council to show how the service contributes to its strategic aims.

25 Performance reporting focuses more on delivery times than outcomes. The Housing and Communities Service Plan 2025-28 includes one measure: the average time taken to complete Disabled Facilities Grants. The service records outcomes for users, such as whether an adaptation helped someone leave hospital or removed the need for a care package. However, although this information is used to manage day-to-day operations, it is not reported at a corporate level.

26 A clearer view of the service's wider impact could help demonstrate value for money, including related cost savings and cost avoidance, and better inform strategic decision-making.

Workforce planning and future demand

27 The service does not use its data systematically to plan for future demand. It uses operational data to understand current pressures and has also drawn on this information in reports on funding requirements, such as the March 2025 report to Business Cabinet on the Disabled Adaptations Programme. However, this is not part of a systematic approach to planning for future population needs, likely adaptation types, service outcomes or the service's preventative impact.

28 The core housing adaptations budget has remained at around £900,000 for several years, and it is unclear whether this is the right level of funding for future demand. The Council manages short-term pressures through in-year funding requests, capital slippage and late-confirmed external funding. These arrangements make it harder to plan delivery effectively, align workforce capacity with demand and manage the service over the medium to long term.

29 The housing adaptations service relies on a limited team of skilled professionals, with only one housing surveyor. Surveying capacity is limited and can create a bottleneck in service delivery. The surveyor also supports other housing service demands so their time is divided. This creates a clear resilience risk. The Council recognises this and plans to recruit an additional part-time surveyor.

30 The Council does not have a formal workforce plan for the housing adaptations service. Without one, it cannot clearly assess current and future staffing capacity, identify the skills it needs, or put effective succession arrangements in place. This limits its ability to manage pressure points and plan for future changes in demand.

Understanding partner performance

31 The Council is not responsible for delivering housing adaptations for people living in housing association homes – this is the role of the local housing associations. The Council does not monitor how quickly housing associations complete the work or if they inspect completed adaptations. As a result, it does not have a full picture of the timeliness and quality of adaptations across the county.

Recommendations

Taken together, these recommendations are intended to ensure that a high-impact preventative service, delivered effectively at an operational level, is also strategically overseen, sustainably resourced and clearly reflected in corporate decision-making.

Improve corporate oversight of housing adaptations

R1 The Council should increase corporate oversight and awareness of the housing adaptations service including close working with Social Care to assess outcomes and impact. This includes expanding performance reports and member reporting arrangements to evidence how work achieves value for money and contributes to the Community and Corporate Plan (**paragraphs 25 and 26**).

Develop a workforce plan to support future demand

R2 The Council should develop a workforce plan for the housing adaptations service to understand and address resilience risks that could affect the timely delivery of adaptations. The plan should include:

2.1 a clear understanding and analysis of future demand and service capacity over the medium to long term (**paragraphs 27 and 30**); and

2.2 a clear understanding and analysis of the resource requirements needed to meet future demand over the medium to long term (**paragraphs 28 and 29**).

Appendices

1 About our work

Scope of the audit

The audit considered whether the Council's arrangements for housing adaptations support service users to remain at home. This included reviewing the Council's approach, delivery and monitoring arrangements.

The audit did not include interviews with other stakeholders who are involved in the delivery of housing adaptations such as local health boards, contractors, Extra Care and housing associations. Neither did we contact service users to obtain their feedback on the service they received.

Questions

The audit used the following high-level questions:

- Does the Council have an informed and clear approach to housing adaptations which supports people to remain at home?
- Is the Council delivering its approach to housing adaptations to support people to remain at home?
- Does the Council have arrangements to monitor the progress and impact of housing adaptations to support people to remain at home?

Criteria

We considered Audit Wales's 2018 report on Housing Adaptations to develop the audit criteria. We also had discussions with councils to understand housing adaptations further.

Methods

We reviewed documents relating to housing adaptations process. We interviewed key officers and elected members, and we held a focus group with managers and team leaders involved in the housing adaptations process.

2 Key terms in this report

What we mean by a Monmouthshire Adaptations Grant (MAG)

1 A Monmouthshire Adaptations Grant pays for small to medium adaptations that do not require building or planning regulations approval. This includes adaptations such as stairlifts, ramps and level access showers. This grant is not means-tested, so is not dependent on an applicant's financial situation.

What we mean by Disabled Facilities Grant (DFG)

2 A Disabled Facilities Grant helps pay for major and important changes to a home so residents can live there more safely. The maximum grant available towards adaptations is £36,000, but the amount received depends on the financial circumstances of the applicant.

3 Councils in Wales are legally obliged to provide this grant and it applies to homeowners, tenants, and landlords.

What we mean by value for money

4 Value for money means spending money in a way that gets the best possible results for the cost. Value for money is commonly associated with the 'three Es' of economy, efficiency and effectiveness. We have summarised these as:

- Economy: buying what is needed at the lowest sensible cost to help achieve intended outcomes.
- Efficiency: using resources well to help achieve intended outcomes.
- Effectiveness: achieving the intended outcomes for the short and longer term.

5 Councils have a legal duty to check whether they are using money and resources economically, efficiently, and effectively.

6 Councils must also think about both short-term and long-term needs when making decisions. Sometimes the best value for money is not the cheapest immediate option, but the one that prevents bigger problems and costs later.

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Audited body	Monmouthshire County Council
Audit name	Housing adaptations
Issue date	17.07.2026

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Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R1	The Council should increase corporate oversight and awareness of the housing adaptations service including close working with Social Care to assess outcomes and impact. This includes expanding performance reports and member reporting arrangements to evidence how work achieves value for money and contributes to the Community	Discussions have taken place with the Scrutiny Manager to ensure Disabled Adaptations are included within People Scrutiny Committee's annual work plan, with plans to report an overview of the service to the committee annually, with the first report to be presented in December 2026.	Annually (next report December 2026)	Strategic Housing Manager	

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
	and Corporate Plan (paragraphs 25 and 26).	Discussions are also in place with Social Care colleagues to explore how performance information relevant to both services can be shared to ensure maximum benefit. The use of performance information will also be expanded in the Housing and Communities service business plan, including quarterly updates and performance indicators, to ensure performance is continuously evaluated and actions are informed. Disabled adaptations performance will be formally added to the agenda of quarterly progress meetings with Occupational Therapists. We will also utilise this information in our service newsletter targeting social care.	October 2026 October 2026 Ongoing		

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R2	The Council should develop a workforce plan for the housing adaptations service to understand and address resilience risks that could affect the timely delivery of adaptations. The plan should include: 2.1 A clear understanding and analysis of future demand and service capacity over the medium to long term (paragraphs 27 and 30); 2.2 A clear understanding and analysis of the resource requirements needed to meet future demand over the medium to long term (paragraphs 28 and 29).	Workforce planning discussions with team managers are scheduled to commence in Autumn 2026 and will include the Housing HR Lead. This will enable appropriate planning of service management and ensure the team is planning for the future. Consideration will also be given to the option and feasibility of a Housing Trainee/Apprentice. The revised corporate approach to Review & Development Appraisals is also planned to be implemented across the service. Alongside this work, we are working to increase surveyor capacity. As part of reporting to People Scrutiny Committee, an analysis of need, demand and outputs will be undertaken, with findings of any increasing risk to service	Nov 2026 Annually (next report December 2026)	Strategic Housing Manager	

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
		delivery and changes to resource requirements reported to members.			

Recruitment and retention challenges – the right people at the right time?

Monmouthshire County Council

June 2026

About us

We have prepared and published this report for presentation under the following duties:

- section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) to help enable the Auditor General to be satisfied (or not) that the Council has put in place proper arrangements to secure value for money in the use of its resources; and
- section 15 of the Well-being of Future Generations (Wales) Act 2015 to help enable the Auditor General to assess the extent to which the Council is acting in accordance with the sustainable development principle in taking steps to meet its well-being objectives.

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Audit snapshot

What we looked at

1 We looked at the recruitment and retention challenges that Monmouthshire County Council (the Council) is facing, including how well the Council understands its challenges, what it is doing in response, and how it reviews the value for money of its approaches.

Why this is important

2 Having the right workforce in place is essential for a Council to deliver the services its communities need and to meet its legal duties. To do this, the Council needs to employ the right number of employees, with the right skills, at the right time.

3 The majority of the Council's Day-to-day spending is used to pay for its workforce. However, the Council is facing challenges in recruiting and retaining people to deliver its services.

What we have found

4 The Council has a limited understanding of its recruitment and retention challenges and has taken action to address these with some success. The Council does not always assess the value for money of its recruitment and retention approaches.

What we recommend

5 We made two recommendations. These focus on strengthening the Council's use of workforce information to better understand current and future recruitment and retention challenges; and developing its approach to assessing the value for money of its recruitment and retention activity.

Our findings

Understanding the challenges

The Council has a limited understanding of its recruitment and retention challenges

6 The Council has a limited corporate understanding of its hard to fill posts. Officers know which roles are hard-to-fill and why within their services, but the Council does not collate this information to enable it to have an organisation-wide picture. Without an overall understanding, the Council may focus its actions in the "wrong" areas reducing the value for money of its activities.

7 The Council has some information to help it understand its recruitment and retention challenges. For example, it uses discussions with officers and exit interviews to understand its current challenges. But the Council has limited information to help it identify future trends. The Council has recognised within its People Strategy a need to improve its workforce information and is developing a corporate dashboard to improve the frequency and depth of workforce information provided to its senior leaders.

8 By not having comprehensive information, the Council is not able to fully understand the challenges it faces or forecast future trends. This increases the risks of not spotting problems early and of designing short-term solutions that do not provide value for money over the longer-term.

9 The Council generally understands how its use of a range of workforce management approaches helps it address its recruitment and retention challenges. These include use of agency workers, fixed-term contracts, recruitment freezes and market supplements. For example, it has clear processes in place for employing agency workers and using recruitment freezes. It has a well-established vacancy control process that involves justification for filling roles, consideration of alternatives and senior officer oversight of decisions. It uses fixed-term contracts to cover maternity leave or for managing seasonal demand for some services, but it does not have a formal policy for their use.

10 The Council also manages its use of market supplements through a clear policy. It uses them only in exceptional circumstances after a detailed business case is approved by a Chief Officer.

11 By understanding the impact of different workforce management approaches, the Council reduces the risk of negatively impacting the culture and morale of the organisation. This can help the Council to retain the talent it needs.

Addressing the challenges

The Council is taking action to address its recruitment and retention challenges, with some success

12 The Council uses a range of approaches to address its recruitment and retention challenges. However the Council recognises that challenges remain in some services, such as social care, leisure and cleaning services. The approaches it uses include:

- creating apprenticeship and 'grow your own' opportunities to develop people so they can undertake hard-to-fill posts;
- attending recruitment fairs targeted at recruiting to 'hard-to-fill posts;
- improving the appeal and reach of job adverts by using supporting videos and social media; and
- improving its recruitment website to make it easier for people to look and apply for jobs.

13 The Council has a clear commitment to increase diversity and inclusion. For example, it has an inclusive workplace promise and has a guaranteed interview scheme for people with disabilities or who are neurodiverse. By having arrangements to recruit from the full diversity of its community, the Council increases its available pool of talent and increases the likelihood of securing the talent it needs.

14 The Council is making use of technology to improve the effectiveness of its recruitment activity. For example it is:

- digitising its job application process;
- making it easier for job applicants to complete application forms via its website;
- distributing QR codes to potential applicants at job fairs to make it easier for them to register an interest in future jobs that may become available; and
- improving the accessibility of vacancies and other information about working for the Council on its website.

15 The Council’s onboarding arrangements do not always enable new staff to take up their posts quickly. In some cases, these delays have caused the Council to lose preferred candidates to competitors. In response, the Council is developing an online recruitment platform to improve the speed with which it onboards new staff. Its new recruitment platform also has potential to help the Council monitor the timeliness of onboarding in the future. Making sure that new staff start work quickly is important to help the Council continue to deliver services for its communities as well as reducing workload pressure on existing staff.

16 The Council has set a specific objective within its People Strategy to establish itself as an employer of choice and is taking positive action to achieve this aim. For example, it offers a range of wellbeing and reward offers including pensions, health benefits and flexible working options. These can improve staff wellbeing, productivity and support retention. In addition, the Council offers a range of learning and development opportunities for staff through its e-learning system. This supports staff to access training for their current roles and can help them to progress into more senior roles in future. Supporting staff development and wellbeing together with reward offers can help improve their motivation and performance whilst improving staff retention.

17 The Council works with its staff and their representatives to overcome its recruitment and retention challenges. For example, the Council formed working groups to improve its recruitment arrangements and retention of staff. This is important as involving employees in developing and delivering solutions to tackle recruitment and retention challenges can potentially help the Council identify different ways to address them. Without involving staff the Council may miss opportunities to identify practical solutions and secure staff buy-in to changes.

18 The Council works with partners to help overcome its recruitment and retention challenges. For example, it works with another council to provide youth offending services and with other councils and the local health board to provide IT services. By exploring opportunities for collaboration, the Council reduces the risk of missed opportunities to share resources, expertise, and notable practice to support its workforce sustainability.

19 Senior leaders have regular oversight of recruitment and retention challenges but gaps in information reduce its effectiveness. For example, councillors receive regular risk management reports updating progress on actions to address the Council's workforce pressures. However, as set out earlier in the report there are gaps in the information the Council collects to understand its recruitment and retention challenges. Making sure that senior leaders have the information they need to have regular oversight of recruitment and retention challenges reduces the risk that they are not identified and addressed in a timely way.

Reviewing value for money

The Council does not always assess the value for money of its approaches to recruitment and retention

20 The Council does not always assess or monitor the value for money of its recruitment and retention approaches. It has also not clearly set out who has responsibility for monitoring this. The Council sometimes reviews the costs of initiatives and puts in place cost control measures. For example, in its use of agency staff, recruitment control and external job advertising. However, by not always considering the cost and effectiveness of its approaches it is unable to determine if they provide value for money.

21 The Council also does not have arrangements to ensure that it always learns from its different approaches and those of other organisations. For example, the Council does not benchmark its approaches to recruitment and retention with other bodies. Whilst learning is shared internally within the Council through informal discussions, it does not have a mechanism to ensure that learning is always captured and shared.

22 By not consistently identifying and sharing lessons learned the Council risks missing opportunities to improve value for money.

Recommendations

R1 The Council should make sure that its senior leaders have the information needed to fully understand its recruitment and retention challenges (**paragraphs 7 and 19)**

R2 The Council should develop arrangements to assess the value for money of its approaches to recruitment and retention and share lessons learned from this (**paragraphs 20,21 and 22**).

Appendices

1 About our work

Scope of the audit

We looked at the challenges the Council faces in recruiting and retaining staff. This included how well the Council understands the challenges, the steps it is taking to respond to these challenges, and the how it reviews the value for money of its approaches.

We did not look at the wider topic of workforce planning.

Audit questions and criteria

Questions

We set out to answer the following questions:

- Does the Council understand its recruitment and retention challenges?
- Is the Council taking action to its address recruitment and retention challenges?
- Does the Council review the value for money of its approaches to address recruitment and retention challenges?

Criteria

We have assessed the Council's arrangements by answering the above audit questions. To help us do that, we have created a set of audit criteria which explains 'what good looks like'. We have used the audit criteria to help us analyse the evidence we collected from our review of documentary evidence and the interviews we conducted.

Our audit criteria were informed by a combination of our knowledge and experience and research into this topic. It was also informed by our conversations with national stakeholders.

Methods

We interviewed senior officers and the cabinet member responsible for developing and delivering the Council’s strategic approach to meeting its recruitment and retention challenges.

We also interviewed senior officers from three Council services that have faced recruitment and retention challenges.

We also reviewed a range of documents relevant to the audit questions we were seeking to answer.

About us

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Audited body	Monmouthshire County Council
Audit name	Recruitment and retention challenges – the right people at the right time?
Issue date	

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Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
R1	The Council should make sure that its senior leaders have the information needed to fully understand its recruitment and retention challenges.	Ensure data and analysis of recruitment and retention challenges are shared at Directorate Management Team meetings and included in the annual HR Report to the Strategic Leadership Team.	December 2026	Head of HR	
R2	The Council should develop arrangements to assess the value for money of its approaches to recruitment and	Define and collate appropriate metrics to assess the value for money from recruitment. These *could* include cost per hire; retention and performance of new	December 2026	Head of HR	

Ref	Recommendation	Commentary on planned actions	Completion date for planned actions	Responsible officer (title)	Audit Wales only
	retention and share lessons learned from this.	recruits; time to hire; feedback from applicants and new recruits. Undertake a benchmarking exercise of these metrics, with comparisons across other public sector organisations.			

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Certification of Grant Returns 2023-24 and 2024-25 - Monmouthshire County Council

Audit years: 2023-24 and 2024-25

Date issued: August 2026

Contents

Audit Findings

Summary of certification work

1 Under Paragraph 20 of Schedule 8 to the Government of Wales Act 2006 the Auditor General shall, if required by a local government or other grant-receiving body, make arrangements for certifying grant returns.

2 We have completed our certification work upon the Council's grant returns for the 2023-24 and 2024-25 financial years and this report summarises the outcomes of this work.

3 This report is being issued later to the Council than would be normally the case and also covers two years of certification work. This is because audit of the Housing Benefit returns for 2023-24 and 2024-25 could not be concluded until recently, and so full and complete details of grant activity for both years could not be presented until now.

4 **Exhibit 1** provides a summary of this certification work.

Exhibit 1 – High Level Summary of our grants certification work for 2023-24 and 2024-25

Grants and returns certified	As appointed auditors of the Council, we were required to certify a number of the Council's grant returns for the 2023-24 and 2024-25 financial years: • 2023-24: we certified 5 grant returns with a total value of £51,098,565. • 2024-25: we certified 5 grant returns with a total value of £54,731,966.

Certification results	The final outcomes of our certification work were as follows: • 2023-24: 3 returns were issued with a qualified certificate and 2 were unqualified. • 2024-25: 3 returns were issued a qualified certificate and 2 were unqualified.
Audit adjustments	Some adjustments were required to the returns as a result of our certification work: • 2023-24: 3 returns were subject to amendment. • 2024-25: 2 returns were subject to amendment.
Fees	The overall fees charged for the certification work was: • 2023-24: £60,474 • 2024-25: £54,673

5 Further detail is provided below on the outcomes of our certification work for both 2023-24 (**Exhibit 2**) and 2024-25 (**Exhibit 4**) for each grant return, highlighting where audit amendments were required and whether the return was qualified.

6 A qualification means that issues were identified concerning the Council's compliance with the scheme's requirements, as set by the grant paying body, that could not be resolved through adjusting the return. In these circumstances, it is possible that the relevant grant paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

7 A detailed breakdown of the audit fees for each return certified is provided at **Exhibit 6** at page 14.

Exhibit 2: Summary of certification work outcomes for 2023-24

We were required to certify 5 of the Council's returns for the 2023-24 financial year, of these:

- 3 were qualified
- 3 were amended

Grants and returns	Qualified certificate?	Was the return adjusted?	Adjustment value
National Non-Domestic Rates Return	Yes	No	-
Teachers' Pensions Return	Yes	Yes	£1,894
Housing Benefit Subsidy	Yes	Yes	£2,795
Section 33 Pooled Budget	No	Yes	£1,000
Health Act S28a and 28b Money transfer	No	No	-

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Exhibit 3 summarises the key issues relating to the reasons for each of the adjustments or qualifications highlighted above.

Exhibit 3: Detailed summary of the outcome of our certification work on each of the 2023-24 returns

Return	Findings	Amendment (£)
National Non-Domestic Rates	For properties claiming empty property relief we are required to obtain evidence that inspections or spot-checks have been undertaken by the Council. We asked for evidence of the empty property inspection for a sample of properties, of which 4 properties had no evidence of a spot-check or inspection by the Council, and instead the Council had relied on the owners' statements that the properties were empty. Our findings were reported to Welsh Government in a qualification letter but no amendment to the claim was required.	Nil
Teachers' Pensions	We made a number of amendments to the claim form for refunds and contribution tiers and these were detailed in the qualification letter accompanying the revised claim form as follows:	A £1,894 classification adjustment was required between lines on the return –

	• Refunds of £1,001 were mis-classified within the claim form. They were included in the current year contributions lines of claim form instead of the line for refunds made in prior years. • Testing found 2 employees who were included within the wrong 'Tier' in the claim form – although the pension contributions had been calculated correctly. The tiers were amended by £893 to correct the misclassification. The above amendments did not affect the overall contributions or overall balance on the claim form.	no overall impact on net position.
Housing Benefit Subsidy	We identified a number of issues from our testing of the 2023-24 housing benefit subsidy claim: • 5 cases where the Bed & Breakfast rate used to calculate subsidy differed to the invoice from the provider of the accommodation, or other supporting documentation. These were all identified as overpayments and as a result extended testing was undertaken on an additional 40 cases, of which 20 further cases where identified. This resulted in overpayments of benefit ranging from £18 to £2,930, at an aggregate total of £10,014. • 1 case where the incorrect number of bedrooms had been used when determining the Local Housing Allowance rate used to classify expenditure for subsidy purposes. Whilst there was no overclaim of subsidy, as this type of error could lead to an overclaim of subsidy additional testing was carried out. No further issues were identified.	Increase in subsidy of £2,795

	• 3 cases where an underpayment of benefit occurred as a result of rent not being uplifted appropriately. We were satisfied that this impacted only a small number of cases where there are multiple entries for one address and that this issue will only result in underpayment of benefit.	
Section 33 Pooled Budget Return	A minor amendment of £1,000 was made to correct the budget figure recorded upon the claim form. This had no impact on the total actual expenditure reported.	£1,000
Health Act S28a and 28b Money Transfer return	There were no amendments or qualifications arising from our certification work.	Nil

Exhibit 4: Summary of certification work outcomes for 2024-25

We were required to certify 5 of the Council's returns for the 2024-25 financial year, of these:

- 3 were qualified
- 2 were amended

Grants and returns	Qualified certificate?	Was the return adjusted?	Adjustment value
National Non-Domestic Rates Return	Yes	Yes	£155,399
Teachers' Pensions Return	No	No	-
Housing Benefit Subsidy	Yes	Yes	£1,323
Section 33 Pooled Budget	Yes	No	-
Health Act S28a and 28b Money transfer	No	No	-

Exhibit 5 provides more information relating to the reasons for each of the adjustments or qualifications highlighted above.

Exhibit 5: Detailed summary of the outcome of our certification work on each of the 2024-25 returns

Return	Findings	Amendment (£)
National Non-Domestic Rates	Following the qualification of the 2023-24 return, we were required to follow up upon on the arrangements that the Council had in place to ensure that properties awarded empty property relief were unoccupied. We found that the Council did not have documented arrangements in place during 2024/25 but did provide evidence of inspection and/or photographic evidence provided by the occupier for all but one of the samples tested. We were also provided with a copy of the empty property relief policy that was introduced during the 2025/26 financial year. Our findings were reported to Welsh Government in a qualification letter but no amendment to the claim was required for this issue. In addition, the claim form was amended to correct a misclassification of expenditure of £155,399 between two lines on the claim form. There was no impact on the overall values reported within the return.	Nil overall effect – the only amendment was to correct a misclassification of £155,399 between different areas of the return
Teachers' Pensions	No issues reported or amendments made.	Nil

Housing Benefit Subsidy	We identified a number of issues from our testing of the 2024-25 housing benefit subsidy claim. The most significant findings are as follows: • 10 cases where the Bed & Breakfast rates used to calculate subsidy differed to the invoices from the provider of the accommodation, or other supporting documentation. These resulted in both under and overpayments and additional testing was carried out. • 1 case where the incorrect number of bedrooms had been used when determining the LHA rate. This resulted in an underclaim of subsidy and additional testing was completed. The subsidy form was subject to amendment and a qualification letter communicating these findings, together with some additional issues, was issued to the DWP. The claim form was also subject to a small amendment as a result of our work.	The claim form was amended by £1,323 but there was no change to the overall level of subsidy received by the Council
Section 33 Pooled Budget	The year-end pooled budget position reported an underspend of £48,995 against the agreed budget. Whilst the Council informed us that the final expenditure/ funding position was confirmed by pooled budget partners at a meeting of the ‘Integrated Services Partnership Board’ meeting, formal minutes evidencing this approval could not be provided to us. Our findings were reported to Welsh Government and Pool partners in a qualification letter but no amendment to the claim was required.	Nil
Health Act S28a and 28b Money Transfer	There were no amendments or qualifications arising from our work.	Nil

Fees

8 Our certification work is charged on a per diem basis and so reflects the actual cost of completing the work. **Exhibit 6** below provides a breakdown of the fees charged for each return that we reviewed and certified.

Exhibit 6 – Fee Summary

Claim/Return	2023-24 (£)	2024-25 (£)
Housing Benefit	45,711	43,444
Section 33 NHS (Wales) Act 2006 Pooled Budget	1,910	2,120
Health Act S28a and 28b Money transfer	3,797	3,968
National Non-Domestic Rates Return	4,923	3,577
Teachers' Pension Return	4,133	1,564
Total fee	**60,474**	**54,673**

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

29TH SEPTEMBER 2026 (Additional meeting)

		Terms of reference category				
Report Title	**Report Author**	**Financial Affairs**	**Risk, Internal Control, Performance & Corporate Governance**	**Complaints**	**Internal Audit**	**External Audit**
Call in of the Headteacher & Chair of Governors in response to the Internal Audit review of King Henry VIII 3-19 School.	Jan Furtek					
WAO Audit of Accounts Report	Steve Wyndham/Charlotte Owen					
Governance & Audit Committee Annual report 2025/26	Chair – Andrew Blackmore		✓			

15TH OCTOBER 2026

		Terms of reference category				
Report Title	**Report Author**	**Financial Affairs**	**Risk, Internal Control, Performance & Corporate Governance**	**Complaints**	**Internal Audit**	**External Audit**
Revenue & Capital MTFP update and process	Jon Davies	✓				
2025/26 MCC Statement of Accounts Final	Jon Davies	✓				
Health and Safety Annual Report	Kate Thompson		✓			
Anti Fraud, Bribery and Corruption Risk Assessment	Jan Furtek				✓	
Audit Wales Report: National Fraud Initiative 2025/26 - Update for Monmouthshire County Council	Steve Wyndham		✓			✓
Internal Audit quarterly progress report (Q2)	Jan Furtek				✓	
Whole Authority Commissioning Framework & Approach	Cath Fallon/Peter Davies		✓			

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 23rd July, 2026 at 2.00 pm

PRESENT:	Andrew Blackmore (Chair) County Councillor Tony Easson (Vice Chair) County Councillors: , Sara Burch, David Jones, Phil Murphy, Peter Strong, Rachel Garrick and Tony Kear Lay Members: Colin Prosser, Rhodri Guest

OFFICERS IN ATTENDANCE:

Adam Fall	Democratic Services Officer
Jan Furtek	Chief Internal Auditor
Richard Jones	Performance and Data Insight Manager
Nicola Perry	Senior Democracy Officer
Jonathan Davies	Head of Finance/Section 151
Steve Wyndham	Audit Wales Officer

APOLOGIES:

County Councillors Ann Webb

1. **Declarations of Interest**

No declarations of interest were made.

2. **Public Open Forum**

No submissions were received.

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

Recording: View Item 3 (2:59)

The Committee noted the Action List. One outstanding action remains in progress and is due for completion in October 2026.

The action list was noted.

4. **SRS Annual Internal Audit Report – Torfaen CBC IA Team**

Recording: View Item 4 (3:20)

The Committee received the Annual Internal Audit Report for the Shared Resource Service. Members considered the satisfactory audit opinion, cyber security arrangements and delivery of the audit programme.

Action: Arrange a future update from SRS officers regarding cyber security and emerging risks.

Resolved: To note the report and audit opinion.

5. Monmouthshire County Council Draft Statement of Accounts 2025/26

Recording: View Item 5 (17:16)

The Head of Finance presented the Draft Statement of Accounts for 2025/26. Members considered the pension fund position, school budget deficits, borrowing levels, reserves and related disclosures. Audit Wales confirmed that audit work was progressing in line with the agreed timetable.

Actions:
- Review Gateway Credit Union disclosure wording.
- Review the Gwent County History Association related party disclosure.

Resolved: To review and note the Draft Statement of Accounts 2025/26.

6. Draft Annual Governance Statement 2025/26

Recording: View Item 6 (57:02)

The Committee received the Draft Annual Governance Statement and noted that governance arrangements were assessed as effective and fit for purpose. Members discussed information governance, organisational change and the Well-being of Future Generations (Wales) Act.

Action: Officers to report back regarding the Committee's role in reviewing implementation of the Well-being of Future Generations Act.

Resolved: To note the Draft Annual Governance Statement.

7. Audit Wales Work Programme: Council Progress Update

Recording: View Item 7 (01:13:13)

The Committee received an update on progress against Audit Wales recommendations and discussed performance information, value for money arrangements and data maturity.

Actions:
- Share information relating to the data maturity assessment.
- Consider including indicative completion dates for ongoing actions.

Resolved: To note the report.

8. Governance and Audit Committee Forward Work Plan

Recording: View Item 8 (01:23:01)

The Committee considered and noted the Forward Work Plan.

Minutes of the meeting of Governance and Audit Committee held at Council Chamber, County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 23rd July, 2026 at 2.00 pm

9. To approve the minutes of the previous meeting

Recording: View Item 9 (01:23:03)

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

10. Date of Next Meeting: 10th September 2026

Noted.

Meeting ended at 3.24pm

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Is my report exempt?

In some instances it may be necessary to submit a report to a committee but withhold the whole report, or part of that report, due to the sensitive nature of information contained within it.

There are specific circumstances in which a report may be considered exempt which are set in legislation. When writing your report bear in mind the following circumstances to consider whether your report should be exempt;

Local Government Act, Schedule 12A, Part 4;

12. Information relating to a particular individual
13. Information which is likely to reveal the identity of an individual
14. Information relating to the financial or business affairs of any particular person (including the authority holding that information)
15. Information relating to any consultation or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
16. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings
17. Information which reveals that the authority proposes –
    a. To give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
    b. To make an order or direction under any enactment
18. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

If you are unsure if the report should be exempt or not you should contact Democratic Services or the Monitoring Officer for further advice and guidance. The principal to bear in mind however is that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

If your report is to be exempt you should let Democratic Services know as soon as possible if you have not already done so when adding the item to the forward plan of the relevant committee.

When submitting your report to Democratic Services for publication with the agenda you must also include an exemption certificate which give details as to why the report is exempt and not for publication. This certificate will be publicly available with the agenda in place of the report so the reasoning for the exemption should be made clear on this form. The exemption certificate is available overleaf.

Further information on definitions and exemptions is available within the Local Government Act at the following link; http://www.legislation.gov.uk/ukpga/1972/70/schedule/12A

SCHEDULE 12A LOCAL GOVERNMENT ACT 1972
EXEMPTION FROM DISCLOSURE OF DOCUMENTS

Meeting and Date of Meeting: 10th September 2026

Report: Annual Cyber Security Report

Author: Sian Hayward

I have considered grounds for exemption of information contained in the background paper for the report referred to above and make the following recommendation to the Proper Officer:-

Exemptions applying to the report:

This report can be exempted under schedule 12A of the Local Government Act as well as S31A (Law Enforcement and Prevention of Crime) of the Freedom of Information Act . This is due to the extremely sensitive nature of the councils cyber security arrangements.

Factors in favour of disclosure:

Openness & transparency in matters concerned with the public

Prejudice which would result if the information were disclosed:

Details of the councils cyber security arrangements would be in the public domain and enable cyber criminals to enter our council communications networks and commit cyber fraud.

My view on the public interest test is as follows:

Factors in favour of disclosure are outweighed by those against.

Recommended decision on exemption from disclosure:

Maintain exemption from publication in relation to report

Date: 12/08/26

Signed

Post: Head of Information Security and Technology

I accept/I do not accept the recommendation made above

Signed:

Peter Davies - Chief Officer Resources and Deputy Chief Executive

Date: 12/08/26

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