SUBJECT	**Audit Wales Work Programme: Council Progress Update**
MEETING:	**Governance and Audit Committee**
DATE:	**23rd July 2026**
DIVISION/WARDS AFFECTED: All	

1. PURPOSE

1.1 To provide the committee with an update on the council's progress against the Audit Wales Work Programme up to July 2026 so that the committee can assure itself of the progress of the council's response.

2. RECOMMENDATIONS

2.1 That members scrutinise the council's response to the Audit Wales work programme, seeking assurance that adequate progress is being made.

2.2 That members refer any issues contained within Audit Wales national studies to other committees for consideration where they identify there are findings of particular relevance to the council that need further scrutiny.

3. KEY ISSUES

3.1 Each year, Audit Wales produces an Audit Plan, which sets out the work they intend to undertake to discharge their duties, and this is presented to Governance and Audit Committee upon publication. The performance audit work programme set by Audit Wales focusses on discharging duties in relation to value for money and sustainable development:

- Value for money - The Council has to put in place arrangements to get value for money for the resources it uses.
- Sustainable development principle - The Council needs to comply with the sustainable development principle when setting and taking steps to meet its well-being objectives.

3.2 This report provides an update on the progress being made by the council in implementing the findings of Audit Wales reviews. This includes an update on progress against existing recommendations, followed by the latest local audit work carried out since the last review, with an accompanying management response. Recommendations that require further attention are marked as 'open' – these can be found in appendix 1. Where a recommendation has been assessed as being adequately addressed, it is 'closed' and explanation why included. Some of the forward-looking actions committed to by the authority are likely to be reflected within other council strategic documents such as the Community and Corporate Plan, enabling strategies, the Whole Authority Strategic Risk Assessment and the Medium-Term Financial Plan.

3.3 As well as local work at each council, Audit Wales carries out national studies across the local government sector to make recommendations for improving value for money, and all of these reports are published on www.audit.wales/publications. Whilst the findings of these studies are not necessarily specific to Monmouthshire County Council, those of greatest relevance are shared with the most appropriate service area to consider their findings and recommendations and to respond accordingly. Appendix 2 identifies the studies most applicable to the council since the last iteration of this report. This includes a review of the Additional Learning Needs system; the recommendations provided by Audit Wales as part of this report are directed to Welsh Government, and so a management response to these recommendations has not been provided. An overview of the report and Audit Wales's findings has been provided for the committee's awareness.

3.4 Governance and Audit Committee has a role in ensuring the council is responding to the findings from national studies and can also refer them to another scrutiny committee if they feel the report requires further in-depth consideration beyond the response already provided by the service area. The committee may also refer issues to Democratic Services Committee.

3.5 The council works closely with regulators and inspectors to quality-assure activities as this is vital to ensuring improvement. Their feedback is valued, and their assessments are used to help us focus on the things we need to improve. Their findings will be used to inform the council's own self-assessment of its performance in 2025/26. The Audit Wales work programme and timetable updates that are shared with the committee, provide the latest update on the work of Audit Wales, Estyn and Care Inspectorate Wales. Findings from Estyn and Care Inspectorate Wales have their own monitoring arrangements in place.

3.6 Audit Wales, as part of their ongoing annual audit work programme, may follow up progress in any of the open or recently closed proposal areas.

4. REASONS

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

5. RESOURCE IMPLICATIONS

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

6. CONSULTEES

Individual audit report recommendation responsible officers
Deputy Chief Executive

7. BACKGROUND PAPERS

Audit Wales Audit Plan
Audit Wales work programme and timetable update

8. AUTHORS

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Appendix 1

Open Audit Wales Proposals for Improvement

Performance Data Proposals

<table>
<tr><td>Report</td><td colspan="4">Audit Wales Use of Performance Information: Service User Perspective and Outcomes – March 2024</td></tr>
<tr><td>Summary of findings</td><td colspan="4">Audit Wales sought to answer the question: Does the Council’s performance data enable senior leaders to understand the service user perspective and the outcomes of its activities to effectively manage its performance? Overall, Audit Wales found that the council provides some performance information to enable senior leaders to understand the perspective of service users, but information on outcomes is limited restricting their ability to manage performance effectively.

The Audit Wales national report ‘Use of performance information: service user perspective and outcomes
A summary of findings from our review at Welsh councils’ is available here Councils use of performance information: service user perspective and outcomes | Audit Wales.</td></tr>
<tr><td rowspan="4">Audit Wales Recommendations</td><td colspan="3">Recommendations</td><td>Status</td></tr>
<tr><td colspan="3">The Council should strengthen the information it provides to its senior leaders to enable them to gain a more comprehensive understanding of how well services and policies are meeting the needs of service users.</td><td>Closed</td></tr>
<tr><td colspan="3">The Council should strengthen the information provided to senior leaders to help them understand the impact of its services and evaluate whether it is delivering its long-term objectives and intended outcomes.</td><td>Open</td></tr>
<tr><td colspan="3">The Council needs to assure itself that it has robust arrangements to check the quality and accuracy of the service user and outcomes data it provides to senior leaders</td><td>Open</td></tr>
<tr><td>Planned actions</td><td>Desired Result</td><td>Action</td><td>Responsible Officer & Timescale</td><td>Progress so far</td></tr>
</table>

	Further develop arrangements to focus on outcome and impact measures and embed an evaluative mindset.	Support service managers to strengthen the use of evidence, including impact measures and those from the service user perspective, in their self-assessment of service performance within service business plans.	Performance & Data Insight Manager Q2 2026/27	Quality assurance was carried out on all service business plans in 2025/26. This assesses whether plans are meeting service business planning principles, including using relevant and robust performance data measures. Feedback is provided to managers, where required, on the need to improve and expand on the use of performance data within their plans. Guidance on identifying and using performance data within service business plans is available to all staff on the Hub. Drop-in sessions have been held with all managers completing service plans to support the transition to the new service business planning template. One-to-one training has also been provided to some services, where necessary, to support the completion and development of plans. Further performance management training, including guidance on developing effective impact-based performance measures, is being developed during Q2 of 2026/27 to further support the strengthened use of outcome performance measures in service business plans.

	Strengthened arrangements to ensure quality and accuracy of data.	Conduct a data maturity assessment and use the findings to inform any further development of arrangements or targeted action we need to take to improve data accuracy, in coordination with internal audit.	Performance & Data Insight Manager October 2026	Data standards for the council have been developed to improve how the Council manages data, ultimately aimed at improving data maturity. Support has been provided through the council's system and data administrators network on ensuring the standards are consistently applied. An approach to undertake digital and data maturity assessments has been developed. These will be completed to align with quarter 2 service business plan updates. These will help us further understand organisational strengths, capability gaps and where targeted support would have the greatest impact. They will also enable services to plan their digital and data developments.

Financial Sustainability Proposals

Report	Audit Wales Financial Sustainability Review – October 2024	
Summary of findings	Audit Wales found that the council has a clear understanding of its financial position and recognises the need to strengthen its use of data to better understand and mitigate longer-term cost pressures. It also found that the council's s reporting arrangements support clear and regular oversight of its current financial position, but reporting on the long-term impact of financial decisions is less well-developed. Overall they found that although the Council is developing a longer-term approach to financial planning, it is yet to identify how it will close its future funding gap. Given its low reserves levels, the Council will need to work at pace to implement its financial strategy and strengthen its financial resilience. The full report can be found here: Financial Sustainability Review – Monmouthshire County Council.	
	Recommendation	Status

<table>
<tr><td>Audit Wales Recommendations</td><td colspan="3">To address its medium to long-term financial sustainability, the Council should urgently implement the delivery plan for its new financial strategy. Specifically, it should:
• develop its Change and Improvement Plan to identify sustainable ways to deliver services whilst addressing its forecast funding gap;
• utilise effective modelling and data to support its long-term approach to financial sustainability; and
ensure it has appropriate arrangements to monitor and report the impact of its financial strategy, in particular the Change and Improvement Plan, on service users and delivery of well-being objectives.</td><td>Open</td></tr>
<tr><td rowspan="2">Planned actions</td><td>Desired Result</td><td>Action</td><td>Responsible Officer & Timescale</td><td>Progress so far</td></tr>
<tr><td>A Change and Improvement Plan which identifies sustainable ways to deliver services whilst addressing the forecast funding gap.</td><td>To develop a Change and Improvement plan to enable delivery of required savings over the medium term.</td><td>Cabinet/Strategic Leadership Team

Ongoing</td><td>A Whole Authority programme for purposeful change - ‘For Purpose, On Purpose – F-POP’ - has been developed with Strategic Leadership and Cabinet. ‘F-POP’ was launched to all Senior Leaders and staff in November 2025.

A Programme Assurance Board has been established to provide overall governance structure to FPOP; ensure consistency of approach and process; track overall progress and share best practice. The Board is led and chaired by the Chief Executive and supported by the Programme Management Office.

The current focus of the Programme Management Office is to consolidate existing change projects into a purposeful programme, ensuring delivery is in line with the aims and objectives of FPOP, the Programme Benefits Value Framework and the developing delivery plan.</td></tr>
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				Next steps include the development of a pipeline of future change projects that will contribute towards delivering the FPOP aims and outcomes but will also play a role in informing the Council's medium term financial plan/strategy and support sustainable financial planning across the organisation. An update on progress in implementing the F-POP programme will be presented to Performance and Overview Scrutiny Committee in September.

Performance Management Proposals

<table>
<tr><td>Report</td><td colspan="4">Audit Wales Performance Management Arrangements Review – December 2024</td></tr>
<tr><td>Summary of findings</td><td colspan="4">Overall, Audit Wales found that the council has proper arrangements in place to manage its performance and is proactive in identifying areas for improvement. They found that the council has a maturing performance management system that support delivery of its corporate objectives, and that it has reviewed the effectiveness of its performance management arrangements and identified areas of improvement. However, whilst performance reporting is moving towards being more balanced, there are examples where underperformance is not presented in as much detail as positive performance.

The full report can be found here: Monmouthshire County Council – Review of Performance Management Arrangements.</td></tr>
<tr><td rowspan="2">Audit Wales Recommendations</td><td colspan="3">Recommendation</td><td>Status</td></tr>
<tr><td colspan="3">The Council should ensure that its performance management arrangements continue to support transparent and robust scrutiny of performance. In order to continue the progress already made, it should:
• increase the consistency of service planning;
• promote the training resources and support available; and
ensure that areas of underperformance are consistently and adequately mitigated with robust explanation.</td><td>Open</td></tr>
<tr><td>Planned actions</td><td>Desired Result</td><td>Action</td><td>Responsible Officer & Timescale</td><td>Progress so far</td></tr>
</table>

	Service business plans are consistently completed, applying the service business planning principles.	Complete annual quality assurance of Service Business Plans and support managers to implement the findings.	Cabinet/Strategic Leadership Team February 2026 - Completed	Quality assurance of 2025/26 service business plans were completed and the findings shared with service managers and chief officers. This found that there has continued to be improvement in the quality of plans, though many plans still require improvement in parts of their completion. Some common areas for development remain the completion of risk registers, use of performance indicators and robust assessment of progress and impact.
	Performance management training that is accessible to all staff.	Review and update, where necessary, using feedback gathered, the service business plan principles and guidance and further develop training and support available for plans. Identify the potential for making performance management training available via the Council's online Learning Management System (Thinqi).	Performance & Data Insight Manager Q2 2026/27	The service business plan principles and guidance have been updated for 2026/27, where necessary, using feedback gathered. Further performance management training is being developed during Q2 of 2026/27 to further support the strengthened use of service business plans.

Counter-fraud Arrangements Proposals

Report	Audit Wales Counter-fraud Arrangements Review – May 2025
Summary of findings	Overall, Audit Wales found that the Council has recently strengthened its counter-fraud arrangements but recognises there are further steps it can take. Audit Wales found that the council has set out a zero-tolerance approach to fraud and has appropriate policies in place, and that it fosters an anti-fraud culture and is actively strengthening its approach to training. Improvements have been identified to strengthen arrangements further, including the council's use of data analytics and formal intelligence sharing arrangements, as well as ensuring a clear performance management approach is set.

<table>
<tr><td></td><td colspan="4">The full report can be found here: Monmouthshire County Council – Counter-fraud Arrangements</td></tr>
<tr><td rowspan="3">Audit Wales Recommendations</td><td colspan="3">Recommendations</td><td>Status</td></tr>
<tr><td colspan="3">To support transparency and provide assurance that fraud is prevented, investigated and deterred, the Council should put clear counter-fraud performance management arrangements in place, including, for example:
• clear goals and objectives for counter-fraud work;
• relevant performance metrics;
• regular reporting on counter-fraud performance, including reporting to GAC;
feedback and continuous improvement mechanisms to ensure lessons learned are embedded within departments.</td><td>Closed</td></tr>
<tr><td colspan="3">To ensure the Council is maximising its use of data and intelligence, the Council should identify:
• ways to maximise its use of data to inform counter-fraud work;
• whether current arrangements to share data and intelligence with other public bodies are effective and if other opportunities for collaboration exist.</td><td>Open</td></tr>
<tr><td rowspan="2">Planned actions</td><td>Desired Result</td><td>Action</td><td>Responsible Officer & Timescale</td><td>Progress so far</td></tr>
<tr><td>Ensure clear counter-fraud performance management arrangements are in place to support transparency and provide assurance that fraud is prevented.</td><td>Strengthen existing counter-fraud arrangements as part of the review of the Councils Fraud Risk Assessment.</td><td>Chief Internal Auditor

March 2026 – Completed</td><td>A progress update on strengthening existing counter-fraud arrangements was provided to Governance and Audit Committee as part of the counter-fraud, corruption & bribery risk assessment, presented to the committee in October 2025.

The Internal Audit Strategy was updated in February 2026 with methodology developed to ensure Governance and Audit Committee are continually aware of the cases being investigated. The reporting format has also been changed to ensure an update on Counter Fraud investigations is provided on a quarterly basis.</td></tr>
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				The Welsh Chief Auditors Group have determined a revised set of standardised Key Performance Indicators which include Counter Fraud.
	Ensure the council is maximising its use of data and intelligence	Explore how the council can maximise the use of data within its counter-fraud work, including if there are any systems available which could strengthen our approach, subject to affordability.	Chief Internal Auditor Ongoing	The Council has explored options for other external providers and systems to assist its Counter Fraud work but the costs at present are not feasible. This has been reported to Governance and Audit Committee within the updated Fraud Risk Assessment. A paper was presented to Governance and Audit Committee in January 2026 updating the committee on the significant progress made against reviewing National Fraud Initiative data matches. The Council are in the process of rolling out the use of App Check (via the National Fraud Initiative system), across a number of service areas to better maximise the data and intelligence held by the system. Conversions are ongoing with regards to systems in use at other Welsh local authorities and if a low-cost data solution could be used by Monmouthshire. In the meantime, CoPilot Premium Licences have been provided to all members of the Internal Audit team to enable AI integration into reviewing data.

Commissioning Proposals

<table>
<tr><td>Report</td><td colspan="4">Audit Wales Arrangements for Commissioning Services Review – November 2025</td></tr>
<tr><td>Summary of findings</td><td colspan="4">Overall, Audit Wales found that the Council does not have corporate arrangements in place to ensure that it consistently secures value for money when commissioning services. It found that the Council does not consistently define the services it intends to commission, and does not routinely explain why it needs to commission services. It also found the Council does not consistently set out how the value for money of commissioned services will be assessed and monitored.

The full report can be found here: Microsoft Word - 4174A2024_Monmouthshire_Commissioning_Services_Eng</td></tr>
<tr><td rowspan="3">Audit Wales Recommendations</td><td colspan="3">Recommendations</td><td>Status</td></tr>
<tr><td colspan="3">To ensure that the council consistently secures value for money when commissioning services, it should put into place arrangements and ensure that is consistently:
has a clear rationale for commissioning services;
plans over an appropriate timescale when commissioning services;
considers the wider impacts its commissioned services could have;
works with the right people and partners to design and deliver its commissioned services;
evaluates the value for money of its commissioning arrangements;
shares any lessons learned across the organisation and with external partners where appropriate.</td><td>Open</td></tr>
<tr><td colspan="3">To ensure that all service areas implement the arrangements recommended above, once these arrangements have been put in place the Council should:
clearly set out its expectations and guidance for commissioning services;
communicate its expectations across service areas; and
monitor the extent to which these arrangements are implemented.</td><td>Open</td></tr>
<tr><td rowspan="2">Planned actions</td><td>Desired Result</td><td>Action</td><td>Responsible Officer & Timescale</td><td>Progress so far</td></tr>
<tr><td>Clear and consistent arrangements for commissioning are established across the council, and oversight of arrangements is strengthened.</td><td>To work with partners, within the Council’s collaboration with Ardal, to explore an opportunity to develop an authority wide commissioning framework and approach.</td><td>Head of Strategic Change, Partnerships and Procurement

Strategic Procurement Lead

October 2026</td><td>The council has a largely devolved model for commissioning, with arrangements and responsibility embedded within service areas who commission services. These include arrangements that have guided the commissioning process within the three tracer areas sampled. The council recognises the importance of acting on the recommendations of the</td></tr>
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				review to enhance our corporate oversight arrangements for commissioning services. It has been agreed amongst Ardal partners that a consistent Ardal approach would be developed to ensure compliance and share learning. This will include the development of a high-level framework, and the Procurement Strategy will also be amended accordingly. A follow up meeting has been held with Ardal representatives, WLGA and representatives from the All-Wales Public Sector Transformation Network where it has been agreed that a subgroup of the Transformation Network will be established. The subgroup will map the scoping work already undertaken and bring some collaborative consistency of thought to the preferred next steps to determine what will be required to bring the higher-level framework together. The Whole Authority commissioning framework and approach has been added to the forward work plan of Governance and Audit committee to review once developed. This has been provisionally scheduled for October 2026.

	Consistent arrangements for commissioning are embedded and communicated across the council.	To work across the council to set, embed and communicate the delivery arrangements of the commissioning framework.	Head of Strategic Change, Partnerships and Procurement Strategic Procurement Lead March 2027	Following the development of the commissioning framework, the associated arrangements to deliver it will be set out, embedded and expectation communicated to all service areas. Arrangements to monitor the extent to which these arrangements are implemented, in line with the recommendations, will be developed and set out within the commissioning framework.

Appendix 2

Audit Wales national studies published since last update

Report	Additional Learning Needs: Do public bodies know if the system is working? – (April 2026)
Outline of the Review	Children and young people with Additional Learning Needs (ALN) include some of the most vulnerable people in society. The system that supports them is vital in helping them fulfil their potential. The Additional Learning Needs and Education Tribunal (Wales) Act 2018 (the Act) introduced a new system to help learners with ALN. The aim was to create a more integrated, collaborative, and person-centred system. Before the new system, there was no statutory protection around the support for learners not yet in education. The Act extended provision to learners aged 0-25 and it replaced two separate systems, one helping learners up to age 16 with Special Educational Needs (SEN) and another for post-16 learners with learning difficulties or disabilities. The old and new systems ran in parallel through a phased transition between September 2021 and August 2025. When introducing the Act, the Welsh Government said the previous system was 'complex, bewildering and adversarial'. However, several reviews have found that challenges remain within the new system. This review looks at whether public bodies know enough about learners with ALN, including current and future demand. It also assesses whether public bodies understand ALN demand, workforce capacity and skills, costs, and outcomes.. The full report can be found here: Additional Learning Needs: Do public bodies know if the system is working?
Audit Wales Summary	Audit Wales found that the system is under strain and facing challenges that threaten its sustainability. Public bodies do not have a complete picture of demand, costs, and outcomes so they do not have enough information for effective planning and budgeting, and with which to assess value for money. Ultimately, Audit Wales have concerns about the current performance of the system in supporting learners to meet their full potential. Audit Wales came to this view because: the system does not have good enough data to understand the extent of growing demand and complexity; patchy workforce data limits the system's understanding of a range of capacity and skills challenges; public bodies do not have a good enough understanding of ALN costs, and we have concerns about the system's financial sustainability; and the goals of the ALN system are clear but there is only a limited picture of whether it is delivering good outcomes for learners and the system remains adversarial despite evidence of some improvement.