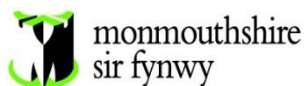


Public Document Pack



Neuadd y Sir
Y Rhadyr
Brynbuga
NP15 1GA

Dydd Mercher, 8 Ionawr 2025

Hysbysiad o gyfarfod

Pwyllgor Llywodraethu ac Awdit

Dydd Iau, 16eg Ionawr, 2025 at 2.00 pm,
Neuadd Y Sir, Y Rhadyr, Brynbuga, NP15 1GA

Nodwch y cynhelir rhag gyfarfod 30 munud cyn dechrau'r cyfarfod ar gyfer aelodau'r pwyllgor a swyddogion Archwilio Cymru

AGENDA

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| 2. | Datganiadau o Fuddiant | |
| 3. | Fforwm Agored i'r Cyhoedd 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

| | | |
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Paul Matthews
Prif Weithredwr

CYNGOR SIR FYNWY

MAE CYFANSODDIAD Y PWYLLGOR FEL SY'N DILYN:

Andrew Blackmore

Colin Prosser

Martin Veale

Rhodri Guest

| | | |
|-----------------------------------|-----------------------|-----------------------------------|
| County Councillor Sara Burch | Cantref; | Labour and Co- Operative Party |
| County Councillor John Crook | Magor East with Undy; | Welsh Labour/Llafur Cymru |
| 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 |

Gwybodaeth Gyhoeddus

Mynediad i gopiâu papur o agendâu ac adroddiadau

Gellir darparu copi o'r agenda hwn ac adroddiadau perthnasol i aelodau'r cyhoedd sy'n mynychu cyfarfod drwy ofyn am gopi gan Gwasanaethau Democrataidd ar 01633 644219. Dylid nodi fod yn rhaid i ni dderbyn 24 awr o hysbysiad cyn y cyfarfod er mwyn darparu copi caled o'r agenda hwn i chi.

Edrych ar y cyfarfod ar-lein

Gellir gweld y cyfarfod ar-lein yn fyw neu'n dilyn y cyfarfod drwy fynd i www.monmouthshire.gov.uk neu drwy ymweld â'n tudalen Youtube drwy chwilio am MonmouthshireCC. Drwy fynd i mewn i'r ystafell gyfarfod, fel aelod o'r cyhoedd neu i

gymryd rhan yn y cyfarfod, rydych yn caniatáu i gael eich ffilmio ac i ddefnydd posibl y delweddau a'r recordiadau sain hynny gan y Cyngor.

Y Gymraeg

Mae'r Cyngor yn croesawu cyfraniadau gan aelodau'r cyhoedd drwy gyfrwng y Gymraeg neu'r Saesneg. Gofynnwn gyda dyledus barch i chi roi 5 diwrnod o hysbysiad cyn y cyfarfod os dymunwch siarad yn Gymraeg fel y gallwn ddarparu ar gyfer eich anghenion.

Nodau a Gwerthoedd Cyngor Sir Fynwy

Ein diben

Adeiladu Cymunedau Cynaliadwy a Chydnerth

Amcanion y gweithiwn tuag atynt

- Rhoi'r dechrau gorau posibl mewn bywyd i bobl
- Sir lewyrchus a chysylltiedig
- Cynyddu i'r eithaf botensial yr amgylchedd naturiol ac adeiledig
- Llesiant gydol oes
- Cyngor gyda ffocws ar y dyfodol

Ein Gwerthoedd

Bod yn agored. Rydym yn agored ac yn onest. Mae pobl yn cael cyfle i gymryd rhan mewn penderfyniadau sy'n effeithio arnynt, dweud beth sy'n bwysig iddynt a gwneud pethau drostynt eu hunain/eu cymunedau. Os na allwn wneud rhywbeth i helpu, byddwn yn dweud hynny; os bydd yn cymryd peth amser i gael yr ateb, byddwn yn esbonio pam; os na allwn ateb yn syth, byddwn yn ceisio eich cysylltu gyda'r bobl a all helpu - mae adeiladu ymddiriedaeth ac ymgysylltu yn sylfaen allweddol.

Tegwch. Darparwn gyfleoedd teg, i helpu pobl a chymunedau i ffynnu. Os nad yw rhywbeth yn ymddangos yn deg, byddwn yn gwrandao ac yn esbonio pam. Byddwn bob amser yn ceisio trin pawb yn deg ac yn gyson. Ni allwn wneud pawb yn hapus bob amser, ond byddwn yn ymrwymo i wrando ac esbonio pam y gwnaethom weithredu fel y gwnaethom.

Hyblygrwydd. Byddwn yn parhau i newid a bod yn hyblyg i alluogi cyflwyno'r gwasanaethau mwyaf effeithlon ac effeithiol. Mae hyn yn golygu ymrwymiad gwirioneddol i weithio gyda phawb i groesawu ffyrdd newydd o weithio.

Gwaith Tîm. Byddwn yn gweithio gyda chi a'n partneriaid i gefnogi ac ysbrydoli pawb i gymryd rhan fel y gallwn gyflawni pethau gwych gyda'n gilydd. Nid ydym yn gweld ein hunain fel 'trefnwyr' neu ddatrysyr problemau, ond gwnawn y gorau o syniadau, asedau ac adnoddau sydd ar gael i wneud yn siŵr ein bod yn gwneud y pethau sy'n cael yr effaith mwyaf cadarnhaol ar ein pobl a lleoedd.

Caredigrwydd – Byddwn yn dangos caredigrwydd i bawb yr ydym yn gweithio gyda nhw, gan roi pwysigrwydd perthnasoedd a'r cysylltiadau sydd gennym â'n gilydd wrth wraidd pob rhyngweithio.

Rôl Cyn-cyfarfod

1. Pam fod y Pwyllgor yn ystyried yr eitem hon ar yr agenda? (perthnasedd a materoldeb)
2. Beth yw rôl y Pwyllgor a pha ganlyniadau y mae Aelodau am eu sicrhau?
3. A oes digon o wybodaeth i gyflawni hyn? Os na, pwy all ddarparu hyn?
4. Beth yw barn gyfrinachol yr archwilwyr ar y materion perthnasol?
 - Trafod barn/pryderon allweddol yr aelodau gyda'r papurau a chytuno ar flaenoriaethau

Cwestiynau / Ystyriaethau Posib ar gyfer y Cyfarfod

Archwilio Mewnol (AM)

1. Beth yw'r model swyddogaethol AM ac a yw'n addas at y diben?
2. A oes gan AM awdurdod a dylanwad digonol ar draws yr Awdurdod?
3. A oes digon o adnoddau gan AM ac a yw wedi'i ymrymuso'n addas? A yw'r cynllun AM blynyddol yn briodol? Ar ba sail ydym yn gwneud y dyfarniad hwn?
4. A yw Prif Swyddogion yn amlwg yn derbyn ac yn hyrwyddo rôl AM? Sut maent yn gwneud hyn?
5. A yw Swyddogion yn gweithredu'n egniol ar ganfyddiadau AM? Sut mae hyn yn cael ei ddangos? A ydyn ni'n herio ac yn dwyn swyddogion i gyfrif yn effeithiol am weithredu canfyddiadau AM?
6. Sut gallwn ni fod yn hyderus bod yr amgylchedd rheolaeth fewnol yn parhau i fod yn briodol?
7. A oes gennym ni hyder mewn effeithiolrwydd cyffredinol AM? Ar beth ydym yn seilio hyn?
8. A yw barn flynyddol/cyfnodol AM yn gredadwy?
9. A oes gennym ddigon o welededd dros waith, allbwn ac effeithiolrwydd y timau AM cysylltiedig, e.e. CBST?

Llywodraethu

1. A oes disgrifiad cydlynus sydd wedi ei amlinellu mewn cod ar gyfer trefniadau llywodraethu cyffredinol CSF? A yw'n addas at y diben?

Archwilio Allanol (AA)

1. A yw'r tîm AA (ariannol a pherfformiad) yn gredadwy?
2. A ydym yn hyderus ynglŷn â'r trefniadau ar gyfer datblygu cynllun gwaith/amserlen waith flynyddol AA ac a yw'n cyd-fynd â'n dealltwriaeth o risgiau allweddol?
3. A yw Prif Swyddogion/uwch swyddogion yn ymgysylltu'n briodol ag AA? Sut mae hyn yn cael ei ddangos?
4. A oes perthynas adeiladol rhwng AM ac AA (ac arolygiaethau eraill)? Beth yw'r dystiolaeth o hyn?
5. A yw swyddogion perthnasol wedi ystyried canlyniadau/casgliadau adroddiadau cenedlaethol a phenodol AA?
6. A oes gennym ni welededd da dros faterion sy'n dod i'r amlwg a nodwyd gan AA?
7. O ran ISA260 ac adroddiadau ariannol cyfatebol gan AA, a yw swyddogion yn dangos yn glir eu bod yn deall y materion a godwyd ac a oes ganddynt gynllun credadwy i ddatrys materion ar gyfer y flwyddyn ariannol nesaf?
8. A oes gan AA hyder yn Swyddogion CSF a threfniadau llywodraethu?

Cyllidebu / Risg Ariannol / Cronfeydd Wrth Gefn

1. A oes yna broses ac amserlen sydd wedi'u diffinio, eu llywodraethu a'u gwirio'n glir ar gyfer datblygu cyllideb yr Awdurdod?
2. A oes cyfres briodol o bolisiau sy'n ymwneud â risgiau ariannol? A ydynt yn addas?
3. A yw'r rhagdybiaethau ariannol/gweithredol allweddol yn ddealladwy, yn gredadwy, wedi'u dogfennu ac yn cael eu profi gan

| | |
|---|---|
| <ol style="list-style-type: none"> 2. A oes eglurder ynghylch llywodraethu'r trefniadau goruchwyllo a chraffu amrywiol ar gyfer (ac effeithiolrwydd) partneriaethau a chydweithrediadau materol? 3. A oes eglurder ynglŷn â dyrannu cyfrifoldebau ac awdurdodau gwneud penderfyniadau? 4. Sut mae achosion o dorri rheolau llywodraethu/rheolaeth yn cael eu nodi a'u hadrodd? 5. A ydym yn hyderus bod y trefniadau ar gyfer gwariant materol (tendro, contractio a chaffael cyfalaf) yn gadarn? 6. A oes gennym ni hyder yn y trefniadau chwythu'r chwiban (a threfniadau tebyg) ar gyfer codi pryderon? | <p>straen?</p> <ol style="list-style-type: none"> 4. A oes gan y swyddogaeth Gyllid alluoedd a chapasiti addas i reoli risg ariannol / cwrdd â gofynion a rhwymedigaethau statudol i'r Cyngor? 5. A ydym yn hyderus bod y broses gyllidebol yn debygol o gynhyrchu cyllideb gredadwy / MTFP? 6. A oes trefniadau addas ar waith i reoli ac adrodd ar berfformiad ariannol cyffredinol? <p><u><i>Datganiadau Ariannol / Risgiau Camddatganiad</i></u></p> <ol style="list-style-type: none"> 1. A oes dealltwriaeth gyffredin o ddiben y Pwyllgor wrth adolygu datganiadau ariannol drafft? <ol style="list-style-type: none"> a) A yw'r Nodiadau i'r Cyfrifon yn rhesymol? b) A yw'r adroddiadau naratif, gan gynnwys y Datganiad Llywodraethu Blynnyddol, yn rhesymol ac yn cyd-fynd â barn y pwyllgor? 2. Ydym ni'n gyfforddus â barn gwaith ac archwilio AA? |
| <p><u><i>Risgiau Corfforaethol</i></u></p> <ol style="list-style-type: none"> 1. A yw atebolrwydd allweddol ar gyfer adnabod, asesu, monitro a rheoli risgiau wedi'i ddiffinio a'i weithredu'n ddigonol? 2. A yw'r dull o reoli risgiau wedi'i gynllunio a'i weithredu'n effeithiol? 3. Sut y gall y Pwyllgor fod yn hyderus bod y Gofrestr Risgiau Corfforaethol yn cynnwys yr holl risgiau sylweddol sy'n wynebu'r Awdurdod? 4. A yw'r cynlluniau gweithredu lliniaru risgiau yn gredadwy ac yn ddigonol er mwyn sicrhau'r canlyniadau a | |

ddymunir?

Cwestiynau ar gyfer y Pwyllgor i orffen...

A oes gennym ni'r wybodaeth angenrheidiol i ddod i gasgliadau/gwneud argymhellion / uwchgyfeirio materion i'r Uwch Dîm Gweithredol, y cyngor, y pwyllgor craffu perthnasol?

A oes angen i ni wneud gwaith pellach? Os felly, sut?

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Governance and Audit Committee Action List
28th November 2024

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

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AGENDA ITEM TBC

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

1. PURPOSE:

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

2. RECOMMENDATIONS:

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

3. KEY ISSUES

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

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

Audit Findings - The Welsh Church Act Trust Fund

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

Figure 1 – Corrections and misstatements identified

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

Audit Findings - The Monmouthshire Farm School Endowment Trust Fund

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

4. REASONS

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

5. CONSULTEES

Head of Finance (Acting Section 151 Officer)

6. BACKGROUND PAPERS

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

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

7. AUTHORS:

Dave Jarrett

Finance business partner – Central Finance

8. CONTACT DETAILS

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Tel: (01633) 644567

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

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

Registered Charity Number: 507094

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

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| Cashflow Statement | 13 |
| Notes to the Financial Statements | 14 |

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

Trustee, Officers, and Advisors

Trustee

Monmouthshire County Council

Secretary

James Williams

Chief Officer, Law & Governance (Monitoring Officer)

Monmouthshire County Council

Registered Office

County Hall

The Rhadyr,

Usk

NP15 1GA

Auditors

Audit Wales

1, Capital Quarter,

Tyndall Street,

Cardiff

CF10 4BZ

Solicitor

James Williams

Chief Officer, Law & Governance (Monitoring Officer)

Monmouthshire County Council

Investment Custodian

Monmouthshire County Council

General Management

Mr Peter Davies

'Acting' Chief Executive

Monmouthshire County Council

Bankers

Barclays Bank

1-5 St David's Way

St David's Centre

Cardiff

CF10 2DP

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

Report of the Trustee for the year ended 31 March 2024

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

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

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

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

Structure, Governance and Management

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

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

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

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

Objectives

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

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

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

Grants allocation policy

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

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

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

Review of activities and future developments

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

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

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

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

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

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

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

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

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

The revaluation of investment property and property funds

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

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

Income generation

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

Bad debt provision

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

Investment powers, policy, and performance

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

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

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

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

Changes in fixed assets

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

Reserves

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

Governance of the Charity

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

Risk management

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

Auditors

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

Statement of Trustee's responsibilities

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

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

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

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

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

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

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

The Trustee certifies that:

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

By order of the Trustee

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

Date:

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

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

Opinion on financial statements

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

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

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

In my opinion the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

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

Other Information

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

I have nothing to report in this regard.

Matters on which I report by exception

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

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

Responsibilities of the trustee for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included the following:

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

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

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

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

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

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

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

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

Other auditor's responsibilities

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

Adrian Crompton
Auditor General for Wales
21 January 2025

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

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

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

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

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

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

Balance Sheet as at 31 March 2024

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

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

By order of the Trustee

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

Date:

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

Statement of Cash flows as at 31 March 2024

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

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

1 Principal accounting policies

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

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

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

Basis of accounting

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

Incoming Resources

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

Cash Balances

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

Resources expended

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

Grants payable

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

Management and administration

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

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

Governance Costs

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

Irrecoverable VAT

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

Recognition of liabilities

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

Debtors/ Creditors

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

Fund accounting

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

Investment Land and Property

Capitalisation, Replacement and Valuation

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

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

Depreciation

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

Investments

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

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

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

Fees and similar income

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

Cash flow statement

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

2 Investment income

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

3 Grants Payable

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

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

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

4 Analysis of Grants

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

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

5 Governance Costs

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

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

6 Taxation

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

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

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

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

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

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

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

9 Investment Land and Property

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

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

10 Investments

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

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

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

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

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

11 Debtors

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

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

12 Creditors

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

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

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

13 Funds

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

14 Related party transactions

During the year transactions with related parties arose as follows:

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

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

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

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

15 Trustee's Expenses, Remuneration and Benefits

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

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Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31 March 2024

Registered Charity Number: 525649

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

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Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

Trustees, officers and advisers

Trustees

P Murphy
Monmouthshire County Council

D W H Jones
Monmouthshire County Council

M. Cross
Blaenau Gwent County Borough Council

Dr W O C Symondson
University of Wales College Cardiff

R Clark
Torfaen County Borough Council

M Rees
Coleg Gwent
Started 23rd January 2024

M Groucutt
Monmouthshire County Council

J McKenna
Monmouthshire County Council

M. Stevens
Monmouthshire County Council

L. Wright
Monmouthshire County Council

P. James
University College Wales Aberystwth

Helen Morgan
Director Usk Campus – Coleg Gwent

C. Andrews
Caerphilly County Borough Council

Investment custodian
Monmouthshire County Council

Secretary
James Williams
Head of Legal Services
Monmouthshire County Council

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

Registered Office

County Hall, The Rhadyr, Usk, NP15 1GA

Solicitors
James Williams
Head of Legal Services
Monmouthshire County Council

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

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

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

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

Status and administration

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

Objects

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

Review of activities and future developments

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

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

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

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

Investment powers, policy and performance

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

Grant making policy

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

Changes in fixed assets

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

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

Reserves

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

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

Governance of the Charity

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

Risk management

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

Independent examiners

Audit Wales are the appointed independent examiners to the Charity.

Trustees' responsibilities

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

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

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

By order of the Trustees

Trustee:

Date:

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

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

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

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

Responsibilities and basis of report

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

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

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

Independent examiner's statement

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

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

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

Adrian Crompton
Auditor General for Wales
21 January 2025

1 Capital Quarter
Cardiff
CF10 4BZ

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

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

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

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

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

Balance Sheet as at 31 March 2024

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

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

Trustee:

Date:

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

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

1 Principal accounting policies

Basis of accounting

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

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

Resources expended

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

Incoming Resources

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

Grants payable

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

Management and administration

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

Debtors/ Creditors

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

Irrecoverable VAT

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

Recognition of liabilities

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

Fund accounting

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

Investments

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

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

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

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

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

The revaluation of investment property and property funds

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

Cash flow statement

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

2 Income from Investments

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

3 Expenditure on Charitable Activities

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

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

4 Governance Costs

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

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

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

5 Gains and losses on revaluation and disposal of investment assets

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

6 Taxation

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

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

7 Fixed asset investments

Total

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2024

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

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

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

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

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

8 Debtors

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

9 Creditors

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

| | 2024 £ | 2023 £ |
|--|-----------|-----------|
| Amounts falling due within one year | | |
| Accruals and deferred income | (2,223) | (2,063) |
| | (2,223) | (2,063) |

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

10 Unrestricted Funds

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

11 Related party transactions

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

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

Audit year: 2023-24

Date issued: January 2025

Document reference: 4639A2024



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

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

About Audit Wales

Our aims and ambitions

Assure



the people of
Wales that public
money is well
managed

Explain



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

Inspire



and empower
the Welsh
public sector to
improve



Fully exploit
our unique
perspective,
expertise and
depth of insight



Strengthen our
position as an
authoritative,
trusted and
independent
voice



Increase our
visibility,
influence and
relevance



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

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Introduction

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

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

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

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

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



Adrian Crompton

Auditor General for
Wales

Financial statements' materiality



Materiality £54,841

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

Materiality is calculated using:

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

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

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



Areas of specific interest

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

Ethical compliance



Compliance with ethical standards

We believe that:

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

Proposed audit opinion



Audit opinion

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

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



Letter of representation

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

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

Issues Arising During the Audit



Misstatements

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

Corrected misstatements

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

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



Other significant issues

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

There were no such issues identified during the audit.

Appendix 1

Proposed audit report

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

Opinion on financial statements

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

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

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

In my opinion the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other Information

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

I have nothing to report in this regard.

Matters on which I report by exception

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

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

Responsibilities of the trustee for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included the following:

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

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

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

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

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

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

Other auditor's responsibilities

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

Adrian Crompton
Auditor General for Wales
21 January 2025

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Appendix 2

Final Letter of Representation

Auditor General for Wales
Wales Audit Office
1 Capital Quarter
Cardiff
CF10 4BZ

16 January 2025

Representations regarding the 2023-24 financial statements

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

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

Management representations

Responsibilities

We have fulfilled our responsibilities for:

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

Information provided

We have provided you with:

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

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

Financial statement representations

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

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

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

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

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

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

Representations by the Trustee

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

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

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

Signed by:

Signed by:

Jonathan Davies
Acting S151 Officer

Andrew Blackmore,
Chair, Governance and Audit Committee

Date: 16 January 2025

Date: 16 January 2025

Appendix 3

Summary of corrections made

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

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

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

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

Our People



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

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

Arrangements for achieving audit quality



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

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

Independent assurance



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






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

* QAD is the quality monitoring arm of ICAEW.

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

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



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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.



FRAUD, CORRUPTION & BRIBERY RISK ASSESSMENT

DECEMBER 2024

Date of Report Issue

12th December 2024

Report Status

Draft v5

Report Author(s)

Jan Furtek, Acting Chief Internal Auditor

Page 65



1. Introduction

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

2. Risk Identification

Including but not limited to:

2.1 Internal Risks:

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

2.2 External Risks:

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

3. Risk Analysis & Fraud Risk Register

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

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

3.5 Risks with a score of 1-4 are considered to be low risk; a score of 6-9 is considered medium risk; and a score of 12-16 is considered to be high risk.

3.6 A number of control / mitigation processes including management controls and other processes have been considered for each of the identified risks, and the residual risk remaining following these mitigations is reflected in the Risk Register.

3.7 Fraud risk identification is essential to understand the specific exposures to different types of risk and changing patterns of threat and consequences. The risk assessment is designed to identify those areas with the greatest potential for the risk of fraud.

4. Control Measures

4.1 Preventive Controls:

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

4.2 Directive Controls:

- *Policies:* These dictate how certain activities should be conducted within the organization.
- *Training:* Regular training sessions to ensure that employees are aware of the policies and procedures.
- *Code of Conduct:* A set of rules outlining the responsibilities and proper practices for individuals within the organization.
- *Culture & Raising Awareness:* Regularly communicating and promoting the importance of compliance and ethical behaviour.

4.3 Detective Controls:

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

4.4 Corrective Controls:

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

5. Risk Mitigation

5.1 Training and Awareness:

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

5.2 Policy Development:

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

5.3 Collaboration:

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

National Fraud Initiative

- 5.4 The National Fraud Initiative (NFI) is a biennial UK-wide counter-fraud exercise. The NFI matches electronic data within and between public and private sector bodies to prevent and detect fraud. Monmouthshire County Council takes an active part in this exercise and has submitted data as required in October 2024. The resulting data matches are due to be returned in January 2025 for review / investigation.

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

6. Monitoring and Review

6.1 Regular Assessments:

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

6.2 Continuous Improvement:

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

7. Reporting

7.1 Documentation:

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

7.2 Reporting Mechanisms:

- Establish clear, accessible channels for reporting suspected fraud internally and externally.
 - Publicize reporting mechanisms widely to ensure they are trusted and utilized by employees and the public.
- 7.3 In accordance with the Councils Counter Fraud, Corruption & Bribery Policy. Members and Officers of the Council along with members of the public and Council suppliers are able to raise any concerns via the following methods;
- The Chief Executive, Chief Officers, Heads of Service, or the Council's Monitoring Officer, who will report such concerns to the Chief Internal Auditor;
 - Directly to the Chief Internal Auditor;
 - Where line management is suspected of fraud, directly to the Chief Officer or Chief Internal Auditor;
 - External Auditor (Audit Wales), who, depending upon the nature of the concern will liaise with the Chief Internal Auditor;
 - Trade Union Representative;
 - The MCC Whistleblowing Policy.

8. Conclusion

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

Appendix 1 – Fraud Risk Register

** Table to be inserted prior to report publication **

[MCC Fraud Risk Register v2](#)

Appendix 2 – Audit Wales National Fraud Initiative Self-Appraisal Checklist

** To be inserted prior to report publication **

[NFI Checklist v1](#)

Appendix 3 – Counter Fraud, Corruption & Bribery Action Plan

Appendix 3 – Counter Fraud, Corruption & Bribery Action Plan

| Identified Need | Action | Implementation Date | Responsible Officer |
|---|---|---|--|
| To raise awareness across the Council of Fraud, Corruption and Bribery. | <ul style="list-style-type: none"> To ensure regular staff communications are sent highlighting fraud risks and sign-posting to the Policy. Taking part in International Fraud Week | Quarterly November 2025 | Chief Internal Auditor |
| Organisational wide training. | <ul style="list-style-type: none"> Develop a mandatory training module on Thinqi for all Members and Officers of the Council. Monitor completion and report to Governance & Audit Committee. | January 2025 IA Annual Report – May 2025 | Chief Internal Auditor |
| Specific counter fraud training for Council staff. | <ul style="list-style-type: none"> Ensure a sufficient number of staff have completed formal Counter Fraud Training such as CIPFA Accredited Counter Fraud Specialist. | September 2025 | Chief Internal Auditor |
| Improve the organisational response to Fraud. | <ul style="list-style-type: none"> Recruitment to Counter Fraud Officer post. Ongoing review of current arrangements. Look to embed fraud management arrangements within Service Business Plan guidance. | January 2025 October 2025 | Deputy Chief Executive / Strategic Director (Resources) Head of Finance (Acting S151 Officer) Chief Internal Auditor |

Appendix 3 – Counter Fraud, Corruption & Bribery Action Plan

| Identified Need | Action | Implementation Date | Responsible Officer |
|--|---|-------------------------------------|--|
| Strengthen the approach to the National Fraud Initiative across Monmouthshire. | <ul style="list-style-type: none"> Implement the required actions from the NFI Self Appraisal Checklist. (Appendix 2) | Included within NFI Self Appraisal. | Chief Internal Auditor |
| Promptly investigate data matches arising from the National Fraud Initiative. Investigate and record outcomes where necessary. | <ul style="list-style-type: none"> Following data matches being returned in January 2025, ensure dedicated resource is available to promptly | April 2025 | Deputy Chief Executive / Strategic Director (Resources) Head of Finance (Acting S151 Officer) Chief Internal Auditor |

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Review of Performance Management Arrangements – Monmouthshire County Council

Audit year: 2023-24

Date issued: December 2024

Document reference: 4615A2024

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

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Why we did this audit

Our audit duties

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

Our objectives for this audit

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

What we looked at

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

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



Our audit methods and when we undertook the audit

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

Why performance management is important

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

What we found

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

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

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

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

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

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

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

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

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

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

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



Our recommendations for the Council

Exhibit 1: our recommendations for the Council

Recommendations

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

Appendix 1

Audit questions and criteria

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

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

Exhibit 2: audit questions and audit criteria

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

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

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

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

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



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Management response form

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

Completion date: December 2024

Document reference:

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

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

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

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

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

– December 2024 & December 2025

April 2025

June 2025

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

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

Performance & Data Insight Manager

Chief Officer – People, Performance and Partnerships

Performance & Data Insight Manager

16TH JANUARY 2025

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

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

20TH FEBRUARY 2025

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

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

13TH MARCH 2025

Reports to be with Peter by –

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

| Report Title | Report Author | Terms of reference category | | | | |
|-----------------------------------|---------------|-----------------------------|--|------------|----------------|-------------------|
| | | Financial Affairs | Risk, Internal Control, Performance & Corporate Governance | Complaints | Internal Audit | External Audit |
| Draft Internal Audit Plan 2025/26 | Jan Furtek | | | | ✓ | |
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TO BE PUT ON A FUTURE MEETING AGENDA BUT DATES NOT YET CONFIRMED
Presentation on Global Internal Audit Standards/Update of Public Sector Internal Audit Standards
Review of MCC Internal Audit Charter

Public Document Pack Agenda Item 10

MONMOUTHSHIRE COUNTY COUNCIL

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

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

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

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

OFFICERS IN ATTENDANCE:

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

APOLOGIES:

County Councillor Malcolm Lane

1. Declarations of Interest

No declarations of interest were made.

2. Public Open Forum

No members of the public were present.

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

The Action List from the previous meeting was noted.

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

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

4. 2024/25 Treasury Report

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

MONMOUTHSHIRE COUNTY COUNCIL

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

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

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

The report was noted.

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

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

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

The report recommendations were agreed, as follows:

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

6. Audit of Accounts report - Audit Wales

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

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

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

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

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

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

8. Whole Authority Annual Complaints Report

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

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

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

9. The Ombudsman's Annual Letter

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

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

As in the report recommendations the Governance & Audit Committee:

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

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

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

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

As contained in the report recommendations:

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

11. Internal Audit Quarterly Progress Report (Q2)

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

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

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

As in the report recommendations

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

12. Governance and Audit Committee Forward Work Plan

The Governance and Audit Committee Forward Work Plan was noted.

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

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

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

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

14. Date of Next Meeting:

16th January 2025 at 2.00pm

Meeting ended at 3.50 pm