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County Hall
Rhadyr
Usk
NP15 1GA

Tuesday, 2 July 2024

Notice of Meeting

Governance and Audit Committee

Wednesday, 10th July, 2024 at 2.00 pm,
Council Chamber, County Hall, The Rhadyr USK

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

AGENDA

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

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

4.	To note the Action List from the previous meeting.	1 - 2
5.	Financial Strategy	
6.	Draft Annual Governance Statement	3 - 44
7.	Internal Audit Plan and Annual Report for Shared Resource Service (SRS)	45 - 64
8.	Governance and Audit Committee Annual Report 2023/24	65 - 70
9.	Audit Wales Digital Review	71 - 92
10.	Governance and Audit Committee Forward Work Plan	93 - 100
11.	To approve the minutes of the previous meeting	101 - 104
12.	Date of Next Meeting: 31st July 2024	

Paul Matthews
Chief Executive

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

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

Public Information

Access to paper copies of agendas and reports

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

Watch this meeting online

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

Welsh Language

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

Aims and Values of Monmouthshire County Council

Our purpose

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

Objectives we are working towards

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

Our Values

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

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

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

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

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

Monmouthshire Governance & Audit Committee Question/Consideration Guide

Role of the Pre-meeting

1. Why is the Committee considering this agenda item? (relevance and materiality)
 2. What is the Committee's role and what outcome do Members want to achieve?
 3. Is there sufficient information to achieve this? If not, who could provide this?
 4. What are the confidential views of the auditors on relevant matters?
- Discuss members' views/ key concerns with the papers and agree priorities

Potential Questions/Considerations for the Meeting

Internal Audit (IA)

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

Governance

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

External Audit (EA)

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

Budgeting/ Financial Risk/ Reserves

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

<p>of) material partnerships and collaborations?</p> <ol style="list-style-type: none"> 3. Is there clarity over the apportionment of responsibilities and decision making authorities? 4. How are governance/ control breaches identified and reported? 5. Are we confident that the arrangements for material expenditure (tendering, contracting and capital procurement) are robust? 6. Do we have confidence in whistleblowing (and similar arrangements) for raising concerns? <p><u>Corporate Risks</u></p> <ol style="list-style-type: none"> 1. Have key accountabilities for the identification, assessment, monitoring and management of risks been adequately defined and implemented? 2. Has the approach to risk management been designed and implemented effectively? 3. How can the Committee be confident that the Corporate Risk Register captures all significant risks facing the Authority? 4. Are the risk mitigation action plans credible and sufficient so as to achieve the desired outcomes? 	<p>assumptions understood, credible, documented and stress tested?</p> <ol style="list-style-type: none"> 4. Does the Finance function have suitable capabilities and capacity to manage financial risk/ meet statutory requirements and obligations to the Council? 5. Do we have confidence that the budgetary process is likely to produce a plausible budget/ MTFP? 6. Are there suitable arrangements in place to manage and report on overall financial performance? <p><u>Financial Statements/ Misstatement Risk</u></p> <ol style="list-style-type: none"> 1. Is there a shared understanding as to the purpose of the Committee in reviewing draft financial statements? <ol style="list-style-type: none"> a. Are the Notes to the Accounts reasonable? b. Are the narrative reports, including the Annual Governance Statement reasonable and accord with the committee's view? 2. Are we comfortable with EA's work and audit opinion?
<p>Questions for the Committee to conclude...</p>	
<p>Do we have the necessary information to form conclusions/make recommendations/ escalate matters to the executive, council, relevant scrutiny committee?</p> <p>Do we need to follow up? If so, how?</p>	

Governance and Audit Committee Action List
6th June 2024

Action	Subject/ Meeting	Officer	Outcome	Due date	Action Status	Recommended to close Action Yes/No
1	MCC Statement of accounts/ISA260	Jon Davies	Update on the 3 ISA260 recommendations	July/Sept 2024	OPEN	No

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**SUBJECT: MONMOUTHSHIRE COUNTY COUNCIL
ANNUAL GOVERNANCE STATEMENT (2023/24)**

DIRECTORATE: Resources

MEETING: Governance & Audit Committee

DATE: 10th July 2024

DIVISION/WARDS AFFECTED: All

1. PURPOSE

To receive a **draft** version of the Council's Annual Governance Statement [Appendix 1] prior to inclusion into the Statement of Accounts 2023/24.

2. RECOMMENDATION(S)

1. That the Governance & Audit Committee contribute to the appropriateness and content of the draft Annual Governance Statement (2023/24).
2. Considers the review of effectiveness and the assessment made against each of the governance principles.
3. The Committee endorses the Annual Governance Statement for inclusion within the Draft Statement of Accounts 2023/24.

3. KEY ISSUES

- 3.1 Corporate Governance is about doing the right thing at the right time for the right people in an open and transparent way. The Councils Code of Corporate Governance was presented to the Council's former Audit Committee in June 2020 and approved by Cabinet in September 2021.
- 3.2 The Annual Governance Statement demonstrates that Monmouthshire County Council has appropriate governance arrangements in place to meet the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements.
- 3.3 Monmouthshire County Council is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 3.4 The Council is also required to self-assess its governance and performance as outlined in the Local Government and Elections (Wales) Act 2021. Any recommendations or actions from this Governance Statement for the Council will be integrated into the Council's Annual Wellbeing and Self-Assessment Report.

3.5 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.

4 The Purpose of the Governance Framework

4.1 The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

4.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk or failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

4.3 The governance framework has been in place at the Council for the year ended 31 March 2024 and will be in place up to the date of approval of the statement of accounts.

4.4 The Annual Governance Statement itself [Appendix 1] demonstrates that Monmouthshire has appropriate governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements.

5 The Governance Framework

5.1 The Council's Code of Corporate Governance has been developed in line with the following principles:

Overarching requirements for acting in the public interest:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

In addition achieving good governance in the Council requires effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management

- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

6 REASONS

- 6.1 In accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 an Annual Governance Statement must be prepared and included within the Council's year-end financial statements. The Council is required to self-assess its governance and performance as outlined in the Local Government and Elections (Wales) Act 2021. The Statement details the effectiveness of the Council's governance arrangements as at the 31st March 2024.
- 6.2 The Annual Governance Statement confirms that Monmouthshire County Council has, for the financial year 2023/24, conducted a review of its governance arrangements which concluded that these arrangements accorded with the principles as set out in the Council's Code of Corporate Governance. Consequently, the Council's overall governance arrangements are assessed as being effective and provide a sound framework for delivering services to the citizens of Monmouthshire. This statement outlines the Council's responsibility for ensuring proper standards and the safeguarding of public money, as well as the arrangements for the management of risk.
- 6.3 The effective governance arrangements as set out in the body of the document have been operated continuously through the year and up until the date of the 2023/24 Report and approval of the Accounts. The remainder of this document sets out further detail of the review of the Council's governance arrangements. In undertaking its review of governance, the Council considered each of the principles set out within the Code of Corporate Governance and assessed what the Council has in place to support each of the Principles, its effectiveness and any areas for future improvement.
- 6.4 In summary the Council has concluded that 6 of the 7 governance principles have been operating with a 'Very Good' effectiveness rating. The further principle (E - Developing the entity's capacity, including the capability of its leadership and the individuals within it) was rated as Adequate as some actions were behind schedule and some measures were falling short of planned targets. This was an improvement on the previous year where only 5 principles were rated as 'Very Good'.
- 6.5 The Council also recognises that there are areas for improvement within its Governance processes. Ten areas have been identified within the Statement and an Action Plan has been included within the Statement. This will be monitored by the Strategic Leadership Team through the course of the 2024/25 financial year.
- 6.6 Overall, the governance arrangements in place at Monmouthshire County Council continue to be regarded as being fit for purpose.

7 RESOURCE IMPLICATIONS

None.

8 CONSULTEES

Leader of the Council
Cabinet Member for Resources
Chair of the Governance & Audit Committee
Chief Executive
Deputy Chief Executive / Chief Officer – Resources (S151 Officer)
Chief Officer – Law & Governance (Monitoring Officer)
Strategic Leadership Team

Performance & Data Insight Manager

9 BACKGROUND PAPERS

[MCC Code of Corporate Governance](#)

10 AUTHOR AND CONTACT DETAILS

Jan Furtek, Acting Chief Internal Auditor

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ANNUAL GOVERNANCE STATEMENT

2023/24



Date of Report Issue

27th June 2024

Report Status

Draft v6

Report Author

Page 7
Jan Furtek, Acting Chief Internal Auditor


Executive Summary

This Annual Governance Statement confirms that Monmouthshire County Council (the ‘Council’) has, for the financial year 2023/24, conducted a review of its governance arrangements which concluded that these arrangements accorded with the principles as set out in the Councils Code of Corporate Governance. Consequently, the Council’s overall governance arrangements are assessed as being **effective** and provide a sound framework for delivering services to the citizens of Monmouthshire. This statement outlines the Council’s responsibility for ensuring proper standards and the safeguarding of public money, as well as the arrangements for the management of risk.

There have been a small number of changes to the Senior Officers within the Council during the period, all of which have benefitted from robust succession planning with consequential amendments being made to the Strategic Leadership Team structure to strengthen executive oversight.

The effective governance arrangements as set out in the body of this document have been operated continuously through the year and up until the date of the 2023/24 Report and Accounts. The remainder of this document sets out further detail of the review of the Council’s governance arrangements. In undertaking its review of governance, the Council considered each of the principles set out within the Code of Corporate Governance and assessed what the Council has in place to support each of the Principles, its effectiveness and any areas for future improvement. In summary the Council has concluded as follows:

Principle	Rating	Movement from Previous Year	Number of Areas for Improvement
A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Very Good		3
B. Ensuring openness and comprehensive stakeholder engagement	Very Good		3
C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits	Very Good		1
D. Determining the interventions necessary to optimise the achievement of the intended outcomes	Very Good		-
E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it	Adequate		2
F. Managing risks and performance through robust internal control and strong public financial management	Very Good	 (Previously Good)	2
G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability	Very Good		-

Principle	Rating	Movement from Previous Year	Number of Areas for Improvement
Overall	Very Good		11

Overall, the governance arrangements in place at Monmouthshire County Council continue to be regarded as being fit for purpose.

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- 1 This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), the 'Delivering Good Governance in Local Government Framework 2016' and Delivering Good Governance in Local Government Guidance Notes for Welsh Authorities 2016'. It embraces the elements of internal financial control required by the 'Code of Practice on Local Authority Accounting in the United Kingdom'.
- 2 The Statement itself demonstrates that Monmouthshire has governance arrangements in place to meet the challenges of the governance principles and that a review has been undertaken to assess the effectiveness of those arrangements. We have demonstrated that in most areas we have effective governance arrangements in place which are continually improving, but also recognise that there is further work to do. Progress against the 2022/23 Action Plan is shown on page 31.

Scope of Responsibility

- 3 Monmouthshire County Council (the Council) (MCC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation.
- 4 In discharging these responsibilities, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.
- 5 The Council's financial management arrangements conform to the governance requirements of the 'CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)'.
- 6 The **Code of Corporate Governance**, which is consistent with the principles of the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government', was initially approved by Council in July 2011; the Code was revised and updated again in June 2020, approved by Cabinet in September 2021. A copy of the Code is available from the Chief Internal Auditor. This statement explains how the Council has complied with the revised Framework and Guidance (2016) and also meets the requirements of the Accounts and Audit (Wales) Regulations 2014. The revised Code sets out what governance arrangements are in place within Monmouthshire CC for each of the Governance Principles. The Council had planned to review the Code of Corporate Governance during the 2023/24 financial year, however, this was not completed. This will now be a priority for the 2024/25 year.

The Purpose of the Governance Framework

- 7 The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads in the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 8 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, outcomes and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised. Appropriate internal controls also ensure the Council's resources are utilised, and services are delivered efficiently, effectively and economically.
- 9 The governance framework has been in place at the Council for a number of years and continued to be in place for the year ended 31st March 2024 and up to the date of approval of the statement of accounts.

The Governance Framework

- 10** The Council's Code of Corporate Governance is in line with the CIPFA / SOLACE Framework 'Delivering Good Governance in Local Government' principles:

Overarching requirements for acting in the public interest:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

In addition, achieving good governance in the Council requires effective arrangements for:

- C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Wellbeing of Future Generations (Wales) Act 2015

- 11** Monmouthshire has to demonstrate it is compliant with the Well-being of Future Generations (WFG)(Wales) Act 2015 and this complements the way it functions in line with the above principles of good governance; the core behaviours being:

- behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law; and
- ensuring openness and comprehensive stakeholder engagement

This needs to be applied to the five ways of working outlined in the 2015 Act. These five ways of working have to permeate all segments of delivering outcomes which, in turn, should ensure effective use of resources as the Council maximises its contribution to the economic, social, environmental and cultural well-being of Monmouthshire and Wales.

- Long Term
- Prevention
- Integration
- Collaboration
- Involvement

- 12** The key elements of the Council's governance arrangements are set out in its Community and Corporate Plan 2022-28. This was approved by the Council on the approved by Council on 20th April 2023.
- 13** Since the Local Government elections in May 2022, initially the administration had been working without a majority, however, in May 2023 a coalition agreement was reached.
- 14** As part of the requirements of the Well-being of Future Generations (Wales) Act 2015 the Public Service Board (PSB) is focused on improving social, economic, environmental and cultural wellbeing, in accordance with the sustainable development principle. Public Service Boards have a planning

responsibility to prepare and publish an assessment of local well-being, produce a local well-being plan and report annually on its progress.

Review of Effectiveness

- 15 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Strategic Leadership Team within the Authority which has responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor’s annual report, and also by comments made by the external auditors and other review agencies and inspectorates.
- 16 The review of effectiveness has been completed using a six point scale which is used within Monmouthshire County Council to assess the performance framework and progress with the Community and Corporate Plan.

Level	Definition	Description
6	Excellent	Excellent or outstanding – All performance measures have achieved the target set and all actions have been delivered.
5	Very Good	Major strengths – A significant majority of actions and measures are on track. No more than one or two falling short.
4	Good	Important strengths with some areas for improvement – The weight of evidence shows that the successes are greater than the areas that have not been achieved.
3	Adequate	Strengths just outweigh weaknesses – The evidence of success marginally outweighs areas that are not on track. Some actions are behind schedule and some measures are falling short of planned targets.
2	Weak	Important weaknesses – The majority of measures and actions have not been achieved.
1	Unsatisfactory	Major weakness – In most areas performance is assessed as moving in the wrong direction and the vast majority of actions have not been delivered

Chief Internal Auditor Statement and Annual Opinion

- 17 The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual opinion based upon and limited to the work performed on the overall adequacy and effectiveness of Monmouthshire County Council’s framework of governance, risk management and internal control. This is achieved through a risk-based plan of work, agreed with management, which should provide a reasonable level of assurance.

The Internal Audit team has completed its internal audit work for the year based upon the Operational Audit Plan approved by the Governance & Audit Committee in July 2023. The Plan was designed to ensure adequate coverage over the Council’s financial and operational systems using a risk based assessment methodology.

The audit work included reviews, on a sample basis, of each of these systems/establishments sufficient to discharge the Authority’s responsibilities for Internal Audit under section 151 of the Local Government Act 1972 and The Accounts and Audit (Wales) Regulations 2014. The opinion is based upon the work undertaken. Work was planned in order to provide sufficient evidence to give me reasonable assurance of the internal control environments tested.

The 2023/24 Audit opinion is partially reliant on previous work undertaken by the team where Reasonable Assurance opinions were issued; there have been no significant changes to the organisation’s systems or key personnel and no major frauds were identified.

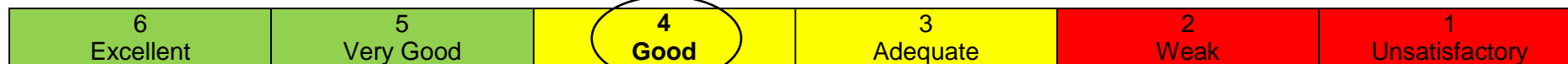
Internal Audit opinions on the work undertaken at the Shared Resource Service by Torfaen Internal Audit team were also taken into consideration.

Based on the planned work undertaken during the year, in my view the internal controls in operation give **Reasonable Assurance**; *There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of the Councils strategic objectives.*

The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.

Jan Furtek
Acting Chief Internal Auditor
June 2024

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law



The Council is accountable not only for how much it spends, but also for how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement																
Behaving with integrity page 15	<ul style="list-style-type: none"> ▪ Members Code of Conduct in Constitution which reflects Local Authorities (Model Code of Conduct) (Wales) Order 2016 ▪ Officers Code of Conduct in Constitution ▪ Registers of interests / hospitality ▪ Induction training ▪ Member/Officer Protocol in Constitution ▪ Member led Authority principles/document ▪ Member training programme ▪ Council Values — Openness, Fairness, Flexibility, Teamwork, Kindness ▪ Whistleblowing Policy ▪ Anti-Fraud, Bribery and Corruption Policy ▪ Standards Committee ▪ Standards Committee Annual Report presented to Council ▪ Member Dispute Resolution 	<ul style="list-style-type: none"> ▪ The Code of Conduct for Members and the protocol on Member / Officer relationships are set out in the Constitution. ▪ The Standards Committee, which includes a majority of independent representatives, advises on and monitors the Members’ Code of Conduct, the Protocol for Member/Officer Relations, and any other Codes relating to the conduct of Members. The Standards Committee met 3 times during 2023/24. ▪ Public Service Ombudsman Wales Annual Report (2022/23) was presented to Cabinet in November 2023. ▪ Conduct Complaints about MCC Members received by the Public Services Ombudsman: <table border="1" style="margin-left: 20px; margin-top: 10px;"> <thead> <tr> <th></th> <th>2020/21</th> <th>2021/22</th> <th>2022/23</th> </tr> </thead> <tbody> <tr> <td>Not upheld</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Referred to Standards Committee</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Referred to Adjudication Panel</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> ▪ No judicial reviews were commenced or dealt with at the pre-action stage in the previous year. 		2020/21	2021/22	2022/23	Not upheld	1	2	1	Referred to Standards Committee	0	0	0	Referred to Adjudication Panel	0	0	0	<ul style="list-style-type: none"> ▪ Review the Council’s Code of Corporate Governance. (Action 1) ▪ Review the Corporate Induction process to ensure the key messages are being delivered. (Action 2)
	2020/21	2021/22	2022/23																
Not upheld	1	2	1																
Referred to Standards Committee	0	0	0																
Referred to Adjudication Panel	0	0	0																

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	<ul style="list-style-type: none"> ▪ Complaints procedure ▪ Decision 'Call In' process 	<ul style="list-style-type: none"> ▪ The Governance & Audit Committee met 7 times during 2023/24 and has the responsibility for ensuring that sufficient internal control mechanisms are in place to help identify any potential misconduct within the authority. 	
<p style="text-align: center;">Demonstrating strong commitment to ethical values</p> <p style="text-align: center;">Page 16</p>	<ul style="list-style-type: none"> ▪ Council Values — Openness, Fairness, Flexibility, Teamwork, Kindness ▪ Contract procedure rules ▪ Financial procedure rules ▪ Codes of conduct for members and employees ▪ Whistleblowing Policy 	<p>The ethical governance framework includes:</p> <ul style="list-style-type: none"> ▪ Codes of conduct for officers and Members. ▪ A protocol governing Member/Officer relations. ▪ A whistle-blowing policy widely communicated within the Council. ▪ Registers of personal and business interests for Members. ▪ Declarations of interests for Chief Officers. ▪ An agreed policy and associated corporate procedures for ensuring that complaints about services can be properly made and investigated, and for ensuring that any lessons learnt can be applied. ▪ All exemptions of the Contract Procedure Rules are reported through the Governance & Audit Committee periodically. The Internal Audit team co-ordinates the exemption process in conjunction with strategic procurement. ▪ The Governance & Audit Committee has the opportunity to call in senior managers during the year and challenge them on why a procurement process went outside the Council's normal tendering processes. There were no call-ins during 2023/24. ▪ A Scrutiny and Executive Protocol is in place which is aligned to the updated constitution of May 2023 and provides parameters for effective executive and scrutiny relationships. 	<ul style="list-style-type: none"> ▪ Review and update the Employee Code of Conduct and Whistleblowing Policy. (Action 3)
<p>Respecting the rule of law</p>	<ul style="list-style-type: none"> ▪ Member and Officer Code of Conduct in Constitution ▪ Role of Chief Executive, Section 151 Officer and Monitoring Officer established in Constitution ▪ CIPFA statement on the Role of the Chief Financial Officer ▪ Anti-Fraud, Bribery and Corruption Policy ▪ Governance & Audit Committee ▪ Internal Audit Section 	<ul style="list-style-type: none"> ▪ The Constitution is updated periodically by the Monitoring Officer; the latest update approved by Council was in May 2023. It can be found on the Council's website. ▪ To ensure agreed procedures and all applicable statutes are complied with, the Monitoring Officer attends full Council meetings, Cabinet and SLT. To ensure sound financial management is a key factor in decisions, the Deputy Chief Executive and Chief Officer Resources (S151 Officer) attends SLT, Cabinet and Council meetings. ▪ In accordance with the Local Government and Housing Act, 1989, the Monitoring Officer ensures compliance with 	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	<ul style="list-style-type: none"> ▪ Internal Audit Annual Report presented to Governance & Audit Committee ▪ External Auditors Annual Audit Letter ▪ Standards Committee ▪ Whistleblowing Policy ▪ Complaints procedure ▪ Decision 'Call In' process 	<p>established policies, procedures, laws and regulations. After appropriate consultation, this officer will report to the full Council in respect of any proposals, decisions or omissions which could be unlawful or which have been subject of an Ombudsman Investigation resulting in a finding of maladministration. The Monitoring Officer has not issued a Section 5 report in 2023/24, or in the previous year, 2022/23.</p> <ul style="list-style-type: none"> ▪ The Councils Anti-Fraud, Corruption & Bribery Policy was reviewed over the course of the year, endorsed by the Governance & Audit Committee before being approved by Cabinet in January 2024. 	

Principle B: Ensuring openness and comprehensive stakeholder engagement

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
<p>Openness</p> <p>Page 18</p>	<ul style="list-style-type: none"> ▪ Agendas published in advance of meetings ▪ Minutes published following meetings ▪ Democratic meetings live streaming on YouTube ▪ Decision making process described in Constitution ▪ Forward Plan published on internet showing key decisions to be made by Council and Cabinet ▪ Annual budget consultation ▪ Freedom of Information Scheme ▪ Public questions at Council, Cabinet and Select Committees ▪ Engagement with hard to reach groups, including those with the protected characteristics defined by the Equality Act 2010. As well as engagement with children and young people to meet the requirement of the United Nations Convention on the Rights of the Child (UNCRC). 	<ul style="list-style-type: none"> ▪ Agendas are published in advance of all meetings on the Council's website; corresponding minutes are published post meeting. ▪ Transparency and openness are important to Monmouthshire; the Annual Statement of Accounts was considered by the Governance & Audit Committee prior to their approval. All Council decisions, reports and questions asked by Members are available on the website. Financial information, Corporate Plan progress, Council activities, achievements, developments, updates and events were included on the Council's intranet and website. All public meetings of the Council are live streamed and are available to view on the Council's YouTube channel at any time after the meeting, which provides greater transparency of the Council's business. ▪ A Forward Plan showing key decisions to be made by Council, Cabinet and Committees is published. ▪ The Council's website contains links to the following areas of open data in the interests of openness: <ul style="list-style-type: none"> ○ List of expenditure over £50 ○ Gender Pay Gap ○ Food Hygiene ratings ○ List of Primary Schools ○ List of Secondary Schools 	<ul style="list-style-type: none"> ▪ Review the minute taking process to ensure accurate minutes are held of all meetings. (Action 4) ▪ To continue to increase the number of datasets published on the council's website. (Action 5)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
<p>Page 19</p>	<ul style="list-style-type: none"> ▪ Publication of open data sets on the Council's website 	<p>Following a decision of the First Tier Information Rights Tribunal (EA/2018/0033) the Authority no longer publishes business rates data on its open data web page. It will no longer disclose information about business rate accounts in response to FOI requests.</p> <ul style="list-style-type: none"> ▪ Policy and decision-making is facilitated through (i) Council and Cabinet; the meetings of which are open to the public and live streamed online except where exempt or confidential matters are being discussed, and (ii) a scheme of delegation to committees and officers as set out in the Constitution: Four Scrutiny Committees (including the statutory Public Services Scrutiny Committee) and a separate Governance & Audit Committee review, scrutinise and hold to account the performance of the Cabinet, decision-making committees and officers. A Scrutiny "Call-In" process for decisions which have been made but not yet implemented is incorporated in the Constitution in order to consider their appropriateness. ▪ Implementing Open Government standards which enable us to effectively engage with our citizens and open up our data for anyone who needs to use it. Making the most of digitisation and digital inclusion to enable us to engage with people across our County. ▪ Corporate risks are published. 	
<p>Engaging comprehensively with institutional stakeholders</p>	<ul style="list-style-type: none"> ▪ Gwent Public Service Board Partnership arrangements and structure ▪ Gwent Public Service Board Well-Being Plan ▪ Public Services Scrutiny Committee ▪ Cardiff Capital Region 	<ul style="list-style-type: none"> ▪ During 2021/22 several local PSBs merged to form the Gwent Public Services Board. A Gwent wide well-being assessment has been produced, including an assessment of well-being in Monmouthshire and local communities within the county, March 2022. ▪ In June 2023 the Council considered and approved the Gwent Public Services Board Well-being Plan. The plan had been subject to scrutiny Monmouthshire's Public Services Scrutiny Committee in March 2023. ▪ The Monmouthshire Programme Board, chaired by a senior officer links directly to the Gwent PSB to ensure that local issues remain at the forefront of partnership delivery. There 	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		<p>is a good alignment between the priorities of the PSB document and our own Community and Corporate Plan.</p> <ul style="list-style-type: none"> ▪ The Council is a member of the Cardiff Capital Region, a regional body made up of the 10 councils across South East Wales. 	
<p>Engaging stakeholders effectively, including individual citizens and service users</p> <p style="text-align: center;">Page 20</p>	<ul style="list-style-type: none"> ▪ Ward role of Councillors ▪ Consultations on the council website and social media platforms ▪ Complaints Policy and Annual Report ▪ Medium Term Financial Plan (MTFP) ▪ Complaints procedure ▪ Integrated Impact Assessment including Future Generations evaluation and Equality Impact Assessment, on decision reports ▪ Strategic Equality Plan ▪ Communication via Social Media 	<ul style="list-style-type: none"> ▪ Social media e.g. Twitter, Facebook and YouTube, are used to engage local people and communicate the corporate message. Scrutiny Committees hold a Public Open Forum on each agenda and the public can attend meetings remotely or in person. They can also submit written, audio or video representations to Scrutiny Committees and submit suggested topics for the scrutiny forward work programme via the Scrutiny Website www.monmouthshire.gov.uk/scrutiny. Chief Officers, Members and the Communications team are very proactive in engaging with the public. ▪ Public engagement events and YouTube continued to be used for the budget proposals. The Council has encouraged the community within Monmouthshire to actively contribute to making stepped changes to improve the way in which services are provided. This links back to the principles of the Well-being of Future Generations Act which sets out five ways of working including involvement. ▪ The Medium Term Financial Plan supports the vision for Monmouthshire and extensive public engagement continued in 2023/24 for the 2024/25 budget and Medium Term Financial Plan which engaged with the public in their own community; this included website, social media, drop in sessions, Cabinet Member YouTube video and open meetings. ▪ Audit Wales reviewed the council's use of performance information from the service users perspective and outcomes in 2023/24. The report found the Council provides some performance information to enable senior leaders to understand the perspective of service users, but information on outcomes is limited restricting their ability to manage 	<ul style="list-style-type: none"> ▪ Deliver the action plan to address the recommendations from the Audit Wales Use of Performance Information review. (Action 6)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		performance effectively. An action plan to address the recommendations has been developed.	

Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits



The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
<p>Defining Outcomes page 22</p>	<ul style="list-style-type: none"> ▪ Community & Corporate Plan produced and reviewed annually in accordance with Local Government & Elections Act 2021 and 'Wellbeing Objectives' in Wellbeing of Future Generations (Wales) Act 2015 ▪ Quarterly, six monthly & annual Performance Monitoring Reports ▪ Corporate Plan Annual Self-Assessment Report ▪ Public Service Board Well-being Plan annual report ▪ Service Business Plans produced annually and reviewed quarterly by each service area. ▪ Monthly Financial Monitoring meetings held for each service area ▪ Risk Management Policy and Guidance ▪ Whole Authority Strategic Risk Register ▪ Capital Review Programme ▪ Self-Assessment report 	<ul style="list-style-type: none"> ▪ The Community & Corporate Plan 2022-2028, "Taking Monmouthshire Forward" was approved by Full Council in April 2023 and sets a purpose 'To become a zero-carbon county, supporting well-being, health and dignity for everyone at every stage of life'. This is underpinned by the Council's 6 objectives (fair place, green place, thriving & ambitious place, safe place, connected place and learning place) and 5 values (teamwork, openness, fairness, flexibility and kindness). ▪ The Council's Annual Self-Assessment Report 2022/23 was presented to the Performance & Overview Scrutiny Committee, Governance and Audit Committee and was agreed by Council. The report was published on the council's website in October 2023. ▪ The six-month performance report on the Community and Corporate Plan was presented to Performance and Overview Scrutiny Committee and Cabinet in January 2024. ▪ Monmouthshire County Council is a member of the Gwent PSB (July 2021), where we work with other public services and the voluntary sector on the delivery of the local well-being plan. This includes countywide well-being objectives that are a focus for public services. ▪ Regular budget monitoring reports for revenue and capital were presented to and approved by Cabinet during the year, in July 2023, November 2023, December 2023, February 2024, and at 	<ul style="list-style-type: none"> ▪ To ensure that the revised financial strategy is considered by scrutiny and approved by Cabinet. (Action 7)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		<p>Outturn. The budget management actions of Cabinet and senior officers are scrutinized regularly by the Performance and Overview Scrutiny Committee.</p> <ul style="list-style-type: none"> ▪ The Council has a Welsh Language Strategy for 2022 – 2027, which sets out a vision of how Welsh language will look in Monmouthshire until 2027. The Welsh Language Monitoring Report 2022/23 was presented to the Performance and Overview Scrutiny Committee in July 2023. ▪ Objectives are supported by Service Business Plans to operationally deliver these objectives. Service plans are made available on the Council’s Hub intranet site. These are quality assessed as part of the service planning process. All service plans were developed to align the delivery of the Council’s Corporate Plan. 	
<p>Sustainable economic, social and environmental benefits</p>	<ul style="list-style-type: none"> ▪ Medium Term Financial Plan (MTFP) covering 3 financial years approved annually by Council ▪ Corporate Plan ▪ Risk management Policy and Guidance ▪ Whole Authority Strategic Risk Register ▪ Monmouthshire Public Service Board Well-being Plan ▪ Future Generations Evaluation, including Equality Impact Assessment, on decision making reports ▪ Service Business Plans produced annually and reviewed quarterly by each service area. ▪ Climate Emergency Strategy and Action Plan 	<ul style="list-style-type: none"> ▪ The Budget Setting Process and Timetable for 2024/25 was reviewed and approved by Cabinet in November 2023 This provided a framework to underpin the 2024/25 budget and a set of principles were adopted. This report also highlighted an initial budget shortfall of £14.4 million taking into account the impact of economic situation, service demand pressures and the latest intelligence on likely funding levels. Budget recovery actions were undertaken to allow services to maintain delivery whilst addressing the in-year financial over spend that had been forecast. ▪ The Draft Capital Budget Proposals 2024/25 were taken to Cabinet in January 2024. Draft Revenue Budget Proposals 2024/25 also went to Cabinet in January 2024. Final Proposals went to Cabinet before being approved by Council in February 2024. Ongoing scrutiny of the Council’s budget position in line with the MTFP has provided Members with a greater understanding of the budget setting process and the pressures within individual directorates. ▪ In May 2019 Monmouthshire County Council declared a Climate Emergency. Plans are underway to meet our target to reduce council carbon emissions to zero by 2030. In November 2021, following wide community consultation, an updated and amended action plan was published. This was reviewed over 	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		the course of the 2023/24 financial year with a revised Climate and Nature Emergency Strategy due to be considered by Cabinet in May 2024.	

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource input while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
<p>Determining interventions</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 25</p>	<ul style="list-style-type: none"> ▪ Corporate Plan ▪ Scrutiny / Select Committee function ▪ Risk management policy and guidance ▪ Whole Authority Strategic Risk Register ▪ Finance and Legal implications in all Council, Cabinet and Committee reports report writing template and guidance ▪ Future Generations Evaluation (including Equality Impact Assessment) ▪ Results of consultation exercises ▪ Reports to Government Agencies ▪ Enabling strategy framework 	<ul style="list-style-type: none"> ▪ Monmouthshire is a partner in the South East Wales Consortium Schools Causing Concern protocol. This Policy forms a part of, and is aligned with, the National Model for School Improvement in relation to the informal support and challenge provided by the Local Authority to a school prior to any issuing of a warning notice or invocation of formal powers of intervention based on the six grounds for intervention. It also aligns with the Welsh Government Guidance on Schools Causing Concern (September 2017). ▪ Regular reporting into Cabinet, Scrutiny and Governance & Audit Committee enables the achievement of the Council's objectives to be challenged and appropriate actions put in place to address any identified issues so that the intended outcomes can be achieved. ▪ Dealing with customer complaints helps Monmouthshire to identify and deal with failures in service delivery. The Council's complaint / compliment procedure is available on the web site. During 2023/24 there were; <ul style="list-style-type: none"> ○ Stage 1 Complaints - 136 ○ Stage 2 Complaints - 2 ○ Comments - 399 ○ Compliments - 325 	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
<p>Page 26</p>		<ul style="list-style-type: none"> ▪ The Ombudsman draft annual statement for 2023/24 states they received 32 complaints which are all closed. None of the complaints were investigated, although, 3 of these were classed as ‘interventions’. This is where they may ask the Council to provide an early resolution to a particular matter. ▪ A separate report containing the Ombudsman’s findings in relation to complaints about Monmouthshire County Council was reported separately to both Cabinet and Governance & Audit Committee. In the previous year it showed that Monmouthshire has one of the lowest levels of complaints reported to the Ombudsman at 0.25 per 1,000 residents. ▪ Consultation on budget proposals is extensive. ▪ The Authority makes numerous annual returns to various external Governing Bodies, such as the Food Standards Agency, Drinking Water Inspectorate, Department for Levelling Up & Communities, Department for Transport, Home Office, Gambling Commission, DEFRA, Health & Safety Executive, General Registrar’s Office, National Fraud Initiative and other government departments’. These allow the Council to self-assess and determine if any intervention is required within the services provided. 	
<p>Planning Interventions</p>	<ul style="list-style-type: none"> ▪ Monthly Financial Monitoring meetings for each Directorate reviews progress and authorises corrective action where necessary ▪ Medium Term Financial Plan ▪ Annual budget setting process in place including consultation exercise ▪ Financial procedure rules ▪ Senior Management Structure ▪ Corporate Plan produced and reviewed annually in accordance with Local Government and Elections Act 2021 and 'Wellbeing Objectives' in Wellbeing of Future Generations (Wales) Act 2015 	<ul style="list-style-type: none"> ▪ The Council has established robust planning and control cycles covering strategic and operational plans, priorities and targets which is achieved through: <ul style="list-style-type: none"> ○ A timetable for producing and reviewing plans on an annual basis. ○ Working with a consultation and engagement strategy. ○ Quarterly and annual performance monitoring including achievement of national and local performance indicators. ▪ There is robust Medium Term Financial Planning. ▪ There is an annual budget setting process in place including an extensive consultation exercise. ▪ Self-assessment report presented to Governance & Audit Committee and Performance & Overview Scrutiny Committee to review, scrutinise and make any recommendations for changes. 	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	<ul style="list-style-type: none"> ▪ Quarterly, six monthly & annual Performance Monitoring Reports ▪ Annual Self-Assessment Report ▪ Public Service Board Well-being Plan ▪ Public Service Board Well-being Plan annual report ▪ Service Business Plans produced annually and reviewed quarterly by each service area. ▪ Risk Management Policy and Guidance ▪ Whole Authority Strategic Risk Register ▪ Reports to Government Agencies 	<ul style="list-style-type: none"> ▪ Self-assessment report agreed by Council and published in October 2023. The report provides an assessment of the Authority's performance during the year ending 31 March 2023, in line with requirements outlined in the Local Government and Elections (Wales) Act 2021. 	
<p>Optimising achievement of intended outcomes</p>	<ul style="list-style-type: none"> ▪ Quarterly Financial Monitoring reports to Cabinet and scrutiny ▪ Mid-Year Budget Statement to Cabinet ▪ Medium Term Financial Plan ▪ Budget consultation ▪ Community & Corporate Plan ▪ Annual Self-Assessment Report 	<ul style="list-style-type: none"> ▪ The Council ensures the Medium Term Financial Plan integrates and balances service priorities, affordability and other resource constraints by setting out any shortfall in resources and spending requirements in the context of service priorities. ▪ The achievement of the Community & Corporate Plan is reviewed at least annually. 	

Principle E — Developing the entity's capacity, including the capability of its leadership and the individuals within it.

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Developing the entity's capacity	<ul style="list-style-type: none"> ▪ Performance review for all staff where required by them or their line manager ▪ People Strategy ▪ Quarterly financial reports to Cabinet and Scrutiny Committees ▪ Partnership & collaborative working arrangements ▪ Quarterly, six monthly & annual Performance Monitoring Reports ▪ Community & Corporate Plan Annual Self-Assessment Report ▪ Public Service Board Well-being Plan annual report ▪ Service Business Plans produced annually and reviewed quarterly by each service area. 	<ul style="list-style-type: none"> ▪ The Council's recruitment procedures provide equality of employment opportunities. The equality-assessed pay structure meets the requirements of the Single Status Agreement of 1997. The Single Status Collective Agreement was approved by Cabinet in September 2010. This is complemented by the People Strategy. The Pay Policy is approved annually by Council and is available on the MCC website. ▪ Developing the digital capabilities of people and systems to enable effectiveness, efficiency and enhanced customer services is important within Monmouthshire and is measured via the Service Business Plan. The Council has both an Information Security and Technology Team and an Digital Design and Innovation Team to drive technology across the organisation. ▪ An Audit Wales review has identified 'The Council does not have a clearly articulated strategic approach to digital'. An action plan to address the recommendations in the report has been developed. 	<ul style="list-style-type: none"> ▪ A learning management system to be implemented across the organisation to coordinate all training including for schools. (Action 8) ▪ Roll out of a new performance appraisal system across the organisation. (Action 9)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
<p>Page 29</p>		<ul style="list-style-type: none"> ▪ There is continued support for Members’ development through briefing sessions and other learning opportunities. ▪ A Scrutiny Member Development Training Programme is in place which provides ongoing specific skills based training for Members and includes scrutiny induction; this is agreed by the Scrutiny Chairs’ Group. The training programme forms part of the Scrutiny Service Plan. ▪ Appropriate and relevant job descriptions were in place for the Chief Executive, Strategic Leadership Team (SLT), Monitoring Officer and S151 Officer. ▪ The Council ensures that it has appropriate governance arrangements around its collaborations with other public agencies and other third parties. These can take a range of forms, from informal arrangements to those where governance arrangements are determined through legislation. The governance arrangements form a key part of the decision making processes that the Cabinet or Council follow when deciding to enter a collaborative arrangement, transparent local accountability is a key area of focus. ▪ A review of the Councils Senior Pay structure commended during the 2023/24 year and will be concluded within 2024/25. 	
<p>Developing the capability of the entity's leadership and other individuals</p>	<ul style="list-style-type: none"> ▪ Member/Officer Protocol in Constitution ▪ Scheme of Delegation published in Constitution ▪ Scrutiny member development programme ▪ Occupational Health and Wellbeing Policy exists with aim of promoting the health and wellbeing of all employees to enable them to achieve their full potential at work ▪ Internal and external audit reports and action plans 	<ul style="list-style-type: none"> ▪ Monmouthshire Council takes an active part in the INFUSE programme which is designed to build skills and capacity for future public services across the Cardiff Capital Region. 9 associates from MCC took part in cohort 3 which commenced in January 2023. ▪ There has been member led training with both senior officers and cabinet members. ▪ There are regular 1-2-1 meetings with the Leader, Cabinet members, Chief Executive, SLT and Heads of Service. ▪ The Constitution sets out the Scheme of Delegation which is regularly reviewed. ▪ Annual appraisal and performance review 	

Principle F — Managing risks and performance through robust internal control and strong public financial management

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will ensure financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Page 30

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Managing Risk	<ul style="list-style-type: none"> ▪ Risk Management Policy and Guidance ▪ Whole Authority Strategic Risk Register ▪ Service Business Plans produced annually and reviewed quarterly by each service area, including service risk registers ▪ Strategic Risk Register reported to Governance & Audit Committee, Performance & Overview Scrutiny Committee and Cabinet 	<ul style="list-style-type: none"> ▪ The Council’s Strategic Risk Management Policy was updated and approved by Cabinet in March 2019; progress was reported into Governance & Audit Committee in December 2023. The policy requires the proactive participation of all those responsible for planning and delivering services in identifying, evaluating and managing high level strategic risks to the Council’s priorities, services and major projects. The risk controls necessary to manage them are identified and monitored to ensure risk mitigation. ▪ The Strategic Risk Management Policy was reviewed during 2023/24. This review was due for completion and adoption in June 2024. ▪ Within the Council the purpose of risk management is to: <ul style="list-style-type: none"> ○ preserve and protect the Council’s assets, reputation and staff. ○ aid good management of risk and support whole authority governance. 	<ul style="list-style-type: none"> ▪ For Cabinet to approve the Councils updated Strategic Risk Management Policy. (Action 10)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
<p>Page 31</p>		<ul style="list-style-type: none"> ○ aid delivery of its population outcomes internally and when working with partners. ○ improve business performance and anticipated risks in delivering improvements. ○ avoid unnecessary liabilities, costs and failures. ○ shape procedures and responsibilities for implementation. ▪ The strategic risk assessment ensures that: <ul style="list-style-type: none"> ○ Strategic risks are identified and monitored by Monmouthshire. ○ Risk controls are appropriate and proportionate. ○ Senior managers and elected members systematically review the strategic risks facing the Council. ▪ The risk assessment is prepared by drawing on a wide range of evidence including service plans, performance measures, regulatory reports, progress on the previous risk assessment and the views of Scrutiny and Governance & Audit Committees. In order to mitigate the risks, proposed actions are recorded and also aligned back into the respective Service Business Plan. The risk assessment is a living document and is updated over the course of the year as new information comes to light. ▪ The strategic risk assessment was presented to Performance & Overview Scrutiny Committee in November 2023. The Committee scrutinised the risk assessment and responsibility holders to ensure that strategic risks have been appropriately identified and risk is being appropriately managed. An overview of the strategic risk register was also presented to Governance and Audit Committee in December 2023 to fulfil the committee's role of assessing the effectiveness of the authority's risk management arrangements ▪ The Council's Strategic Risk Assessment for 2023/24 contained 15 risks. Following mitigation there were 6 medium risks and 9 high risks. 	
<p>Managing performance</p>	<ul style="list-style-type: none"> ▪ Community & Corporate Plan produced and reviewed annually ▪ Corporate Plan Annual Self-Assessment Report 	<ul style="list-style-type: none"> ▪ Audit Wales presented the Councils ISA260 report for 2022/23 to the Governance & Audit Committee in February 2024. ▪ The Councils Self-Assessment report 2022/23 was completed in line with requirements outlined in the Local Government and Elections (Wales) Act 2021 to ensure that members and the 	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	<ul style="list-style-type: none"> ▪ Service Business Plans produced annually and reviewed quarterly by each service area. ▪ Quarterly, six monthly & annual Performance Monitoring Reports ▪ Director of Social Services Annual report ▪ Chief Officer Children & Young People Annual Report ▪ Scrutiny function ▪ Bi-monthly Directorate and Financial monitoring meetings 	<p>public had a clear and transparent assessment of the Council's performance.</p> <ul style="list-style-type: none"> ▪ The Authority makes numerous annual returns to various external Governing Bodies and Government Agencies, such as the Food Standards Agency, Drinking Water Inspectorate, Department for Levelling Up & Communities, Department for Transport, Home Office, Gambling Commission, DEFRA, Health & Safety Executive, General Registrar's Office, National Fraud Initiative and other government departments'. 	
<p>Robust internal Control</p> <p>Page 32</p>	<ul style="list-style-type: none"> ▪ Governance & Audit Committee provides assurance on effectiveness on internal control, risk management and governance ▪ Governance & Audit Committee Annual Report to Council ▪ Anti-Fraud, Bribery and Corruption Policy ▪ Role of Internal Audit Section ▪ Annual Plans approved by Governance & Audit Committee ▪ Annual Reports to Governance & Audit Committee ▪ Annual Governance Statement ▪ Governance Working Group 	<ul style="list-style-type: none"> ▪ The Governance & Audit Committee considers the effectiveness of the Council's arrangements for securing continuous improvement including risk management arrangements. The Governance & Audit Committee also considers corporate governance, monitors the work of auditors and inspectors, and monitors the relationships between auditors and staff and the responses to audit and inspection recommendations. It also has responsibility for reviewing the Annual Statement of Accounts and its associated reports (which include this statement) before approval by Council. The Governance & Audit Committee has an independent, non-political, Chairperson who prepares an annual report of the work of the Governance & Audit Committee. ▪ A Governance Working Group was established and met over the course of the year. The core purpose of the group was to be reviewed by SLT in May 2024. ▪ Internal Audit operate to the standards set out in the 'Public Sector Internal Auditing Standards' which have been developed from the Institute of Internal Auditors (IIA) International Internal Auditing Standards which came into effect in April 2013. The team's role and status is set out in the Council's Internal Audit Charter (revised and updated approved by Governance & Audit Committee September 2021). The Chief Internal Auditor reports a summary of audit findings to the Governance & Audit Committee each quarter; he also reports annually an opinion 	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement																												
Page 33		<p>on the overall adequacy and effectiveness of the Council's internal control environment through his Internal Audit Annual Report.</p> <ul style="list-style-type: none"> ▪ The Chief Internal Auditor continues to ensure Internal Audit complies with the Public Sector Internal Audit Standards. A self-assessment was undertaken during 2023/24 to assess compliance with the Standards which was validated as 'generally compliant' in March 2024 by an external assessor. ▪ The Council has an objective and professional relationship with its external auditors and statutory inspectors. It manages its information resource through strategies and policies to enable effective decision making which is managed via the Information Strategy and action plan. ▪ The Anti-Fraud, Bribery and Corruption Strategy was revised and updated during 2023/24. It was approved by Cabinet January 2024 and provides a deterrent, promotes detection, identifies a clear pathway for investigation and encourages prevention. ▪ The overall opinion on the adequacy of the internal control environment for 2023/24 was REASONABLE. Management agreed to implement the recommendations made in audit reports in order to address the weaknesses identified. The Internal Audit opinions issued in 2023/24 were; <table border="1" data-bbox="882 1008 1693 1286"> <thead> <tr> <th>Opinion</th> <th>2021-22</th> <th>2022-23</th> <th>2023-24</th> </tr> </thead> <tbody> <tr> <td>Substantial Assurance</td> <td>5</td> <td>7</td> <td>8</td> </tr> <tr> <td>Considerable Assurance</td> <td>6</td> <td>10</td> <td>-</td> </tr> <tr> <td>Reasonable Assurance</td> <td>7</td> <td>4</td> <td>18</td> </tr> <tr> <td>Limited Assurance</td> <td>2</td> <td>1</td> <td>8</td> </tr> <tr> <td>No Assurance</td> <td>-</td> <td>-</td> <td>0</td> </tr> <tr> <td>Total</td> <td>20</td> <td>22</td> <td>34</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ▪ The reasons why the outcome of an audit review was deemed to provide Limited Assurance was included within quarterly reports to the Governance & Audit Committee; assurances have been sought from respective operational managers that 	Opinion	2021-22	2022-23	2023-24	Substantial Assurance	5	7	8	Considerable Assurance	6	10	-	Reasonable Assurance	7	4	18	Limited Assurance	2	1	8	No Assurance	-	-	0	Total	20	22	34	
Opinion	2021-22	2022-23	2023-24																												
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No Assurance	-	-	0																												
Total	20	22	34																												

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		<p>action will be taken to make the necessary improvements in control.</p> <ul style="list-style-type: none"> ▪ The Internal Audit team did not have a full complement of staff for the whole year. The Acting Chief Internal Auditor’s overall audit opinion is based on the number of audits undertaken and their individual opinions; he was able to give an overall opinion on the adequacy of the control environment. The 2023/24 audit opinion was supported by the knowledge that there were appropriate governance, risk management and internal control assurances in place in previous years, with no significant changes. 	
<p>Managing data</p> <p>Page 34</p>	<ul style="list-style-type: none"> ▪ We have established an Information Security & Technology Team across the organisation, including education ▪ A cyber security team is in place to support, advise and train our workforce. The same team provides a cyber audit function of our ICT infrastructure and governance arrangements ▪ The Information Governance Group with participants from each directorate ▪ A Senior Information Risk Officer (SIRO) in place ▪ Mandatory training in GDPR and Cyber Security, alongside comprehensive guidance and policies for all aspects of data management ▪ Information Asset Register ▪ Information sharing & publication guidance in place ▪ A comprehensive EDRMS is in place ▪ Annual National and Local performance Indicator data 	<ul style="list-style-type: none"> ▪ Our comprehensive governance and security arrangements for data and information have enabled us to gain accreditation in industry standards for cyber security. ▪ Cyber security arrangements cover cultural, physical and electronic barriers to data access and misuse. ▪ Information governance is maintained through policies, guidelines, and training that are reported and disseminated via the Information Governance Group, headed up by the SIRO and with departmental representatives. Performance is reported to the Governance & Audit Committee, and this year our performance targets have been exceeded. ▪ Privacy notices are published online and have been updated through the year. ▪ Schedules are maintained of all MCC information ‘line of business’ systems to ensure they are fit for purpose and upgraded/replaced as needed. ▪ A central EDRMS system is being rolled out to electronically manage, share and retain all data and information outside of line of business systems. ▪ Networks and forums are in place to work with the South East Wales Information Forum (SWIF) and WARP (Warning Advice and Security Point) and the NCSC (National Cyber Security Centre). ▪ Data arrangements are audited by Audit Wales and performance reported through the Governance & Audit Committee. 	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	collection process and internal audit arrangements	<ul style="list-style-type: none"> ▪ The ICT service, the SRS, are audited by the host organisation Torfaen County Borough Council, and all audits are reported through the SRS governance structures. 	
Strong public financial management	<ul style="list-style-type: none"> ▪ Financial procedure rules in Constitution ▪ Contract procedure rules in Constitution ▪ Accounting Instructions on Intranet ▪ Spending Restrictions document on Intranet 	<ul style="list-style-type: none"> ▪ The Council ensures both long term achievement of outcomes and short term performance through the delivery of the Medium Term Financial Plan. ▪ In June 2023, the Council’s Socially Responsible Procurement Strategy 2023-28 was approved by Cabinet. In July 2021 Cabinet approved the collaboration with Cardiff Council, for mutual benefit, the discharge and provision of the Council’s Strategic Procurement services. ▪ The Councils Contract Procedure Rules were updated in March 2021. ▪ Due to an anticipated budget overspend a Financial Management Board was established to ensure strong financial management and to consider any actions were required to address the shortfall. 	<ul style="list-style-type: none"> ▪ Deliver awareness raising training sessions on the importance of compliance with revised Contract Procedure Rules and Financial Procedure Rules. (Action 11)

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Implementing good practice in transparency Page 36	<ul style="list-style-type: none"> ▪ Report writing template and guidance ▪ Integrated Impact Assessment including Future Generations evaluation and Equality Impact Assessment, on decision reports 	<ul style="list-style-type: none"> ▪ The Council aims to present understandable and transparent reports for both stakeholders and the public which is supported by:- <ul style="list-style-type: none"> ▪ A Report Authors Protocol which ensures consistency in reports. ▪ A Clear Writing guide for Officers. ▪ All reports are signed off by Chief Officers, S151 Officer and Monitoring Officer prior to publication. ▪ Where possible exempt reports are split so that the main report can be heard in public with confidential information being a separate exempt report. ▪ Publication of delegated decisions. ▪ Reports are published on the website 	
Implementing good practices in reporting	<ul style="list-style-type: none"> ▪ Annual Statement of Accounts audited by an external auditor and approved by Council ▪ Code of Corporate Governance based on CIPFA/SOLACE Framework 2016 ▪ Annual Governance Statement ▪ Corporate Plan Annual Self-Assessment Report ▪ Service Business Plans produced annually and reviewed quarterly by each service area 	<ul style="list-style-type: none"> ▪ Transparency and openness is important to Monmouthshire; the Annual Statement of Accounts was taken through the Governance & Audit Committee before being endorsed by Council. All public meetings of the Council, including Council, Cabinet, Select, Governance & Audit Committee, Planning Committee are live streamed on YouTube and are available to view on the Council's YouTube channel at any time after the meeting, which provides greater transparency of the Council's business. 	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
<p>Assurance and effective accountability</p> <p style="text-align: center; transform: rotate(-90deg);">Page 37</p>	<ul style="list-style-type: none"> ▪ External Audit provided by Audit Wales ▪ ESTYN reviews & reports ▪ Care Inspectorate Wales reviews & reports ▪ Performance of Internal Audit Section monitored by Governance & Audit Committee ▪ Implementation of Audit Wales and Internal Audit recommendations monitored by Governance & Audit Committee ▪ Peer Review, Corporate Assessment and Corporate Governance Review action plan monitored by SLT ▪ Annual Governance Statement 	<ul style="list-style-type: none"> ▪ The Council's enabling strategies are being revised to align to the delivery of the Corporate Plan, these include the Digital and Data Strategy, People Strategy and Asset Management Strategy as well as linking in with Service Business Plans. ▪ The Governance & Audit Committee continues to support the Internal Audit team and endorses its annual report and plan. The plan details the work and service areas the team will cover based on a risk assessment in order to provide assurance on the adequacy of the internal controls, governance arrangements and risk management process. The Governance & Audit Committee presents its Annual report to Council. ▪ The Whole Authority Report: Complaints, Comments and Compliments 2022/23 was presented to Governance & Audit Committee in February 2024 which identified the number and types of feedback, received and dealt with, from 1 April 2022 until 31 March 2023. ▪ Reports and plans to implement Audit Wales and Internal Audit recommendations are reported (as relevant) to Scrutiny and the Governance & Audit Committee. ▪ All agreed recommendation and actions from Internal Audit reviews are monitored. ▪ The Council takes note of all reports issued by External Regulators such as Audit Wales, ESTYN and Care Inspectorate Wales. Action plans are agreed and followed up. 	

Progress against the Action Plan (Previous Year 2022/23)

No	Area for Improvement	Current Status
1	Establish a 'Governance Working Group' to discuss and review the Governance arrangements across Monmouthshire Council to ensure they are fit for purpose. (Principle A)	<p>Implemented A Governance Working Group was established and met over the course of the year. The core purpose of the group is to be reviewed by SLT in May 2024.</p>
2	As part of the Governance Working Group, review the Council's Code of Corporate Governance. (Principle A)	<p>Not Implemented This remains outstanding and will be a priority for 2024/25.</p> <p>Outstanding Action: Review the Council's Code of Corporate Governance (Chief Officer – Law & Governance)</p>
3	Review the minute taking process and assess any opportunities to further digitise. (Principle B)	<p>Partially Implemented Changes were made to the minute taking process however it was determined by the Monitoring Officer that further changes are now required to be made to ensure accurate minutes are held.</p> <p>The Council will continue to explore the use of Artificial Intelligence systems such as Co-Pilot to help write consistent minutes.</p> <p>Outstanding Action: Review the minute taking process to ensure accurate minutes are held of all meetings. (Chief Officer – Law & Governance)</p>
4	Increase the number of datasets published on the council's website. (Principle B)	<p>Partially Implemented We have seen a small increase in the number of published datasets but not in the numbers anticipated as other work has needed to be prioritised.</p> <p>Outstanding Action: To continue to increase the number of datasets published on the council's website. (Chief Officer – People, Performance and Partnerships)</p>
5	Review the revenue and capital budget process and the Councils financial strategy. (Principle C)	<p>Partially Implemented The Councils Financial Strategy has been reviewed and is due to be considered by the Governance & Audit Committee and the Performance and Overview Scrutiny Committee prior to approval by Cabinet in June 2024.</p> <p>Outstanding Action: To ensure that the revised financial strategy is considered by scrutiny and approved by Cabinet.</p>

		(Deputy Chief Executive / Chief Officer – Resources)
6	Ensure that a suite of enabling strategies and a framework is in place to identify and support any interventions needed. (Principle D)	<p>Implemented A suite of enabling strategies and a framework has been put in place to identify and support any interventions needed.</p> <p>Several key strategies have been approved over the course of the year: Socially Responsible Procurement Strategy – June 2023 Asset Management Strategy – January 2024 Anti Fraud, Corruption & Bribery Policy – January 2024 Economy, Employment and Skills Strategy – February 2024</p>
7	Review Service Business Plans to ensure they align to the new Community & Corporate Plan. (Principle D)	<p>Implemented A review of service plans has been undertaken and feedback provided to managers.</p>
8	A learning management system to be implemented across the organisation to coordinate all training including for schools. (Principle E)	<p>Partially Implemented The Learning Management System is in place in Social Care and Health. All development work has been undertaken, content created and historic training records migrated to the system where available. It will be launched organisation-wide by July 2024.</p> <p>Outstanding Action A learning management system to be implemented across the organisation to coordinate all training including for schools. (Chief Officer – People, Performance and Partnerships)</p>
9	A full analysis to define and identify any training need(s). A focus will be to prioritise ensuring people are suitably qualified and experienced to fulfil roles, capable of leadership, future professional development, and staff are digitally enabled. (Principle E)	<p>Not Implemented A new approach for performance appraisal approach is being piloted ahead of an organisation-wide roll-out (excluding teaching staff). This will provide the basis for gathering the information needed for the training needs analysis.</p> <p>Outstanding Action Roll out of a new performance appraisal system across the organisation. (Chief Officer – People, Performance and Partnerships)</p>
10	Review and update the Councils Strategic Risk Management Policy. Improve how reports are presented to Cabinet and the Governance & Audit Committee to provide the necessary assurance. (Principle F)	<p>Partially Implemented The Strategic Risk Management Policy has been revised following engagement with the Chair of the Governance and Audit Committee. The</p>

		<p>new approach has been positively received by the committee and due to be formally approved by Cabinet (June 2024). A revised approach for reporting risks is now embedded in the policy and will be rolled out as part of future reporting which takes place every 6 months.</p> <p>Outstanding Action For Cabinet to approve the Councils updated Strategic Risk Management Policy. (Chief Officer – People, Performance and Partnerships)</p>
11	Review the governance arrangements for Corporate Health and Safety to ensure the Council is provided with an assurance that key health and safety risks are being effectively managed across the organisation. (Principle F)	<p>Implemented A revised terms of reference and a health and safety work plan have been agreed by the Corporate Health and Safety group.</p>
12 (c/f)	Update the Council's Anti-Fraud, Bribery & Corruption Policy and raise awareness across the Council. (Principle F)	<p>Implemented The Anti-Fraud Bribery & Corruption policy was updated, endorsed by the Governance & Audit Committee (October 2023) and approved by Cabinet (January 2024).</p> <p>Following approval the new policy was emailed to all staff, elected and lay members across the organisation.</p>
13	Complete an External Quality Assessment of the Council's Internal Audit Service as required by the Public Sector Internal Audit Standards. (Principle F)	<p>Implemented An External Quality Assessment was completed of the Internal Audit section. It was independently deemed that the Internal Audit Team 'generally complies' with the Public Sector Internal Audit Standards.</p>
14 (c/f)	Deliver awareness raising training sessions on the importance of compliance with revised Contract Procedure Rules and Financial Procedure Rules. (Principle F)	<p>Partially Implemented This is currently outstanding. The Acting Chief Internal Auditor has attended new staff induction sessions covering the importance of Financial Regulations and Controls. However, the delay in roll out of the Thinki system across the Council has impacted a wider roll out along with the need to ensure the Counter-Fraud Policy was updated to include within the training session. This will be actioned during 2024/25.</p> <p>Outstanding Action Deliver awareness raising training sessions on the importance of compliance with revised Contract Procedure Rules and Financial Procedure Rules. (Chief Officer – Communities & Place)</p>

15	To produce a new Socially Responsible Procurement Strategy. (Principle F)	Implemented In June 2023, the Council's Socially Responsible Procurement Strategy 2023-28 was approved by Cabinet.
16	Alignment of Council, Cabinet, ICMD and Scrutiny forward work planners. (Principle G)	Implemented A forward work plan for informal cabinet has been developed which brings together all work programmes.

Action Plan – 2023/24 Annual Governance Statement

No	Area for Improvement	By Who	By When
1	Review the Council's Code of Corporate Governance (Principle A)	Chief Officer – Law & Governance	December 2024
2	Review the Corporate Induction process to ensure the key messages are being delivered. (Principle A)	Chief Officer – People, Performance and Partnerships	July 2024
3	Review and update the Employee Code of Conduct and Whistleblowing Policy. (Principle A)	Chief Officer – People, Performance and Partnerships	December 2024
4	Review the minute taking process to ensure accurate minutes are held of all meetings. (Principle B)	Chief Officer – Law & Governance	May 2024
5	To continue to increase the number of datasets published on the council's website. (Principle B)	Chief Officer – People, Performance and Partnerships	March 2025
6	Deliver the action plan to address the recommendations from the Audit Wales Use of Performance Information review. (Principle B)	Chief Officer – People, Performance and Partnerships	March 2025
7	To ensure that the revised financial strategy is considered by scrutiny and approved by Council. (Principle C)	Deputy Chief Executive / Chief Officer - Resources	July 2024
8	A learning management system to be implemented across the organisation to coordinate all training including for schools. (Principle E)	Chief Officer – People, Performance and Partnerships	July 2024
9	Roll out of a new performance appraisal system across the organisation. (Principle E)	Chief Officer – People, Performance and Partnerships	July 2024
10	For Cabinet to approve the Council's updated Strategic Risk Management Policy. (Principle F)	Chief Officer – People, Performance and Partnerships	June 2024
11	Deliver awareness raising training sessions on the importance of compliance with revised Contract Procedure Rules and Financial Procedure Rules. (Principle F)	Chief Officer – Communities & Place	March 2025

Monitoring & Evaluation

We propose over the coming year to continually review our governance arrangements to ensure they remain effective and appropriate. Steps will be taken, where appropriate, to further enhance our governance arrangements.

Certification by the Leader of the Council and the Chief Executive

Signed:

Date:

Councillor Mary Ann Brocklesby, Leader of Monmouthshire County Council

Signed:

Date:

Paul Matthews, Chief Executive



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SUBJECT:	SRS INTERNAL AUDIT ANNUAL REPORT – 2023/24
MEETING:	GOVERNANCE & AUDIT COMMITTEE
DATE:	JULY 17, 2024
DIVISION/WARDS AFFECTED:	ALL

NON-PUBLICATION

Not Applicable.

1. PURPOSE:

To outline the work carried out by Torfaen Internal Audit in respect of the Shared Resource Service (SRS) for the year ended March 31, 2024 upon which the audit opinion is based and enables the provision of assurance to the Governance & Audit Committee.

2. RECOMMENDATIONS:

To note the overall opinion provided by the Torfaen Head of Internal Audit.

3. KEY ISSUES:

I am satisfied that sufficient internal audit work has been undertaken to allow an overall opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

Not Applicable.

5. OPTIONS APPRAISAL

Not Applicable.

6. EVALUATION CRITERIA

Not Applicable.

7. REASONS:

Not Applicable.

8. RESOURCE IMPLICATIONS:

Not Applicable.

9. CONSULTEES:

All elements of the Internal Audit process from risk assessment through to audit performance and reporting are communicated to and discussed with SRS Senior Management and representatives of the SRS Finance & Governance Board.

10. BACKGROUND PAPERS:

SRS Annual Internal Audit Report 2023 – 24 FINAL



SRS Annual Internal
Audit Report 2023_2

11. AUTHOR:

M Corcoran, Group Auditor, Torfaen County Borough Council Internal Audit

12. CONTACT DETAILS:

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E-mail: mike.corcoran@torfaen.gov.uk

SHARED RESOURCE SERVICE Annual Internal Audit Report

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Executive Summary

Introduction

This report outlines the internal audit work we have carried out for the year ended 31 March 2024.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control (i.e., the organisation's system of internal control).

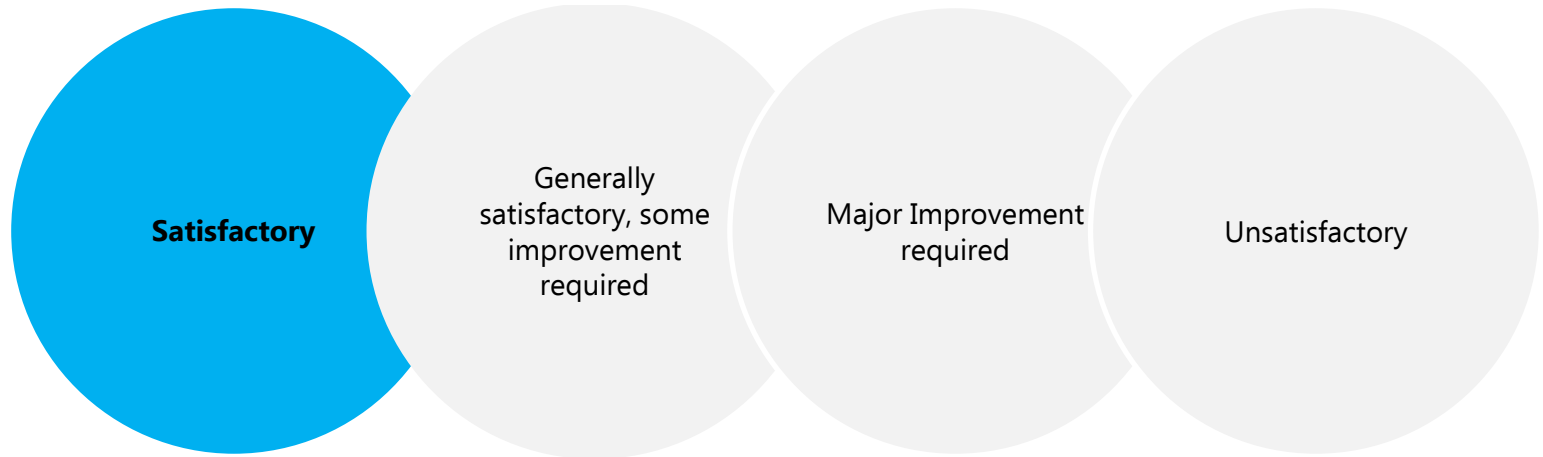
This is achieved through a risk-based plan of work, agreed with management, which should provide a reasonable level of assurance, subject to the inherent limitations described below and set out in Appendix 1.

The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.

Head of Internal Audit Overall Opinion

We are satisfied that sufficient internal audit work has been undertaken to allow an overall opinion to be given as to the adequacy and effectiveness of governance, risk management and control. It should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

Our opinion is as follows:



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Defined as:

- A limited number of medium risk rated weaknesses may have been identified, but generally only low risk rated weaknesses have been found in individual assignments; and
- None of the individual assignment reports have an overall report classification of either high or critical risk.

Implications:

The agreed audit plan contained 12 areas for review, generating 3 'substantial' and 9 'full' audit opinions. The overall opinion recognises continued consolidation of improvement again this year. Areas for improvement will always exist. The expectation is that all agreed recommendations will be implemented and that all opinions are at least 'moderate' if not 'substantial' which has been achieved.

Improvement (see Pages 06 - 08) is required in those areas identified to enhance the adequacy and effectiveness of the internal control framework.

An explanation of all the types of opinion can be found in Appendix 2.

Basis of opinion

Our opinion is based on:

- All audits undertaken during the year.
- Any follow up action taken in respect of audits from previous periods.
- Any significant recommendations not accepted by management and the resulting risks.
- The effects of any significant changes in the organisation's objectives or systems.
- Any limitations which may have been placed on the scope or resources of internal audit.
- Any reliance that is placed upon third party assurances.

Acknowledgement

The plan for this year had to be 'flexed' again to accommodate operational issues within the Shared Resource Service, a disproportionate amount of effort shifted towards the latter part of the year and for the first time, one audit was not completed within the year due to staff availability issues.

For 2024-25, it is hoped that all audits can happen as planned throughout the year.

Internal Audit would like to take this opportunity to thank all SRS staff for their co-operation and assistance in ensuring the completion of audits identified in the plan.

Summary of Findings

The table starting on page 06 records a summary of the key findings from our programme of internal audit work for the year.

Overview

The **12** internal audit reviews completed:

- were a blend of
 - type (systems (4), follow ups (6), special/consultancy (2)) and
 - risk (High (2), Medium (2) and Low (8)).
- resulted in the identification of 18 findings (15 medium, and 3 low) to improve weaknesses in the design of controls and/or operating effectiveness (see Page 06).

All final reports issued during the year contained agreed action plans, dates, and responsible officers for improving the internal control environment.

Internal Audit Work Conducted

Introduction

The table below sets out the results of our internal audit work and the system opinion for each individual audit assignment plus any implications for next year's plan. We also include a comparison between planned internal audit activity and actual activity.

Results of individual assignments

Ref	Review / Opinion	Fieldwork Completed	Draft		Final	Num Tested	%age in place	No of Findings		
			Issued	Response	Issued			H	M	L
SRS-23001	Active Directory, Substantial	Apr 5, 24	Apr 8, 24	Apr 15, 24	Apr 17, 24	38	79		5	3
SRS-23002	Application Integration Service, Full	Jun 19, 23	Jun 26, 23	Jun 26, 23	Jun 26, 23	2	100			
SRS-23003	CCTV Control Centre, Full	Jun 19, 23	Jun 26, 23	Jun 26, 23	Jun 26, 23	24	100			
SRS-23004	Change Management, Full	Aug 7, 23	Aug 8, 23	Aug 8, 23	Aug 8, 23	1	100			
SRS-23005	EdTech, Full	May 26, 23	May 31, 23	Jun 1, 23	Jun 1, 23	4	25		3	
SRS-23006	Firewall, Full	Mar 1, 24	Mar 4, 24	Mar 4, 24	Mar 4, 24	2	100			
SRS-23007	Identity and Access Management, Full	Mar 6, 24	Mar 6, 24	Mar 12, 24	Mar 12, 24	5	80			
SRS-23008	IT Governance, Substantial	Feb 5, 24	Feb 7, 24	Feb 7, 24	Feb 7, 24	18	89		2	
SRS-23009	O365, Full	May 3, 23	May 4, 23	May 4, 23	May 4, 23	1	100			
SRS-23010	HALO, Full	Mar 26, 24	Mar 27, 24	Mar 27, 24	Mar 27, 24	42	98		1	
SRS-23011	SolarWinds, Substantial	May 3, 24	May 21, 24			5	80		1	
SRS-23012	Telephony (VOIP), Full	Oct 17, 23	Oct 19, 23	Oct 25, 23	Oct 26, 23	72	96		3	
Totals						214			15	3

Implications for the 2024 – 25 audit plan

The internal audit plan detailed below has been agreed with management.

Audit Ref	LAST SYSTEM AUDIT	LAST SYSTEM OPINION	STAGE	TYPE	CAT	PROJECT_NAME	QTR	HOURS
SRS – 24001	Apr 17, 24	SUBSTANTIAL	NID	FUP	P	Active Directory	3	52
SRS – 24002	Mar 25, 22	FULL	NID	SYS	P	Application Integration Service	2	89
SRS – 24003	Jan 26, 21	SUBSTANTIAL	NID	SYS	P	Business Management	2	89
SRS – 24004			ISS	SYS	P	Data Centre – GPA	1	89
SRS – 24005	Mar 27, 24	FULL	NID	FUP	P	HALO	3	52
SRS – 24006	Mar 29, 21	FULL	ISS	SYS	P	Information Security Management System	1	89
SRS – 24007	May 7, 19	LIMITED	NID	SYS	P	IT Disposals	4	89
SRS – 24008	Mar 8, 22	FULL	NID	SYS	P	IT Service Continuity Management	4	89
SRS – 24009	Feb 15, 22	SUBSTANTIAL	NID	SYS	P	Mobile Computing	2	89
SRS – 24010	May6, 20	MODERATE	NID	SYS	P	Software Asset Management	3	89
SRS – 24011			NID	FUP	P	Solarwinds	3	52
								868

Individual audit opinion ratings:

The ratings below are now used for both systems and follow up audit reviews, confirmation of at least the existing review control environment for a follow up.

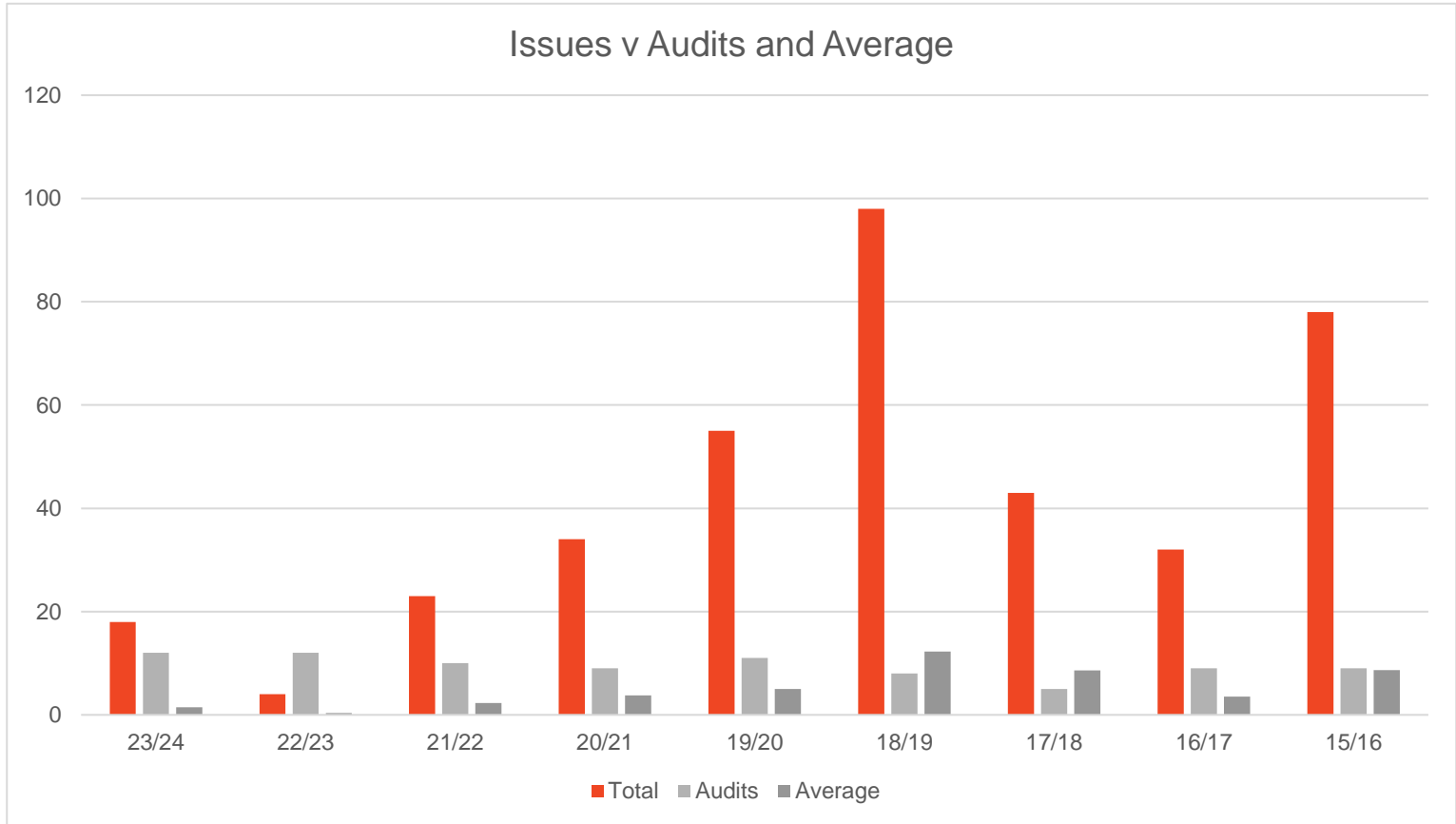
Rating	% controls tested deemed operating
NIL	0 – 10%
LIMITED	11 – 49%.
MODERATE	50 – 69%
SUBSTANTIAL	70 – 89%

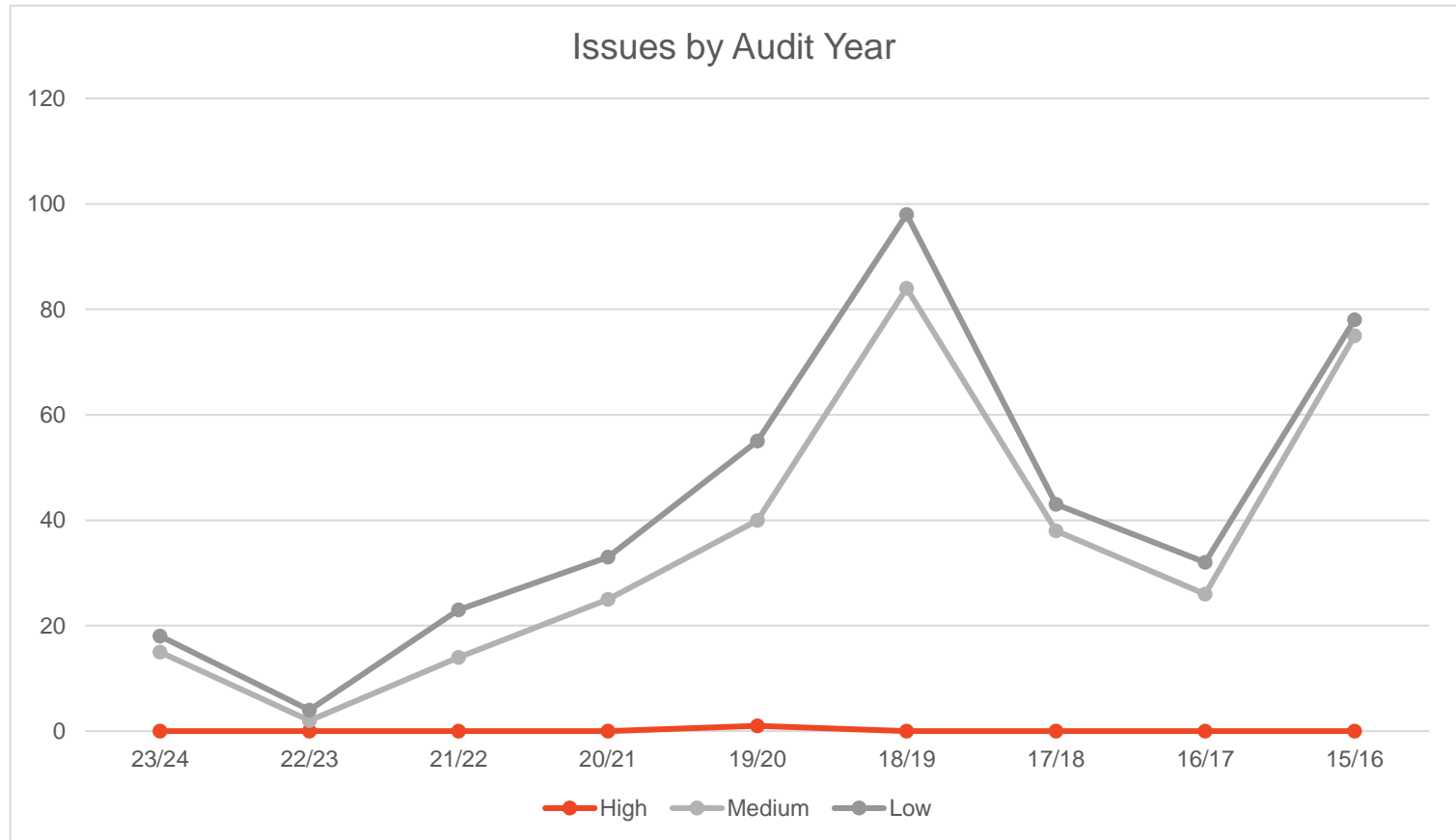
FULL

90 – 100%

Direction of Control Travel

Metric	23/24	22/23	21/22	20/21	19/20	18/19	17/18	16/17	15/16
Total Issues	18	4	23	34	55	98	43	32	78
Num Audits	12	12	10	9	11	8	5	9	9
High	0	0	0	0	1	0	0	0	0
Medium	15	2	14	25	39	84	38	26	75
Low	3	2	9	8	15	14	5	6	3





Implications for Management

The mix and focus of our internal audit plans differs between years so the above results are indicative and not directly comparable. This year there has been an increase in the number of medium risk findings, based on 2022/23 whilst the number of audits performed is roughly constant.

Comparison of planned and actual activity 2023/24

Ref	Stage	Type	Title	Quarter	
				Planned	Complete
SRS-23001	COM	SYS	Active Directory	4	4
SRS-23002	COM	FUP	Application Integration Service	2	1
SRS-23003	COM	SYS	CCTV Control Centre	1	1
SRS-23004	COM	FUP	Change Management	2	2
SRS-23005	COM	FUP	EdTech	1	1
SRS-23006	COM	FUP	Firewall	4	4
SRS-23007	COM	FUP	Identity and Access Management	4	4
SRS-23008	COM	SPL	IT Governance	2	4
SRS-23009	COM	FUP	O365	1	1
SRS-23010	COM	SPL	HALO	4	4
SRS-23011	COM	SYS	SolarWinds	3	1 24/25
SRS-23012	COM	SYS	Telephony (VOIP)	1	3

Appendix 1: Limitations and responsibilities

Limitations inherent to the internal auditor’s work

Our work has been performed subject to the limitations outlined below.

Overall Opinion based on all work carried out

The overall opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that we are not aware of because they did not form part of our agreed annual programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence, management and the Audit Committee should be aware that our opinion may have differed if our programme of work or scope for individual reviews was extended, or other relevant matters were brought to our attention.

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls relating to the Shared Resource Service is for the period 1 April 2023 to 31 March 2024. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that the:

- design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and our examinations as internal auditors should not be relied upon to disclose all fraud, defalcations or other irregularities which may exist.

Appendix 2: Overall Opinion Types

Limitations inherent to the internal auditor's work

The table below sets out the five types of overall opinion that we use, along with an indication of the types of findings that may determine the opinion given. The Head of Internal Audit will apply his judgement when determining the appropriate opinion so the guide given below is indicative rather than definitive.

Opinion	Factors contributing to this opinion
<i>Satisfactory</i>	<ul style="list-style-type: none"> ▪ A limited number of medium risk rated weaknesses may have been identified, but generally only low risk rated weaknesses have been found in individual assignments; and ▪ None of the individual assignment reports have an overall report classification of either high or critical risk.
<i>Generally satisfactory with some improvements required</i>	<ul style="list-style-type: none"> ▪ Medium risk rated weaknesses identified in individual assignments that are not significant in aggregate to the system of internal control; and/or ▪ High risk rated weaknesses identified in individual assignments that are isolated to specific systems or processes; and ▪ None of the individual assignment reports have an overall classification of critical risk.
<i>Major improvement required</i>	<ul style="list-style-type: none"> ▪ Medium risk rated weaknesses identified in individual assignments that are significant in aggregate but discrete parts of the system of internal control remain unaffected; and/or ▪ High risk rated weaknesses identified in individual assignments that are significant in aggregate but discrete parts of the system of internal control remain unaffected; and/or ▪ Critical risk rated weaknesses identified in individual assignments that are not pervasive to the system of internal control; and ▪ A minority of the individual assignment reports may have an overall report classification of either high or critical risk.

<i>Unsatisfactory</i>	<ul style="list-style-type: none"> ▪ High risk rated weaknesses identified in individual assignments that in aggregate are pervasive to the system of internal control; and/or ▪ Critical risk rated weaknesses identified in individual assignments that are pervasive to the system of internal control; and/or ▪ More than a minority of the individual assignment reports have an overall report classification of either high or critical risk.
<i>None</i>	<ul style="list-style-type: none"> ▪ An opinion cannot be issued because insufficient internal audit work has been completed. This may be due to either: <ul style="list-style-type: none"> □ Restrictions in the audit programme agreed with the Audit Committee, which meant that our planned work would not allow us to gather sufficient evidence to conclude on the adequacy and effectiveness of governance, risk management and control; or □ We were unable to complete enough reviews and gather sufficient information to conclude on the adequacy and effectiveness of arrangements for governance, risk management and control.

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**SUBJECT: GOVERNANCE AND AUDIT COMMITTEE
ANNUAL REPORT 2023/24**

DIRECTORATE: Resources

MEETING: Governance and Audit Committee

DATE: July 2024

DIVISION/WARDS AFFECTED: All

Foreword by Andrew Blackmore, Chair of the Governance & Audit Committee

I am pleased to present the Annual Report of the Governance & Audit Committee which outlines the Committee's work and conclusions for the year ending 31 March 2024.

The Governance & Audit Committee is a key component of the Council's overall governance framework and exercises oversight of its governance, internal control and risk management arrangements and its financial affairs.

I would like to thank all of the officers who have supported the work of the Committee by attending meetings, presenting papers and addressing concerns raised by the Committee. Similarly, I would like to thank committee members for their valued contribution throughout the period.

I am satisfied that the Committee has, over the period, met its terms of reference and has made a positive difference to the effectiveness of the Council's governance arrangements. Nonetheless, it is clear that the unprecedented financial challenges facing all local authorities alongside heightened demand for services will give rise to material financial sustainability concerns requiring public bodies to develop and implement effective financial strategies alongside further embedding robust financial disciplines. Monmouthshire County Council clearly recognises these challenges and has already taken steps to address these matters.

**Andrew Blackmore,
Chair Governance & Audit Committee, June 2024**

1. PURPOSE

To set out the 2023/24 Annual Report from the Chair of the Council's Governance & Audit Committee [which the Committee endorsed at its meeting on 6 July 2024].

2. CONCLUSION & RECOMMENDATIONS

The Committee concluded that it had discharged its responsibilities during the 2023/24 period and as a consequence the Council can be reasonably assured over its work, outputs and conclusion that the Authority's overall governance, risk and control arrangements are broadly effective. Notwithstanding this conclusion, these arrangements will likely need to continue evolving to reflect developments in its financial position and consequential changes to how the Council re-shapes its service delivery.

During the year, the Committee considered all material elements of the Council's governance, risk, financial control, and internal and external auditing arrangements. Given the critical importance of independent control assurance and effective financial management, the Committee has taken a keen interest in ensuring that the proposed target operating models (TOM) for the Council's Internal Audit and Central Finance functions were appropriate, and are being implemented promptly. It is the Committee's expectation that the TOM for these functions will have been substantively implemented by the Autumn.

In discharging its responsibilities the Committee has legitimately challenged officers over the design and operating effectiveness of its risk and control infrastructure with officers generally responding positively to these challenges.

The Council is invited to consider the conclusion and observations set out within this Annual Report and endorse this Report.

3. THE COMMITTEE'S RESPONSIBILITIES

3.1 The core responsibilities for the Governance & Audit Committee are set out in summary form at section 10.2 within the Council's Constitution (18 May 2023 version) with further information on responsibilities and expectations dispersed throughout the remainder of what is a very lengthy document. Section 10.2 states the Committee's responsibilities are to:

- ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.

- review and approve the annual statement of accounts, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit.
- maintain an overview of the Council's constitution in respect of contract procedure rules and financial regulations.
- make recommendations, as appropriate, to Cabinet and Council on any matters reported through the Governance and Audit Committee

3.2 The Committee also has the following functions as required by s81, Local Government (Wales) Measure 2011) noting that these functions are not explicitly reflected in the Constitution (paragraph 3.1 above):

- review and scrutinise the authority's financial affairs,
- make reports and recommendations in relation to the authority's financial affairs,
- review and assess the risk management, internal control, performance assessment and corporate governance arrangements of the authority,
- make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements,
- review and assess the authority's ability to handle complaints effectively,
- make reports and recommendations in relation to the authority's ability to handle complaints effectively,
- oversee the authority's internal and external audit arrangements, and
- review the financial statements prepared by the authority.

3.3 In practice it is acknowledged that the Committee's responsibilities extend to those matters set out in paragraph 3.2 above (and to other matters such as whistleblowing). The Committee understands that the Constitution is being updated but notes that it appears to have no formal role in proposing, reviewing or recommending revisions to this critical element of the Council's governance infrastructure.

3.4 Over the year the Committee has carefully considered the work of the Internal Audit function and noted the increased incidence of limited audit opinions which the Committee believes is reflective of a more assertive internal auditing approach, but also is symptomatic of some emerging strain across elements of the Authority's internal control environment, which is unsurprising given the scale of the ongoing financial and operational pressures. In response, the Authority's Senior Leadership Team has quite rightly taken a more visible and forceful role in holding officers to account for promptly and fully implementing audit recommendations and more generally maintaining control disciplines. Continued vigilance in this area remains essential.

- 3.5 The Committee previously expressed a preference for more collaborative working with officers which provides an opportunity to make more timely and constructive interventions reducing levels of required re-work. Officers constructively engaged with the Committee in relation to proposing significant improvements to the Authority's overall strategic risk management framework. At its meeting in April this year the Committee congratulated officers on the work completed and duly endorsed the revised risk policy and appetite framework, noting that fully embedding this throughout the Authority should provide greater confidence in achieving the Community and Corporate Plan. The Committee will carefully monitor progress being made in implementing this framework.
- 3.6 In response to previous concerns expressed by the Committee in respect of, for example, the quality and timeliness of papers and the pace at which officers responded to the Committee's concerns, it is pleasing to note significant improvements across all areas.

4. COMMITTEE CONSTITUTION, MEMBERSHIP & ATTENDANCE

- 4.1 Following the Local Government and Elections (Wales) Act 2021 coming into effect the Council's former Audit Committee was re-named as the Governance & Audit Committee with other changes as required by the legislation, such as an increase in the number of lay members to comprise one third of the Committee were made with three lay members (including the Chair) appointed meaning that the Committee has a total of 12 members (comprises eight elected and four lay members).
- 4.2 There have been minor changes to membership over the period with all new members, along with existing members, offered an appropriate training and support programme which ensures that all members feel able to contribute effectively and to do so in a non-partisan manner. This training and support programme continues to be available to all members.
- 4.3 The Committee is supported by Democratic Services with the, Deputy Chief Executive and Chief Officer Resources, the Head of Finance and the Chief Internal Auditor, Performance and Data Insights Manager in attendance at most meetings. Representatives from our external auditors (Audit Wales) are invited to, and attend meetings as appropriate.
- 4.4 The Committee met on seven occasions during 2023/24. For each meeting, the Committee was quorate and there were sufficient members to enable an informed discussion on the matters raised. The high attendance rate by members demonstrates their continued commitment to the work of the Committee.

Governance & Audit Committee meetings 2022/23
29 June 2023
27 July 2023
20 September 2023

19 October 2023
4 December 2023
11 January 2024
22 February 2024

4.5 During late 2023 the Committee undertook a self assessment exercise which aimed to identify the extent to which members felt equipped to make an effective, individual contribution and then to consider whether collectively, the Committee was operating effectively. A small number of improvement areas were identified which have been implemented. The output from this exercise has informed the ongoing programme of training and development for members.

5. RESOURCE IMPLICATIONS

None.

7. CONSULTEES

- Governance & Audit Committee members
- Deputy Chief Executive/ S151 Officer
- Monitoring Officer.

8. RESULTS OF CONSULTATION:

Report agreed.

9. BACKGROUND PAPERS

Papers for the Governance & Audit Committee meetings during 2023/24.

10. AUTHOR AND CONTACT DETAILS

Andrew Blackmore, Chair, on behalf of the Governance and Audit Committee

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Digital Strategy Review – Monmouthshire County Council

Audit year: 2022-23

Date issued: May 2024

Document reference: Final

Purpose of this document

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This document is also available in Welsh.

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Report summary

Report summary

Exhibit 1: report summary

The exhibit below summarises the reason we undertook this audit, our key findings and recommendations for the Council.

Why a strategic approach to digital is important

- 1 Digital technology is key to delivering a wide range of council services in a more economic, efficient and effective way, is also an important means of councils delivering their wellbeing objectives and carrying out sustainable development.
- 2 Having a clearly articulated strategic approach to digital can bring several benefits such as:
 - establishing a common vision for use of digital and the intended outcomes for local communities linked to the council's strategic objectives;
 - helping to ensure that councils' use of digital technology is aligned with their key strategic objectives and other plans and strategies and is informed by a good understanding of current and future trends;
 - reducing the risk of duplication both within councils and with partners;
 - consideration of resourcing digital over the short, medium and longer term together; and
 - providing a framework against which to monitoring progress over the short, long and medium term.

The focus of our audit

- 3 We looked at the extent to which the Council's strategic approach to digital has been developed in accordance with the sustainable development principle and that it will help to secure value for money in the use of the Council's resources.

Our key findings

- 4 We found that the Council does not have a digital strategy. The absence of a costed strategy with clear objectives and measures also makes it difficult for the Council to monitor and assess the value for money of its strategic approach. We also found that the Council has not drawn on a wide range of evidence sources or mapped out the stakeholders it needs to involve, in developing and delivering its strategic approach to digital.

Our recommendations for the Council

Strengthening the Council's strategic approach to digital

- R1 To ensure the Council makes the best use of digital technology to secure value for money in the use of its resources the Council should develop and clearly articulate a strategic approach to digital. In developing its approach it should act in accordance with the sustainable development principle.
-

Arrangements for monitoring and review

- R2 To ensure it better understand the impact of its digital strategy and progress in delivering it over the short, medium, and long-term the Council should strengthen its arrangements for monitoring and reviewing the delivery of the strategy
-

Strengthening engagement opportunities

- R3 To help ensure that its resources are effectively targeted the Council should strengthen engagement with the full diversity of those with an interest in the delivery of its strategic approach to digital
-

Working Collaboratively

- R4 To help ensure that the Council identifies all opportunities to improve value for money in its strategic approach to digital strategy the Council should map out all potential collaborative opportunities to deliver its next digital strategy.

Detailed report

What we looked at and why – the scope of this audit

- 1 We reviewed the Council's strategic approach to digital, and specifically the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of the Council's resources.
- 2 Our findings are based on document reviews and interviews with a sample of Cabinet Members and senior officers. The evidence we have used to inform our findings is limited to these sources.
- 3 We set out to answer the question '**In developing its digital strategy has the Council acted in accordance with the sustainable development principle and put in place proper arrangements to secure value for money in the use of its resources?**' We did this by exploring the following questions:
 - Is the Council's digital strategy informed by a good understanding of current and future trends?
 - Does the Council have a clear vision of what it wants to achieve through the use of digital technology?
 - Is the Council working effectively with the right people and partners to design and deliver its digital strategy?
 - Has the Council resourced delivery of its digital strategy so it can deliver long-term/preventative benefits?
 - Is the Council monitoring and reviewing progress?
 - Is the Council learning lessons from how it works?
- 4 **Appendix 1** sets out the detailed questions we set out to answer along with the audit criteria we used to arrive at our findings.
- 5 We undertook this review in May/June 2023

Why we undertook this audit

- 6 This audit was undertaken to help fulfil the Auditor General's duties under section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and section 15 of the Well-being of Future Generations (Wales) Act 2015.
- 7 We sought to:
 - provide assurance that councils' digital strategies will help to deliver well-being objectives in a way that secures value for money in the use of resources;
 - provide assurance that councils are acting in accordance with the sustainable development principle in the design of their digital strategies;

- explain how councils are using/planning to use digital technology to meet people’s needs and deliver better outcomes; and
- inspire and empower councils and other public sector bodies by identifying and sharing examples of notable practice/approaches where relevant.

The Council’s digital strategy

- 8 The Council’s previous digital strategy covered the period 2018-21. The Council currently does not have a digital strategy. Its current digital work is detailed within individual service business plans and some project work.
- 9 The Council’s current approach to digital is facilitated through three separate business plans: Digital Design and Innovation, Information Governance and Security, and Performance and Data Insight. However the Council intends to develop a new digital strategy. to help clarify the role that digital technology will play in the Council.

What we found: The Council does not have a clearly articulated strategic approach to digital

We found that the Council currently does not have a digital strategy

- 10 The Council has not articulated its overall approach to digital and therefore there is no clear and widely understood vision among members and officers of what the Council is trying to achieve through digital.
- 11 The Council has not had an active digital strategy for nearly two years and is now in an early stage of considering the development of its new strategy. Digital developments currently run across some service areas, such as the Digital, Design and Innovation team is working to develop its approach to digital through three workstreams that include ‘services online by default’, ‘better use of data’ and ‘modern and interoperable systems’. An example of this work is the development of the Council’s chat facility.
- 12 However, despite work in addressing digital needs across service areas, without a clear vision and strategic approach to digital the Council risks duplication, and not identifying potential multiple benefits that can be gained from use of digital across service areas. It also makes it difficult for the Council to consider how its approach is aligned with the Council’s strategic objectives and those of its partners.
- 13 Once the Council has a clear vision for digital and has identified the outcomes it is seeking to achieve, it will be important for the Council to clearly communicate this internally and externally to ensure there is a wide and common understanding of what the Council is trying to achieve.

The Council has not drawn on a wide range of evidence sources to help inform the development of its strategic approach to digital

- 14 The Council has not drawn on a broad range of evidence from both internal and external sources to understand the current and future trends that could impact on its digital strategy.
- 15 Some of the data used by the Council has included its Self-Assessment Report 2021/22, Monmouthshire Well-being Assessment 2022 and the Council's Corporate Business Plan 2017/22. Some work was also carried out to review service needs, including assessing call demand levels and reasons behind calls coming into the Council. Customer Relations Management systems (My Monmouthshire) and complaints processes were also considered.
- 16 However, the evidence the Council has drawn on is limited. For example, the Council has not drawn on evidence relating to service sustainability/resilience and resourcing challenges. The Council has drawn on some evidence to understand the underlying causes of current demands and issues to be addressed. For example, through its well-being assessment and pilot work to assess cause for demand within its Road/Traffic Safety Team. This work aimed to improve systems and processes and streamline operations through a user-centred design approach. The Council has also, through work with SRS Business and Collaboration Board, considered future trends and how they might impact service delivery. Also, the pandemic was noted to have impacted some service areas with long-term plans now being reconsidered.
- 17 By not considering a wide range of evidence sources, and the factors that could impact and influence future service delivery, the Council risks developing a strategic approach that may not meet the needs of its communities or deliver value for money.

The Council has not mapped out which partners it could work with or set out plans to involve the full diversity of the population in developing its strategic approach to digital

- 18 The Council is not able to demonstrate that it has identified all relevant people and partners to design and develop its new digital strategy. The Council does work in partnership in relation to digital through its participation in the Shared Resource Centre, a collaborative initiative with other public sector partners. The Council also works with a range of people and partners, on a number of digital initiatives, such as work with the Centre for Digital Public Services (CDPS) in providing digital leadership training, WLGA Digital Transformation Fund Groups, including its Digital Testing Toolkit group, and SOCITM. However, the Council has not mapped out

who and how it could work with partners, to help give assurance that it has identified all suitable opportunities for partnership working.

- 19 By not identifying all potential partners or opportunities for collaboration, the Council risks missing opportunities to improve value for money and outcomes through for example sharing resources and expertise. For example there may be efficiencies that the Council can achieve through collaboration, such as additional joint procurement, building on existing collaborative arrangements. Monitoring the effectiveness of any partnership arrangements the Council enters into will also be an important part of arrangements for the Council to assure itself that it is securing value for money.
- 20 At the time of our fieldwork the Council had not developed specific plans to involve local communities, including service users in the process of designing and developing a new digital strategy. Not providing an opportunity for the full diversity of the population to influence the design and delivery of its strategic approach to digital risks designing approaches that do not meet needs and therefore does not secure value for money.

The Council has not costed its digital strategy limiting its ability to monitor the value for money of its approach

- 21 The Council has not costed its strategic approach to digital in the short term, and the longer-term resources required to deliver it have not been identified, including any anticipated savings. Some resources for digital work are identified in service business plans. For example, the Digital Design and Innovation Business Plan includes Staffing costs within its business plan. The Council also sets aside a ringfenced annual Budget for the Shared Resource Centre. However, the Council's strategic approach overall is not costed. This makes it difficult for the council to monitor the value for money of its strategic approach and to consider how resources could best be deployed to deliver benefits over the longer term.

In the absence of a digital strategy with clear objectives and measures, the Council's ability to monitor and assess value for money from its digital strategy is limited

- 22 The Council currently monitors progress in delivering its digital projects, within its service business plans. However, in the absence of a digital strategy, there is no reporting of progress against short, medium and long-term strategic objectives in relation to the Council's strategic approach to digital. This makes it difficult for the Council to monitor and measure the impact of its strategic approach and therefore gain assurance that it is delivering value for money.

The Council does not systematically review the effectiveness of its strategic approach to digital or share lessons learnt

- 23 The Council has not reviewed its previous digital strategy to establish what it had achieved and what it had set out to achieve. The extent to which lessons from its previous strategy can be shared and learned will therefore be limited.
- 24 However, the Council has learnt lessons through its response to Covid-19 which helped reshape its service delivery to meet changes in demand, such as increasing its online access to services for vulnerable adults.
- 25 The Council has also developed project charters, to record, review and learn lessons by evaluating projects during their lifecycle. For example, a project charter was established to evaluate and improve the Council's customer service approach to develop a more efficient, clear communication method and an improved customer experience. The Council also evaluated this approach. While these learning developments and practices influenced and impacted the Council's current service delivery, including an increase in digital and online provision, it is too early to see how the Council will apply this learning to the future direction of a new digital strategy.
- 26 By not reviewing its wider strategic approach to digital, the Council risks missing opportunities to improve processes, outcomes, and its arrangements to secure value for money.

Appendix 1

Audit questions and audit 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: **In developing its digital strategy has the Council acted in accordance with the sustainable development principle and put in place proper arrangements to secure value for money in the use of its resources?**

Exhibit 2: audit questions and audit criteria

Level 2 questions	Level 3 questions	Criteria
1. Is the Council's digital strategy informed by a good understanding of current and future trends?	1.1 Is there is a thorough understanding of the 'as is' (ie current demand/issues to be addressed) and the reasons why/underlying causes?	<ul style="list-style-type: none"> • The Council has drawn on a broad range of information from internal and external sources to develop a thorough understanding of the 'as is' and how it is likely to change. This includes information (including data) relating to: <ul style="list-style-type: none"> – service sustainability/resilience and resourcing challenges. – the needs of citizens and communities. – the underlying causes of current demand/issues to be addressed. – analysis of future trends and how they might impact, eg social, economic/political, environmental, cultural or technological. They might include known trends eg ageing population, depleting natural resources and particularly technological advances. They might also include those with a higher level of uncertainty eg jobs and skills needed in the future. • The analysis of the 'as is' and how it is likely to change is well informed by involvement activity, as appropriate, that reflects recognised good practice (eg National Principles for Public Engagement in Wales, Future Generations Commissioner for Wales advice and guidance). • The Council uses its evidence base effectively to:
	1.2 Is there a thorough understanding of the long-term factors that will impact and the challenges and opportunities that may result (eg risks and opportunities)?	

Level 2 questions	Level 3 questions	Criteria
		<ul style="list-style-type: none"> – identify actions in its strategic approach to digital that are likely to be most effective and why, including how they could address the root causes of problems; – inform decisions around its use of digital technology that seek to balance the need to meet short and longer-term objectives.
<p>2. Does the Council have a clear vision of what it wants to achieve through the use of digital technology?</p>	<p>2.1 Is the Council planning over an appropriate timescale?</p>	<ul style="list-style-type: none"> • The Council has considered what long term means in planning its approach to digital – ie how far ahead it can/should plan and why (at least ten years with consideration of longer-term trends as appropriate). • The Council has considered how actions can deliver the best impact over that timeframe in terms of outcomes and most effective use of resources. This could include consideration of appropriate intervention points linked to the Commissioner’s definition of prevention. (More details can be found in: Taking account of the Well-being of Future Generations Act in the budget process – The Future Generations Commissioner for Wales). • The Council has set out measures for its digital strategy that reflect short and long-term impacts and value for money, with milestones that reflect progress as appropriate. • The Council has set out how its digital strategy will be resourced over the longer term as far as is practical (see also criteria relating to integration).
	<p>2.2 Has the Council thought about the wider impacts its digital strategy could have, including:</p>	<ul style="list-style-type: none"> • The Council has considered how its digital strategy can make a contribution across the well-being goals. • Staff developing the digital strategy understand what colleagues and partners do and how their work relates, and have sought to integrate their

Level 2 questions	Level 3 questions	Criteria
	<ul style="list-style-type: none"> • how it could contribute to each of the seven national well-being goals? • how delivery will impact on the other things it is trying to achieve (ie its well-being objectives and wider priorities)? • how delivery will impact on other what other public bodies are trying to achieve (ie their well-being objectives)? 	<p>work with that of their colleagues from across the Council and with partner organisations.</p> <ul style="list-style-type: none"> • Integration is evident in the alignment of the digital strategy with other key corporate strategies and service plans. For example medium-term financial plan, workforce plan, asset management strategies, well-being statement and carbon reduction plans. • The digital strategy is aligned with other strategic intents such as: <ul style="list-style-type: none"> – customer experience; – management of demand/reductions in demand failure and prevention; and – design and implementation of new service delivery models. • The Council's digital strategy aligns with the plans/strategies of local and national partners including the Welsh Government's Digital Strategy for Wales Digital strategy and well-being plans.
	2.3 Is there a wide and common understanding of what the Council is trying to achieve?	<ul style="list-style-type: none"> • Councillors and senior officers responsible for implementing the digital strategy have a common and clear understanding of what the Council is trying to achieve and the intended impact on service delivery. • The Council's digital strategy is clearly communicated to staff and partners who may help deliver it.

Level 2 questions	Level 3 questions	Criteria
<p>3. Is the Council working effectively with the right people and partners to design and deliver its digital strategy</p>	<p>3.1 Has the Council identified who it needs to involve?</p>	<ul style="list-style-type: none"> • The Council has a good understanding of who will be directly and indirectly affected by its digital strategy and who it needs to involve. • The Council has effectively involved the full diversity of views in developing its digital strategy, including from non-traditional sources and from those it may have previously failed to reach.
	<p>3.2 Is the Council effectively involving the full diversity of people affected by its digital strategy?</p>	<ul style="list-style-type: none"> • The Council has provided genuine opportunities for people to influence the design and delivery of its digital strategy from an early stage, including representatives of groups who share protected characteristics. • The Council has used the results of involvement to shape the design and delivery of its digital strategy.
	<p>3.3 Is the Council collaborating effectively with the right partners?</p>	<ul style="list-style-type: none"> • The Council is collaborating to ensure it delivers better outcomes and value for money through its digital strategy and has put appropriate arrangements in place to support this, for example for: <ul style="list-style-type: none"> – sharing or pooling expertise and resources; – sharing information; – ensuring effective monitoring, evaluation and accountability including consideration of value for money.

Level 2 questions	Level 3 questions	Criteria
<p>4. Has the Council resourced delivery of its digital strategy so it can deliver long-term/preventative benefits?</p>	<p>4.1 Does the Council understand long-term resource implications?</p>	<ul style="list-style-type: none"> • The Council has assessed the costs and benefits of using digital technology to invest in long-term, preventative approaches and the cost (both financial and in terms of outcomes) of not doing so. • The Council has thought about the resources it will need to deliver its digital strategy over the medium and longer term (whole life costs) and how it could manage risks/meet those costs including, for example, planned 'invest to save' initiatives and managed reductions in technical debt. • The Council has calculated and set out any savings it intends to make through implementing its digital strategy.
	<p>4.2 Does the Council allocate resources to deliver better outcomes over the long-term?</p>	<ul style="list-style-type: none"> • Action (including preventative action) that is likely to contribute to better outcomes and/or use of resources over the longer term is promoted and supported, even: <ul style="list-style-type: none"> – where this may limit the ability to meet some short-term needs; – where the benefits are likely to be accrued by or attributed to another organisation.

Level 2 questions	Level 3 questions	Criteria
5. Is the Council monitoring and reviewing progress?	5.1 Is the Council monitoring and reviewing progress towards, short, medium and longer-term objectives?	<ul style="list-style-type: none"> • The Council monitors the costs and benefits of delivering its digital strategy from a value for money perspective. • The Council is measuring the wider contribution the digital strategy is making across its own/partnership objectives. • Progress is measured against short, medium and long-term objectives.
6. Is the Council learning lessons from how it works?	6.1 Does the Council review the effectiveness of its digital strategy?	<ul style="list-style-type: none"> • The Council regularly reviews the effectiveness of its digital strategy including: <ul style="list-style-type: none"> – effectiveness of its collaborative activity; – effectiveness of its involvement activity, including the impact of the strategy on service users including those who are digitally excluded; – the impact of the strategy on those who share protected characteristics; – the economy, efficiency and effectiveness of the digital strategy overall in helping the Council to achieve its strategic objectives. • The Council has reviewed lessons learned from its response to the pandemic and is applying this learning to its digital strategy.
	6.2 Does the Council share lessons learned from its approach to its digital strategy?	<ul style="list-style-type: none"> • The Council shares and applies any lessons learned from the development and delivery of its digital strategy widely across the organisation, and with partners where relevant.



Audit Wales

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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.

Organisational response

Report title: Digital Strategy Review – Monmouthshire County Council

Completion date: May 2024

Document reference: Final

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Ref	Recommendation	Organisational 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>Strengthening the Council's strategic approach to digital</p> <ul style="list-style-type: none"> To ensure the Council makes the best use of digital technology to secure value for money in the use of its resources the Council should develop and clearly articulate a strategic approach to digital. In developing its approach it should act in accordance with the sustainable development principle. 	<p>The development of a digital strategy had been in train upon the commencement of the audit review and had been discussed ahead of and through the audit process. This work remains ongoing and as part of a wider development of enabling strategies and the opportunities to better align and prioritise efforts that allows the Council's ambitions to be met in so far as digital and data are concerned.</p> <p>Develop an updated Digital and Data Strategy for the Council.</p>	July 2024	Deputy Chief Executive
R2	<p>Arrangements for monitoring and review</p> <ul style="list-style-type: none"> To ensure it better understand the impact of its digital strategy and progress in delivering it over the short, medium, and long-term the Council should strengthen its arrangements for monitoring and reviewing the delivery of the strategy. 	<p>Monitoring and evaluation of outcomes will be important to the strategy. At an operational level this is already in place and with respect to existing digital projects that feature within the already well-established digital roadmap and forward plan.</p> <p>Develop an updated Digital and Data Strategy for the Council, including the arrangements for monitoring and review.</p>	July 2024	Deputy Chief Executive
R3	<p>Strengthening engagement opportunities</p> <ul style="list-style-type: none"> To help ensure that its resources are effectively targeted the Council should 	<p>The user centred design principles are embedded into the project methodology and approach already in place. This ensures that customers and user engagement and feedback</p>		

	strengthen engagement with the full diversity of those with an interest in the delivery of its strategic approach to digital.	is factored into individual digital project delivery. Complete engagement with key stakeholders to inform the development of the digital and data strategy.	July 2024	Deputy Chief Executive
R4	<p>Working Collaboratively</p> <ul style="list-style-type: none"> To help ensure that the Council identifies all opportunities to improve value for money in its strategic approach to digital strategy the Council should map out all potential collaborative opportunities to deliver its next digital strategy. 	<p>In developing and delivering our digital and data strategy we will continue to ensure that strategic intent and programmes of work are suitably aligned to meet our digital and data needs, including potential collaborative opportunities.</p> <p>The Council already works collaboratively through the long-standing arrangements with the Shared Resource Service (SRS) and its partnering local authorities. Embedded within the SRS governance arrangements is a Business & Collaboration Board that allows for collaborative opportunities to be identified and taken forward. Furthermore already well established arrangements are in place to work collaboratively through the WLGA and Welsh Government's CDPS (Centre for Digital Public Services) along with wider networks that allow for collaboration and sharing of best and next practice (e.g. SOCITM).</p>	<p>July 2024 – development of strategy</p> <p>Review of collaborative opportunities as part of delivery of the strategy.</p>	Deputy Chief Executive

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GOVERNANCE & AUDIT COMMITTEE WORK PROGRAMME 2024-25

29TH APRIL 2024

Reports to be with Peter by – 15th April 2024

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 17th April 2024

Pre-meeting – 19th April 2024

Finalised reports to committee section – 19th April 2024

Despatch by committee section – 19th April 2024

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Audit Wales Work Programme: Council Progress Update	Richard Jones		✓			
Effectiveness of Strategic Risk Management Framework	Richard Jones		✓			
Internal Audit Plan 24/25	Jan Furtek				✓	
Implementation of Internal Audit agreed recommendations	Jan Furtek				✓	
Proposed future delivery model for the Internal Audit Service	Peter Davies				✓	
Audit Wales Performance Data Review	Charlotte Owen					✓

6TH JUNE 2024

Reports to be with Peter by – 17th May 2024

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 21st May 2024

Pre-meeting – 23rd May 2024

Finalised reports to committee section – 28th May 2024

Despatch by committee section – 29th May 2024

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Draft Freedom of Information (FOI) & Data Protection Act (DPA) Breaches & Data Subject Access Request (DSARs)	Sian Hayward		✓			
CPR Exemptions - 6 monthly update to 31st March 2024	Jan Furtek				✓	
Internal Audit Annual Report 2023/24	Jan Furtek				✓	
2023/4 Treasury Outturn report	Jonathan Davies	✓				
Draft Financial Strategy	Jon Davies/Peter Davies	✓				
People Strategy	Matt Gatehouse		✓			
Annual Audit Plan 24-25	Audit Wales					✓
Audit Wales Capital Programme Management Review	Audit Wales					✓
Audit Wales MCC Annual Audit Summary 2023	Audit Wales					✓
Audit Wales Work Programme and Timetable quarterly update - March 2024	Audit Wales					✓

10TH JULY 2024

Reports to be with Peter by – 21st June 2024

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 25th June 2024

Pre-meeting – 27th June 2024

Finalised reports to committee section – 1st July 2024

Despatch by committee section – 2nd July 2024

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Financial Strategy	Jon Davies/Peter Davies	✓				
Draft Annual Governance Statement 2023/24	Jan Furtek				✓	
Internal Audit Plan and Annual Report for Shared Resource Service (SRS)	TCBC IA Team				✓	
Governance & Audit Committee Annual report 2023/4	Chair – Andrew Blackmore		✓			
Audit Wales Digital Review	Charlotte Owen					✓

31st July 2024

Reports to be with Peter by – 9th July 2024

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 11th July 2024

Pre-meeting – 15th July 2024

Finalised reports to committee section – 22nd July 2024

Despatch by committee section – 23rd July 2024

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
2024/5 Q1 - Treasury report	Jon Davies	✓				
2023/4 Draft WCF/Mon Farm Statement of Accounts	Jon Davies	✓				

5TH SEPTEMBER 2024

**Reports to be with Peter by –
 Reports to be with Wendy Barnard/Chair prior to pre-meeting –
 Pre-meeting – 8th August 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
Initial assessment of corporate risk control arrangements	Richard Jones		✓			
Audit Wales Financial Sustainability Review	Audit Wales					✓
Internal Audit Quarterly progress report (Q1)	Jan Furtek				✓	
Draft Self Assessment Report	Richard Jones		✓			

17TH OCTOBER 2024

**Reports to be with Peter by –
 Reports to be with Wendy Barnard/Chair prior to pre-meeting –
 Pre-meeting – 7th October 2024
 Finalised reports to committee section –
 Despatch by committee section –**

		Terms of reference category				
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Report Title	Report Author	Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Anti Bribery Risk Assessment	Peter Davies		✓			
The Ombudsmans's Annual Letter - 2022/23	Annette Evans			✓		
Audit Wales Work Programme and timetable quarter 1 update	Audit Wales					✓
Audit Wales Work Programme: Council Progress update	Richard Jones		✓			
Audit Grants report	Audit Wales - Rachel Freitag					✓
Annual Audit Plan 22-23 Welsh Church Funds	Rachel Freitag					✓
Internal Audit quarterly progress report (Q2)	Jan Furtek				✓	

28TH NOVEMBER 2024

Reports to be with Peter by –
Reports to be with Wendy Barnard/Chair prior to pre-meeting –
Pre-meeting – 18th November 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
24/25 Q2 Treasury report	Jon Davies	✓				
2023/24 MCC Statement of Accounts Final	Jon Davies	✓				

ISA260 response to accounts	Rachel Freitag/Jon Davies					✓
Effectiveness of Strategic Risk Management Framework and summary of wider arrangements	Richard Jones		✓			
CPR Exemptions - 6 monthly update to 30th September 2024	Jan Furtek				✓	
Whole Authority annual complaints report	Annette Evans			✓		

16TH JANUARY 2025

**Reports to be with Peter by –
 Reports to be with Wendy Barnard/Chair prior to pre-meeting –
 Pre-meeting – 6th January 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
2023/4 WCF/Mon Farm Statement of Accounts Final	Jon Davies	✓				
ISA260 for trust funds	Rachel Freitag/Jon Davies					✓

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		✓			
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 –

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

TO BE PUT ON A FUTURE MEETING AGENDA BUT DATES NOT YET CONFIRMED

Presentation on Global Internal Audit Standards/Update of Public Sector Internal Audit Standards

Review of MCC Internal Audit Charter

MCC Fraud Risk Assessment and NFI Self Assessment

Public Document Pack Agenda Item 11

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 6th June, 2024 at 2.00 pm

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

Lay Members: C. Prosser, M. Veale, R. Guest,

County Councillor: Sara Burch, John Crook, David Jones,
Phil Murphy and Peter Strong

ALSO IN ATTENDANCE: County Councillor B. Callard, Cabinet Member For
Resources

OFFICERS IN ATTENDANCE:

Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Jan Furtek	Acting Chief Internal Auditor
Wendy Barnard	Democratic Services Officer
Richard Jones	Performance and Data Insight Manager
Jonathan Davies	Head of Finance
Emma Tapper	Governance & Assurance Officer
Kathryn Evans	Data Protection and Information Governance Manager
Sian Hayward	Digital and Technology Manager
Matthew Gatehouse	Chief Officer People, Performance and Partnerships.

APOLOGIES:

County Councillors Malcolm Lane and Ann Webb

1. Appointment of Chair

Lay Member, Andrew Blackmore, was appointed as Chair of the Governance and Audit Committee.

[Appointment of Chair](#)

2. Appointment of Vice Chair

County Councillor Tony Easson was appointed as Vice Chair of the Governance and Audit Committee.

[Appointment of Vice Chair](#)

3. Declarations of Interest

No declarations of interest were made.

4. Public Open Forum

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 6th June, 2024 at 2.00 pm

No members of the public were present.

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

The Action List from the last meeting was noted:

1. Finance Team capacity: CLOSED
2. People Strategy: CLOSED
3. MCC Statement of accounts/ISA260: OPEN

[View the discussion, questions and comments here](#)

6. Annual Audit Plan 2024-25

The Chair welcomed the Audit Wales Officer to the meeting to present the Annual Audit Plan 2024/25. Following presentation of the report, Members were invited to ask questions.

[View the discussion, questions and comments here](#)

The plan was noted.

7. Audit Wales Capital Programme Management Review

The Audit Wales Officer presented Audit Wales' Capital Programme Management Review. Following presentation of the report, Committee Members were invited to comment and ask questions:

[View the discussion, questions and comments here](#)

The item was noted

8. Audit Wales MCC Annual Audit Summary 2023

This, and the following item, were considered together. The Audit Wales Officer presented the MCC Annual Audit Summary 2023 and Committee Members were invited to ask questions.

[View the discussion, questions and comments here](#)

The summary was noted.

9. Audit Wales Work Programme and Timetable Quarterly Update - March 2024

This item was considered at the same time as the previous item. The Audit Wales Officer presented the Audit Wales Work Programme and Timetable Quarterly Update. Committee Members were then invited to ask questions:

[View the discussion, questions and comments here](#)

The work programme and timetable quarterly update were noted.

10. Draft Freedom of Information (FOI) & Data Protection Act (DPA) Breaches & Data Subject Access Request (DSARs)

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 6th June, 2024 at 2.00 pm

The Head of Information Security and IT, and the Data Protection and Information Manager presented annual reports on Freedom of Information, Data Protection and Data Subject Access Requests. Following presentation of the reports, Committee Members were invited to ask questions:

[View the discussion, questions and comments here](#)

As contained in the report recommendations, Members scrutinised, reviewed and assessed the Council's arrangements for managing and responding to information requests and breaches and considered the adequacy and effectiveness of those arrangements to be acceptable.

11. CPR Exemptions - 6 monthly update to 31st March 2024

The Chief Internal Auditor presented the 6 monthly update (to 31st March 2024) report on Contract Procedure Rules. Following presentation of the report, Committee Members were invited to ask questions:

[View the discussion, questions and comments here](#)

As per the report recommendations:

1. The Governance and Audit Committee acknowledged the justifications for the exemptions provided by operational officers.
2. No decision was taken to call 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. The Governance and Audit Committee requested an updated report in 6 months' time.

12. Internal Audit Annual Report 2023/24

The Chief Internal Auditor presented the Internal Audit Annual Report 2023/24. Following presentation of the report, Committee Members asked questions and commented:

[View the discussion , questions and comments here:](#)

As contained in the report recommendations the Governance and Audit Committee received, commented on and endorsed the Annual Report.

13. 2023/24 Treasury Outturn Report

The Head of Finance presented the 2023/24 Treasury Outturn Report. Committee Members were invited to ask questions:

[View the discussion, questions and comments here](#)

As per the report recommendations the Governance & Audit committee reviewed the results of treasury management activities and the performance achieved in quarter 4 and throughout 2023/24 as part of their delegated responsibility to provide scrutiny of treasury policy, strategy and activity on behalf of Council.

14. People Strategy

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 6th June, 2024 at 2.00 pm

The Chief Officer for People, Performance and Partnerships presented the People Strategy to the Committee. Following presentation of the report, Members were invited to ask questions and to comment:

[View the discussion, questions and comments here](#)

As per the report recommendations the committee used the report to seek assurance that the enabling strategies sitting below the Community and Corporate Plan provide sufficient clarity and direction to ensure that the authority's resources will be deployed effectively and in alignment with its purpose and objectives.

15. Governance and Audit Committee Forward Work Plan

The Committee noted the Forward Work Plan.

[View the discussion here](#)

16. To approve the minutes of the previous meeting

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

[View confirmation of the accuracy of the minutes here](#)

17. Date of Next Meeting: 17th July 2024

The date of the next meeting was changed to 10th July 2024. An additional meeting was scheduled for 31st July 2024.

Meeting ended at 4.37 pm