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County Hall
Rhadyr
Usk
NP15 1GA

Wednesday, 22 October 2025

Notice of Meeting

Governance and Audit Committee

Thursday, 30th October, 2025 at 2.00 pm,
Council Chamber, County Hall, The Rhadyr USK and Remote attendance

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

AGENDA

Item No	Item	Pages
1.	Apologies for Absence	
2.	Declarations of Interest	
3.	Public Open Forum	
4.	To note the Action List from the previous meeting.	1 - 2
5.	Call in of the Chief Officer for Social Care, Safeguarding and Accessible Health Services in response to the My Mates Internal Audit Report	3 - 14
6.	Audit Wales Report: National Fraud Initiative 2024/25 - Update for Monmouthshire County Council	15 - 24
7.	MCC Counter Fraud Risk Assessment	25 - 60
8.	2024/25 MCC Statement of Accounts Final	61 - 230
9.	WAO Audit of Accounts Report	
10.	Global Internal Audit Standards - Implementation and Self-Assessment	231 - 252
11.	Health and Safety Annual Report	253 - 328
12.	Internal Audit quarterly progress report (Q2)	329 - 340

13.	Governance and Audit Committee Forward Work Plan	341 - 346
14.	To approve the minutes of the previous meeting	347 - 350
15.	Date of Next Meeting: 27th November 2025	

Paul Matthews
Chief Executive

MONMOUTHSHIRE COUNTY COUNCIL
CYNGOR SIR FYNWY

THE CONSTITUTION OF THE COMMITTEE IS AS FOLLOWS:

Andrew Blackmore	<i>Lay Member</i>	
Siwan Davies	<i>Lay Member</i>	
Colin Prosser	<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>Independent Socialist</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.

Governance and Audit Committee Public Open Forum Guidance

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

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

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

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

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

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

Aims and Values of Monmouthshire County Council

Our purpose

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

Objectives we are working towards

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

Our Values

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

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

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

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

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

Role of the Pre-meeting

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

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

Potential Questions/Considerations for the Meeting

Internal Audit (IA)

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

External Audit (EA)

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

Governance

1. Is there a codified and cohesive description of MCC's overall governance arrangements? Is it fit for purpose?
2. Is there clarity over the governance of the various oversight and scrutiny arrangements for (and effectiveness of) material partnerships and collaborations?
3. Is there clarity over the apportionment of responsibilities and decision making authorities?
4. How are governance/ control breaches identified and reported?
5. Are we confident that the arrangements for material expenditure (tendering, contracting and capital procurement) are robust?
6. Do we have confidence in whistleblowing (and similar arrangements) for raising concerns?

Corporate Risks

1. Have key accountabilities for the identification, assessment, monitoring and management of risks been adequately defined and implemented?
2. Has the approach to risk management been designed and implemented effectively?
3. How can the Committee be confident that the Corporate Risk Register captures all significant risks facing the Authority?
4. Are the risk mitigation action plans credible and sufficient so as to achieve the desired outcomes?

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 assumptions understood, credible, documented and stress tested?
4. Does the Finance function have suitable capabilities and capacity to manage financial risk/ meet statutory requirements and obligations to the Council?
5. Do we have confidence that the budgetary process is likely to produce a plausible budget/ MTFP?
6. Are there suitable arrangements in place to manage and report on overall financial performance?

Financial Statements/ Misstatement Risk

1. Is there a shared understanding as to the purpose of the Committee in reviewing draft financial statements?
 - a. Are the Notes to the Accounts reasonable?
 - b. Are the narrative reports, including the Annual Governance Statement reasonable and accord with the committee's view?
2. Are we comfortable with EA's work and audit opinion?

Questions for the Committee to conclude...

Do we have the necessary information to form conclusions/make recommendations/ escalate matters to the executive, council, relevant scrutiny committee?

Do we need to follow up? If so, how?

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Governance and Audit Committee Action List
11th September 2025

Action	Subject/ Meeting	Officer	Outcome	Due date	Action Status	Recommended to close Action Yes/No
1	12 th June 2025	Chief Internal Auditor/Clerk	Completion rate of mandatory training for all staff on Anti Fraud, Bribery and Corruption: main update will be incorporated within the Anti Fraud Risk Assessment due in October. An update with some informal statistics will be provided at the September meeting.	30 th October 2025	OPEN	NO
2	11 th September 2025	Chief Internal Auditor	My Mates – Request Chief Officer and Head of Service to attend next meeting	30 th October 2025	OPEN	NO
3	11 th September 2025	Deputy Chief Executive	global internal audit standards: update requested on how local medium sized businesses are being encouraged to bid for procurement contracts.	30 th October 2025	OPEN	NO

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SUBJECT:	CALL IN – MY MATES
MEETING:	GOVERNANCE & AUDIT COMMITTEE
DATE:	OCTOBER 2025
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 At the September 2025 Governance & Audit Committee meeting it was resolved to request that the appropriate senior manager(s) attend a future meeting to discuss the findings from the My Mates Internal Audit report which received an unfavourable opinion.

2. RECOMMENDATIONS:

- 2.1 That Members of the Governance and Audit Committee accept the explanations and assurances of the senior manager(s) which will be confirmed by the follow up internal audit review. Or,
- 2.2 Don't accept the explanations and escalate their concerns to the Chief Executive.

3. KEY ISSUES:

- 3.1 During the Governance & Audit Committee meeting on the 11th September 2025 and within the 2025/26 Quarter 1 update report, the Chief Internal Auditor brought to the Committees attention that an unfavourable opinion (Limited Assurance) had been issued for the planned Internal Audit review of the My Mates Service.
- 3.2 Following consideration of the findings, the Committee requested the attendance of a relevant senior officer at the next meeting to discuss how the situation has arisen and what was being done to address the deficiencies with a view to providing the required level of assurance that matters are being dealt with.

4. REASONS:

- 4.1 As part of the 2024/25 Internal Audit plan a review of the My Mates Service was agreed. The audit review commenced in February 2025 and had the scope to objectively examine and evaluate the financial, administrative and safeguarding controls along with the effectiveness of the Monmouthshire County Council governance framework operating within the My Mates service using a risk-based approach. In particular the review would examine that;
 1. The My Mates service adheres to governance and compliance standards, including data protection and safeguarding procedures.

2. An eligibility criteria is consistently applied, and new members receive advice and guidance from the My Mates team.
3. The My Mates budget is monitored. All funding and income is collected, banked, recorded promptly and reconciled.
4. The payment of salaries and wages, including allowances and expenses is subject to appropriate controls.

- 4.2 Shortly after the audit fieldwork commenced, the My Mates Manager began a period of absence. Due to this, it was agreed to delay the review until later in quarter 1 of the 2025/26 financial year to allow time for them to return to work and for the audit team to seek full explanations. Despite this, the absence continued past the date of issuing both the draft and final report, therefore, some of the issues contained within the report could not be fully discussed during the audit and findings were derived from documents either provided by the team or located by the auditor on the My Mates SharePoint area.
- 4.3 The conclusion of the review was that there was 'Limited Assurance' and that significant gaps, weaknesses or non-compliance were identified.
- 4.4 The finalisation of the report and the Agreed Management Actions were completed with the support of the Service Manager, All Age Disability And Mental Health and the Head of Adult Services.
- 4.5 Appendix A shows a summary of the issues raised within the Internal Audit Report, the Recommendations and the Agreed Management Actions.
- 4.6 Members of the Governance and Audit Committee requested in the September 2025 meeting that the respective senior officer(s) of the My Mates Service be invited to the Governance and Audit Committee to:
 1. Explain why there was a weakness in control.
 2. Provide assurances on the progress of the implementation of the audit recommendations in order to demonstrate an improvement in the control environment.
- 4.7 It is the Internal Audit team's intention to complete a Follow-Up review of the My Mates service during the 2026/27 financial year. The outcome of this will be reported to the Committee in due course.

5. RESOURCE IMPLICATIONS:

None

6. CONSULTEES:

Deputy Chief Executive & Strategic Director – Resources (S151 Officer)
 Strategic Director – Social Care & Safeguarding
 Head of Adult Services
 Service Manager - All Age Disability And Mental Health

7. BACKGROUND PAPERS:

None

8. AUTHOR AND CONTACT DETAILS

Jan Furtek, Chief Internal Auditor

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Email: janfurtek@monmouthshire.gov.uk

Ref.	Weakness	Recommendation & Agreed Management Action	By Who	By When
	No critical weaknesses were identified during this audit.			
1.05	There were missing member application forms and related supporting information. Several member folders were empty.	Recommendation: Conduct a thorough review of data management practices and ensure all member information is securely stored and backed up. Ensure automatic retention periods on folders are correctly set. Report and assess the potential data breach promptly. Agreed Management Action: All new membership forms now have a digital solution – form on Phone/tablet which goes straight onto Sharepoint files. We will ensure that automatic retention periods on folders are correctly set. The loss of data will be reported to the Information Governance team.	All Age Disability and Mental Health Service Manager	October 2025

Ref.	Weakness	Recommendation & Agreed Management Action	By Who	By When
1.06	For the sample of activities selected, a risk assessment could not be located.	Recommendation: Ensure that risk assessments are conducted for all activities and are readily accessible for review. Agreed Management Action: Risk Assessments to be completed for all activities. Lone working to be reconsidered for the future of the service. For the immediate future lone working has been stopped. A reference is required for all members prior to commencement of membership to determine risks and appropriateness of membership. This will form part of the risk assessment.	All Age Disability and Mental Health Service Manager	October 2025
1.07	The Safeguarding Audit Framework for Evaluation (SAFE) had not been undertaken for the My Mates service.	Recommendation: Implement regular SAFE audits for the My Mates service to ensure compliance with safeguarding policies. Agreed Management Action: CLDT SAFE to be updated to incorporate My Mates service. File to be added to SharePoint so that all DTRs can be stored, regardless of which authority.	All Age Disability and Mental Health Service Manager	September 2025

Ref.	Weakness	Recommendation & Agreed Management Action	By Who	By When
1.08	All mandatory training classed as “Essential Learning” had not been completed by the team on the Thingi system.	Recommendation: Instruct staff to complete mandatory training. Establish a timeframe and ensure that all staff have completed the required courses. Agreed Management Action: Team to be informed and told to update training.	All Age Disability and Mental Health Service Manager	October 2025
1.09	Staff observations of incidents or problematic behaviours were not consistently retained. There was no framework over how to record, retain and disseminate this information to relevant parties.	Recommendation: Have a guidance note for staff regarding what information should be recorded in regards to behaviours, incidents or disclosures and how that is passed on to relevant departments when required. Agreed Management Action: The team contact the relevant Social work team and share info. File to be added to SharePoint so that all DTRs can be stored, regardless of which authority. To be discussed in supervision and appropriate action taken were necessary.	All Age Disability and Mental Health Service Manager	October 2025

Ref.	Weakness	Recommendation & Agreed Management Action	By Who	By When
2.06	The My Mates service was marketed as a 'dating' platform on application forms.	Recommendation: Update application forms to accurately reflect the current focus of the My Mates service. Agreed Management Action: The service was initially set up for dating and friendships. Morphed in to friendship and was a move away from statutory services. Form has already been changed with the digital team.	All Age Disability and Mental Health Service Manager	September 2025

Ref.	Weakness	Recommendation & Agreed Management Action	By Who	By When
2.07	There was no formal written eligibility criteria available for those accessing the service.	Recommendation: Formally agree and document a criteria for those using the service, including where existing members may continue to use the service if they no longer meet the new criteria. Agreed Management Action: Model being looked at with a view to amending. The eligibility criteria will be documented as part of this. Monmouthshire now has MSS who work with people with autism. The All Age Disability and Mental Health Service Manager to check with other authorities what services they have for people with autism. All new referrals to be cross referenced against WCCIS to determine eligibility. – With consent from individual (gained from application form).	All Age Disability and Mental Health Service Manager	November 2025
3.04	RIF / ICF grant funding was not meeting the costs of running the My Mates service.	Recommendation: Representation should be made to the Gwent Regional Board to request the funding model is reconsidered to ensure it meets the actual costs of running the service. Agreed Management Action: Discussed with Gwent Heads of Service on 8t August 2025. Agreed to look at model of service, type of activities undertaken and expenses claims.	All Age Disability and Mental Health Service Manager	October 2025

Ref.	Weakness	Recommendation & Agreed Management Action	By Who	By When
3.05	My Mates was a cash-based service and did not provide alternative methods of payment to members such as online payment or Chip&Pin. Sometimes, staff held cash temporarily prior to banking.	Recommendation: Reduce or eliminate the use of cash. Implement online payment options and handheld devices to reduce reliance on cash transactions and enhance security. Agreed Management Action: We will explore the ability for bank transfers and Chip and Pin devices to make payment. We will then encourage members to make payment this way.	All Age Disability and Mental Health Service Manager	November 2025
3.06	Banking was not always undertaken in a timely manner.	Recommendation: Ensure that banking is undertaken promptly. Agreed Management Action: See response above which significantly reduces the need to handle case and bank money. In the meantime, staff will be reminded to bank money as soon as possible following receipt.	All Age Disability and Mental Health Service Manager	October 2025
4.03	Staff were not recognised as permanent employees and there was no evidence of justification for the on-going temporary employee status.	Recommendation: Review and update employment contracts to ensure staff are recognised as permanent employees where applicable. Agreed Management Action: Employees will be given permanent contracts from 1st October 2025	All Age Disability and Mental Health Service Manager	October 2025

Ref.	Weakness	Recommendation & Agreed Management Action	By Who	By When
4.04	Subsistence claimed via Payroll was not claimed in line with the HMRC approved rate. Guidance drafted April 2024 within the Team did not provide rates applicable and did not appear to be finalised with HR.	Recommendation: Ensure subsistence claims are in line with HMRC rates. Finalise team guidance documents with HR and SCH Finance with regards to treatment of costs of attending My Mates events Agreed Management Action: From week commencing 8th Sept 2025 up to £5 only will be paid for meal costs. It was recognised that this will impact on service delivery and will be looked at as part of the service remodelling. There may be extremely exception circumstances (e.g. Christmas party) where the cost will need to be discussed and agreed at senior management level.	All Age Disability and Mental Health Service Manager	September 2025

Ref.	Weakness	Recommendation & Agreed Management Action	By Who	By When
4.05	The taking of enhanced time off in lieu (TOIL) was inconsistent with MCC's employment guidance around taking of overtime. TOIL and flexi time records were not always kept separately, and TOIL did not account for a mandatory 30-minute break after 6 hours of work.	Recommendation: Consult with HR with regards to enhanced time off in lieu (TOIL). Ensure TOIL and flexi time records are kept separately and account for mandatory breaks to comply with employment law. Agreed Management Action: The team have been advised that MCC does not operate TOIL. They will fill out just their flexi sheets in future. Weekend working has been stopped temporarily whilst we relook at the model of the service.	All Age Disability and Mental Health Service Manager	September 2025

Ref.	MODERATE
1.10	The business case for the original pilot of My Mates and subsequent roll of the service was missing. Since the first presentation regarding the service to the Adults Select Committee in December 2016, no progress to date has been formally reported back to Members.
1.11	Internal performance reporting does not provide sufficient coverage of the My Mates service.
1.12	The MS Forms application form database did not contain a number of key consent fields and reference contact information was also missing. Errors in age calculations existed and incorrect start dates for members were recorded.
1.13	The My Mates application form incorrectly stated that members' information would only be shared with My Mates staff.
2.08	WhatsApp was used for colleague-to-colleague communications.
2.09	Dealing with members can extend beyond working hours.
3.07	MCC official receipt books were not used to record income received.
3.08	The cost of staff attending events was not recorded within the ICF/RIF return.
3.09	Audit could not locate the supporting paperwork for the S128 £3,835.02 accrual at the end of the 2023/24 financial year.
4.06	Appointment letters and job descriptions were inaccurate and did not align with the rota or weekend working arrangements for a team member. Additionally, the compressed hours arrangements within the team were not documented in the employee's HR file.
4.07	Although copies of employees driving licences and MOT certificates were retained, only two of the three motor insurance certificates were available. Additionally, there was no summary record confirming that the manager conducted annual checks.

Briefing Note

National Fraud Initiative 2024-25: update for Monmouthshire County Council

About the National Fraud Initiative

- 1 The National Fraud Initiative (NFI) is a biennial UK-wide counter-fraud exercise. It helps prevent and detect fraud by electronically sharing and matching data sets. **Appendix 1** provides further information on how the NFI works.
- 2 In Wales, the NFI operates under the Auditor General's statutory powers. Participation is mandatory for unitary local authorities, NHS bodies, police forces, and fire and rescue authorities. Participating on a voluntary basis in the latest exercise are the Welsh Government, some Welsh Government arm's length bodies (Natural Resources Wales, Arts Council of Wales, Sport Wales, National Library of Wales, Transport for Wales), and South East Wales Corporate Joint Committee.
- 3 This briefing note provides an update on the latest NFI 2024-25 exercise at a national level and as at 31 July 2025. It also provides some local level data for your organisation, although we are encouraging those charged with governance to seek further local detail from lead officers.

Data submission for 2024-25

- 4 The NFI 2024-25 exercise is underway. Participants submitted data for the biennial batch data matching exercise in October 2024. This included data on housing benefits, housing tenants and waiting lists, blue badge parking permits, licences, and various payments such as creditor payments, payroll, and pensions.
- 5 The UK Public Sector Fraud Authority released most data match reports to participants by the end of December 2024. Council tax and electoral register data are submitted annually. The most recent deadline for submitting this data was February 2025.
- 6 Supplementary data runs take place during the exercise to process new, incomplete or missing data submissions. For example, progress is being made to amend the Public Audit (Wales) Act 2004 through a Legislative Reform Order which will enable the NFI to resume the matching of adult social care data during the NFI 2024-25 exercise.

National update

Data matches and investigation

- 7 To date, almost 440,000 data matches have been identified for the Welsh NFI 2024-25 exercise participants. **Exhibit 1** shows that most of these matches are for unitary authorities and health bodies.

Exhibit 1: NFI 2024-25 Welsh participant data matches by type of organisation, at end of July 2025

Type of organisation	Number of data matches	% of data matches
Unitary authority	373,114	84.9
Health	50,409	11.5
Police	2,641	0.6
Fire and rescue	740	0.2
Other	12,749	2.9
Total	439,653	100.0

Source: Audit Wales analysis of NFI web-application data

Note: % total does not match the sum of the parts due to rounding.

- 8 Data matching identifies potentially fraudulent or erroneous claims and payments. No assumption can be made about whether there is fraud, error, or another explanation until an investigation is carried out. There can, for example, be false positives around creditor payments if bodies are deliberately making staged payments of the same amount.
- 9 We recognise it is not practical to investigate all data matches, particularly for bodies with large numbers of matches. Bodies are encouraged to take a risk-based approach to assessing data match reports and deciding what type of, and how many, data matches they review.
- 10 By the end of July 2025, five participating bodies had not yet closed any data matches. Some participants are making good progress with reviewing NFI 2024-25 data matches, while others have made limited progress.
- 11 **Exhibit 2** shows the total number of data matches for each data match area. It also shows the number of data matches closed in a data match area, along with the number of participants that have matches in that area.

The absence of closed matches indicates that the participant has not reviewed any matches in that area.

Exhibit 2: NFI 2024-25 Welsh participant data matches processed and closed, at end of July 2025

Data match area	Data matches	Data matches closed	Participants with data matches	Participants with no closed statuses for their matches
Council tax single person discount	198,146	5,385	22	11
Creditors	187,228	19,791	48	16
Council tax reduction scheme	16,578	3,547	22	1
Blue badges	10,377	5,849	22	3
Payroll	8,150	1,705	46	6
Housing waiting lists	6,359	1,392	18	5
Housing tenants	4,636	879	11	2
Pensions	2,962	1,098	12	4
Resident parking	2,405	2,368	8	1
Procurement	1,985	400	42	28
Housing benefit	826	483	22	2
Taxi drivers	1	1	1	0
Total	439,653	42,898	49	5

Source: Audit Wales analysis of NFI web-application data

Note: After risk assessing data match reports and any subsequent investigations, each data match should be 'closed' and given a match status. There are a range of 'closed' statuses. Matches not investigated should be given the status 'Closed – Not selected for investigation'. Assigning match statuses to data matches can be done individually or by bulk selection.

Outcomes

- 12 Welsh participants recorded outcomes of £4.7 million for the period 1 April 2024 to 31 July 2025. **Exhibit 3** shows which matching process the outcomes relate to.

Exhibit 3: Welsh participant reported NFI outcomes, 1 April 2024 to 31 July 2025

NFI exercise	Outcomes (£s)
NFI 2024-25 biennial exercise	1,719,037
Late savings from the NFI 2022-23 biennial exercise	867,157
Annual council tax data matching exercises	2,080,831
Total	4,667,025

Source: Audit Wales analysis of NFI web-application data

Note: Outcomes are made up of (i) actual amounts participants have recorded as fraud or error; and (ii) estimated elements which seek to capture the value of loss from a fraud or error detected, and the value of any future losses that bodies may have incurred without intervention following an NFI match. Most datasets have a methodology to calculate estimated savings. All methodologies are reviewed by the Cabinet Office's NFI Governance Board and approved by the Cabinet Office's Fraud Prevention Panel.

Local update

- 13 Data matches are released in data match reports. Each report has a different purpose and compares data from two or more datasets. The reports are broken down into dataset types: for example, housing benefit, payroll, or creditors.
- 14 An organisation's risk assessment of the data match reports should determine the types and numbers of data matches to be investigated. To aid risk assessment, the NFI web application flags some data match reports as 'key reports' with historically high success rates in identifying fraud or error. Also, most individual data matches are assigned a fraud risk score.
- 15 **Exhibit 4** shows the total number of data matches identified for Monmouthshire County Council, along with those recorded in key reports. **Appendix 2** provides some further analysis of these data matches by fraud risk score.

Exhibit 4: Monmouthshire County Council's NFI 2024-25 data matches, at end of July 2025

Data match area	Data matches in all reports	Data matches in key reports with historically high success rates
Blue badges	339	253
Council tax single person discount	6,532	6,532
Council tax reduction scheme	189	140
Creditors	2,471	1,757
Housing benefit	14	14
Housing waiting lists	60	22
Payroll	42	30
Procurement	21	21
Resident parking	2	0
Total	9,670	8,769

Source: Audit Wales analysis of NFI web-application data

Note: Council tax single person discount data match reports are not formally designated as 'key reports' but are treated as such in practice.

- 16 Various factors can influence which data match reports are reviewed and when this takes place. For example, an organisation may prioritise looking at data match reports linked to areas where it has concerns about internal controls or where there is a history of fraud or error. Also, local resourcing will dictate the pace of progress. For these reasons, this general update does not provide further detail on where processing work and outcomes are recorded by your organisation at this stage.
- 17 The NFI web application features a dashboard and provides various reports on outcomes and processing activity. We encourage those charged with governance to seek more detailed updates on processing work and outcomes recorded from their NFI Senior Responsible Officer and NFI Key Contact.

Future Audit Wales work

- 18 For this NFI exercise we will carry out a high-level assessment of participants' governance and follow-up arrangements. We will engage with bodies over the autumn/early winter to consider issues covered in our NFI self-appraisal checklist.¹ We will also analyse the risk assessment and data match processing work carried out, and the outcomes recorded by participants, as reflected in the NFI web application.
- 19 This work will help us understand the factors influencing the outcomes reported by individual bodies and the variations between them. Findings from this assessment will inform our next national report in autumn 2026.

¹ In December 2024, we shared the updated checklist with NFI senior responsible officers and key contacts. We encouraged all bodies to complete it and share it with those charged with governance.

Appendix 1 – The National Fraud Initiative

The NFI uses data matching to detect and prevent fraud. It electronically compares sets of data against other records held by the same and other bodies, to see to what extent they match.

The data matching flags anomalies or inconsistencies that indicate potential fraud or error. Indicators of potential fraud are reported to the participants, who are responsible for following up these matches.

The effectiveness of the NFI depends on the thoroughness of the assessment and investigation of matches and recording of outcomes.

Bodies record the outcomes in the NFI web application. Each participant body has a nominated Senior Responsible Owner and Key Contact for the NFI, who in some cases may be the same individual.

The UK Public Sector Fraud Authority, part of the UK Government's Cabinet Office and HM Treasury, oversees the NFI across the UK. Audit Wales leads the exercise in Wales under the Auditor General's powers in the Public Audit (Wales) Act 2004. The Auditor General's Code of Data Matching Practice summarises the key legislation, and controls, governing the exercise in Wales.

We published a report on the outcomes from the 2022-23 NFI exercise in October 2024. Reports on the NFI for other parts of the UK are produced by the Public Sector Fraud Authority, Audit Scotland, and the Northern Ireland Audit Office.

There is no direct cost to participants for taking part in the exercise. Audit Wales receives funding, through the Welsh Consolidated Fund, to pay for bodies to participate in the NFI. This covers the central data matching processing for the biennial exercise, as well as the annual exercise for council tax and electoral register datasets. This remained the case for the NFI 2024-25 exercise. The main costs to participants are, therefore, the resources used to submit data and conduct follow-up work once data matches are released.

Appendix 2 – Analysis of data matches by fraud risk score for Monmouthshire County Council

The NFI assigns a fraud risk score of very high risk, high risk, or medium risk to most, but not all, data matches. This risk score is based on a combination of two factors:

- Risk logic – a set of criteria for each dataset combination that, when met, indicates a fraudulent outcome is more likely to occur.
- Footprint score – the number of times an individual in a match appears at the address across all NFI data. It is an indicator of whether that person resides at that address.

Exhibit 5 and **Exhibit 6** provide further analysis of Monmouthshire County Council's data matches by risk score for data matches in all data match reports and those in key reports. This analysis builds on **Exhibit 4** in the main body of this briefing note. Not all data matches are formally assigned a risk score. Council tax single person discount data matches and matches in key reports that are not formally assigned a risk score should generally be treated as 'very high risk' in practice.

Exhibit 5: Monmouthshire County Council's NFI 2024-25 data matches by risk score for data matches in all reports, at end of July 2025

Data match area	All data matches	Very high risk	High risk	Medium risk	No risk score
Blue badges	339	306	32	1	0
Council tax single person discount	6,532	-	-	-	-
Council tax reduction scheme	189	104	40	0	45
Creditors	2,471	453	2,018	0	0
Housing benefit	14	7	0	3	4
Housing waiting lists	60	59	0	0	1
Payroll	42	19	10	4	9
Procurement	21	0	0	0	21
Resident parking	2	0	2	0	0
Total	9,670	948	2,102	8	80

Source: Audit Wales analysis of NFI web-application data

Exhibit 6: Monmouthshire County Council's NFI 2024-25 data matches by risk score for data matches in key reports, at end of July 2025

Data match area	All data matches	Very high risk	High risk	Medium risk	No risk score
Blue badges	253	221	32	0	0
Council tax single person discount	6,532	-	-	-	-
Council tax reduction scheme	140	79	21	0	40
Creditors	1,757	258	1,499	0	0
Housing benefit	14	7	0	3	4
Housing waiting lists	22	22	0	0	0
Payroll	30	18	1	3	8
Procurement	21	0	0	0	21
Total number of data matches	8,769	605	1,553	6	73

Source: Audit Wales analysis of NFI web-application data



SUBJECT:	MONMOUTHSHIRE COUNTY COUNCIL COUNTER FRAUD, CORRUPTION & BRIBERY RISK ASSESSMENT
DIRECTORATE:	Resources
MEETING:	Governance & Audit Committee
DATE:	October 2025
DIVISION/WARDS AFFECTED:	All

1. PURPOSE

- 1.1 To consider the adequacy and appropriateness of Council's updated Counter Fraud, Corruption and Bribery Risk Assessment.

2. RECOMMENDATION(S)

- 2.1 That the Governance and Audit Committee comments on and endorses the Council's Counter Fraud, Corruption and Bribery Risk Assessment.
- 2.2 That the Governance and Audit Committee receive an updated report and assessment during the 2026/27 financial year (October 2026).

3. KEY ISSUES

- 3.1 Fraud is considered a significant risk to the public sector and various estimates have been made as to the total loss to the public purse. However, it is clear that financial losses due to fraud diverts funds from essential services and may also result in reputational damage and loss of confidence.
- 3.2 Monmouthshire County Council has a zero-tolerance culture and attitude to fraud, bribery, and corruption.
- 3.3 In accordance with the Council's Risk Appetite Statement, Monmouthshire County Council is 'risk averse' when it comes to fraud, bribery and corruption.
- 3.4 The purpose of the Risk Assessment is to systematically identify, assess, and mitigate potential fraud risks within the Council's operations, ensuring the integrity and trust in public services. It will encompass all departments and activities like procurement, grant allocations, and service delivery.
- 3.5 This assessment is designed to safeguard the resources and reputation of Monmouthshire County Council complementing the Anti-Fraud, Corruption and Bribery Policy which was approved by Cabinet in January 2024.

4. REASONS

- 4.1 The Auditor General for Wales in 2019 noted that the sums lost annually in the Welsh public sector to fraud and error are significant – and could be anywhere between £100 million and £1 billion.
- 4.2 Fraudsters are becoming more sophisticated and evaluating opportunities and risks in real time. New fraud threats are continually emerging, both globally and nationally.
- 4.3 The Auditor General released a report in July 2020, [‘Raising Our Game’ Tackling Fraud in Wales](#), requiring public sector bodies to ensure that their arrangements for preventing and detecting fraud are effective. This Risk Assessment is part of our response to this report.
- 4.4 Audit Wales completed a review of the Council’s Counter Fraud Arrangements in March 2025 which found that the Council had recently strengthened its counter-fraud arrangements but recognised there are further steps it can take. Two recommendations were issued and the current position of these are included within the body of the revised Risk Assessment.
- 4.5 In addition to completion of the Risk Assessment, as part of the restructure of the Internal Audit team in April 2024, it was agreed that a Counter Fraud Officer position would be added to the structure. This has been recruited to with the post holder commencing in post from January 2025 and forms another part of our response.
- 4.6 Local Government Employees have a range of powers and functions, from licensing and housing to awarding contracts for local amenities. It makes them targets for people and organisations who seek to either gain an unfair advantage or are looking to exploit information they hold.
- 4.7 An e-Learning module covering Fraud, Corruption and Bribery has been developed by the Chief Internal Auditor for the Council’s Thingi learning management system. It has been deemed necessary to mark the completion of this module as being mandatory for all Members and Officers of the Council. The completion of the module has been monitored and reported to the Senior Leadership Team. Completion statistics have been included within the updated Risk Assessment and will continue to be monitored closely. In addition;
- Work is being undertaken with the training team and alongside senior officers responsible for frontline services who would have difficulty accessing online training. Arrangements are being made to allow them to undergo this training alongside other essential and mandatory training.
 - The level of member training will be reviewed shortly and discussion held with Democratic Services to ensure this and all other training deemed essential to the role has been completed.
 - The roll out to School based staff will commence during the latter part of the 2025/26 financial year.

- 4.8 The Fraud Risk Assessment has identified the key areas of potential fraud and the mitigations to reduce the risk of fraud. These are included within the Fraud Risk Register as detailed in Appendix 1 of the document.
- 4.9 Monmouthshire County Council will continue to take an active role in the National Fraud Initiative, conducting investigations and recording outcomes where necessary. MCC and its Senior Leadership Team are fully committed to the NFI process.
- 4.10 The Audit Wales National Fraud Initiative Self-Appraisal Checklist has been completed (Appendix 2) and actions highlighted to improve the Council's work in this area.
- 4.11 An Action Plan (Appendix 4) has been developed to improve Monmouthshire County Council's response to Fraud, Corruption & Bribery.
- 4.12 The Fraud Risk Register and Action Plan will be reviewed and updated regularly, and an annual report will be presented to the Governance and Audit Committee in accordance with the Council's Counter Fraud, Corruption and Bribery Policy.

5. RESOURCE IMPLICATIONS

Internal Audit team resource in proactively investigating allegations and data matches resulting from the National Fraud Initiative.

6. CONSULTEES

Deputy Chief Executive & Strategic Director – Resources
Performance & Data Insight Manager
Strategic Leadership Team

7. BACKGROUND PAPERS

MCC Counter Fraud Risk Assessment September 2025
MCC Fraud Risk Register September 2025
Audit Wales National Fraud Initiative Self-Appraisal Checklist

8. AUTHOR AND CONTACT DETAILS

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FRAUD, CORRUPTION & BRIBERY RISK ASSESSMENT

OCTOBER 2025

Date of Report Issue
Report Status
Report Author

20th October 2025
Final
Jan Furtek, Chief Internal Auditor



1. Introduction

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

2. Risk Identification

Including but not limited to:

2.1 Internal Risks:

- *Employee Fraud*: Unauthorized use of funds, manipulation of financial records, or fraudulent expense claims, possibly motivated by financial need or opportunity.

- *Resource Misuse*: Employees using Council resources, such as vehicles or office supplies, for personal gain.
- *Conflicts of Interest*: Situations where employees have undisclosed interests in companies that are awarded contracts, leading to biased decision-making.

2.2 External Risks:

- *Contractor/Supplier Fraud*: Overbilling, delivering substandard goods or services, providing kickbacks, or collusion with internal staff to manipulate contract awards.
- *Beneficiary Fraud*: Individuals or organizations falsely claiming benefits, grants, or public services through deception or forged documents.
- *Cyber Fraud*: Individuals or organisations looking to illegally acquire sensitive information or monetary gain. The Governance & Audit Committee received a report in February 2025 where they noted the cyber arrangements for MCC and confirmed that they have assurance over the arrangements in place.

3. Risk Analysis & Fraud Risk Register

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

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

- 3.5 Risks with a score of 1-4 are considered to be low risk; a score of 6-9 is considered medium risk; and a score of 12-16 is considered to be high risk.
- 3.6 A number of control / mitigation processes including management controls and other processes have been considered for each of the identified risks, and the residual risk remaining following these mitigations is reflected in the Risk Register.
- 3.7 Fraud risk identification is essential to understand the specific exposures to different types of risk and changing patterns of threat and consequences. The risk assessment is designed to identify those areas with the greatest potential for the risk of fraud.

4. Control Measures and Objectives of Counter Fraud Work

4.1 Preventive Controls:

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

4.2 Directive Controls:

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

4.3 **Detective Controls:**

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

4.4 **Corrective Controls:**

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

4.5 Setting clear goals and objectives for counter-fraud work is crucial for ensuring effective prevention, detection, and response to fraudulent activities. We acknowledge that it will never be possible to eliminate fraud, corruption and bribery in its entirety, but the following objectives will be clear throughout our work;

- **Prevention:** Implement robust internal controls and policies to deter fraudulent activities. This includes regular training for employees on fraud awareness and ethical behaviour.
- **Detection:** Establish mechanisms to identify and report suspicious activities. This could involve regular audits, data analytics, and whistleblower hotlines.
- **Response:** Develop a clear plan for responding to detected fraud. This should include steps for investigation, disciplinary actions, and recovery of assets.
- **Continuous Improvement:** Regularly review and update counter-fraud strategies to adapt to new threats and vulnerabilities. This ensures that your organisation remains resilient against fraud.
- **Proactive Nature:** The Counter Fraud Officer has been undertaking a number of proactive pieces of work following concerns being raised. A monthly review of Purchasing Card transactions is being undertaken following an unfavourable Internal Audit opinion being issued last year. Following concerns raised at another Local Authority, work has been completed regarding high levels of overtime paid to members of staff, this is work in progress and a number of investigations are underway.

4.6 Discussion is currently ongoing at the Welsh Chief Auditors Group with regards to Key Performance Indicators for Counter-Fraud across the Welsh Internal Audit teams. This will hopefully allow for a set of KPI's standardised

across Councils which will enable benchmarking to take place. They will be added and reported upon once agreed.

5. Risk Mitigation

5.1 Training and Awareness:

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

5.2 Policy Development:

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

5.3 Collaboration:

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

6. National Fraud Initiative

- 6.1 The National Fraud Initiative (NFI) is a biennial UK-wide counter-fraud exercise. The NFI matches electronic data within and between public and private sector bodies to prevent and detect fraud. Monmouthshire County Council takes an active part in this exercise and has submitted data as required in October 2024.
- 6.2 Data matching involves comparing computer records held by one body against other computer records held by the same or another body to see how far they match. This is usually personal information. Computerised data matching allows fraudulent claims and payments to be identified. Where a match is found it indicates that there is an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.
- 6.3 Beyond any financial savings, the benefits of participation and reviewing data matches include the assurance that NFI results can provide around systems of internal control.
- 6.4 The data matches for the 2024/25 exercise were returned to the Council in January 2025. The Counter Fraud Officer and the Shared Benefits Service

have been working through the reports and are due to conclude their work shortly. A small number of cases have been recorded where fraud has occurred and will be reported accordingly. The work completed by the Council and the outcomes will be summarised and reported through the Councils Strategic Leadership Team and the Governance & Audit Committee.

- 6.5 Monmouthshire County Council has historically reported a relative low instance of fraud through these exercises. This demonstrates the strength of our internal control mechanisms, however, it is acknowledged that there is always room for improvement in this area and a full review of the 2024/25 NFI data matches will be undertaken.
- 6.6 The Council has completed the Audit Wales recommended NFI Self Appraisal Checklist (Appendix 2). Required actions have been identified through this to strengthen the usage of the NFI within Monmouthshire. These will be implemented as part of the Fraud Action Plan (Appendix 3).
- 6.7 Audit Wales have informed the Council that a briefing note will be presented to all Welsh Governance and Audit Committees over the next few months which will provide;
 - A national update on the NFI exercise.
 - Local data for the body on data matches received.
 - An overview of future audit work linked to the NFI.
- 6.8 We have also been informed that Audit Wales will shortly be completing work around NFI participants governance and follow-up arrangements which will inform the next national report due in autumn 2026.

7. Training

- 7.1 The council committed to providing Anti-Fraud, Corruption and Bribery training to all elected members and employees of the Council. In January 2025 a training package was launched via the Councils e-Learning system (Thingqi) for which completion was deemed to be mandatory. Completion rates of this training has been reported through the Councils Strategic Leadership Team and also periodically to the Governance & Audit Committee.
- 7.2 Current completion rates stand as;

Directorate	%
Chief Executives	93.80%
Resources	87.90%
Law & Governance	84.40%
Social Care & Safeguarding	78.20%
Learning Skills & Economy	72.70%
Infrastructure	55.70%
Place & Community Wellbeing	54.90%
Members	34.60%

- 7.3 It was noted that the two areas with the lower percentage rates of completion (Infrastructure and Place & Community Wellbeing) were areas with higher numbers of employees without access to Council IT equipment such as roadworkers and leisure attendants. Group training sessions are currently being arranged to increase the numbers within these areas.
- 7.4 At the time of writing this report, our School based staff had not been added to the Thingi system. This was work in progress and this course will become mandatory once they have been provided access.
- 7.5 In addition to the e-Learning module, since January the Chief Internal Auditor has continued to raise awareness of Fraud, Corruption & Bribery through other face to face sessions such as through Corporate Induction and presentations to a meeting of Monmouthshire Headteachers, Monmouthshire Association of School Governors and to the School Budget Forum.

8. Audit Wales Counter Fraud Review

- 8.1 In March 2025 the Councils External Auditor, Audit Wales completed a review of our Counter Fraud Arrangements. [Monmouthshire County Council – Counter-fraud Arrangements](#). Although generally positive, there were two recommendations issued.
- 8.2 The recommendations and the current status has been reviewed in the table below.

Recommendation	Current Status	Commentary
R1 To support transparency and provide assurance that fraud is prevented, investigated and deterred, the Council should put clear counter-fraud performance management arrangements in place, including, for example:		
• Clear goals and objectives for counter-fraud work;	Implemented	Goals and objectives for counter-fraud work have been included in this updated risk assessment.
• Relevant performance metrics;	Partially Implemented	Discussion has been held at the Welsh Chief Auditors Group who are setting up a working group to determine a set of standardised KPI's for Counter Fraud
• Regular reporting on counter-fraud performance, including reporting to GAC;	Implemented	Reporting now included within Internal Audit quarterly reports. This Fraud Risk Assessment will provide an annual report moving forward.
• Feedback and continuous improvement mechanisms to ensure lessons learned are embedded within departments.	Implemented	Findings reported through service areas and Chief Officers / Heads of Service to ensure lessons learnt are implemented.
R2 To ensure the Council is maximising its use of data and intelligence, the Council should identify:		
• Ways to maximise its use of data to inform counter-fraud work;	Partially Implemented	The Council has explored options for other external providers and systems to assist its Counter Fraud work but the costs at present are not feasible. Conversions ongoing with regards to systems in use at other Welsh LA's and if a low cost data solution could be used by Monmouthshire.

Recommendation	Current Status	Commentary
Whether current arrangements to share data and intelligence with other public bodies are effective and if other opportunities for collaboration exist.	Implemented	MCC continues to take an active part in the Welsh Chief Auditors Group where Fraud is a standing agenda item. As detailed above, external companies have been contacted for collaboration, but costs are not within the available budget at the current time. This will continue to be explored.

9. Monitoring and Review

6.1 Regular Assessments:

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

6.2 Continuous Improvement:

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

10. Reporting

7.1 Documentation:

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

7.2 Reporting Mechanisms:

- Establish clear, accessible channels for reporting suspected fraud internally and externally.
- Publicize reporting mechanisms widely to ensure they are trusted and utilized by employees and the public.

- 7.3 In accordance with the Councils Counter Fraud, Corruption & Bribery Policy. Members and Officers of the Council along with members of the public and Council suppliers are able to raise any concerns via the following methods;
- The Chief Executive, Chief Officers, Heads of Service, or the Council's Monitoring Officer, who will report such concerns to the Chief Internal Auditor;
 - Directly to the Chief Internal Auditor;
 - Where line management is suspected of fraud, directly to the Chief Officer or Chief Internal Auditor;
 - External Auditor (Audit Wales), who, depending upon the nature of the concern will liaise with the Chief Internal Auditor;
 - Trade Union Representative;
 - The MCC Whistleblowing Policy.
- 7.4 Since the previous Fraud Risk Assessment was presented to the Governance & Audit Committee in January 2025, the following cases have been reported to and/or investigated by the Internal Audit Team.

Directorate	Type	Outcome
School Based	Fraud	Staff Disciplinary & Dismissal Hearings Referral to Gwent Police (No Further Action) Referral to Education Workforce Council
Social Care and Health	Fraud	Disciplinary Hearings Referral to Social Care Wales Referral to Gwent Police Safeguarding Hub
Infrastructure	Fraud	Disciplinary Hearing Referral to DBS
Social Care and Health	Fraud	Disciplinary Hearing Referral to DBS
Infrastructure	Bribery	Withdrawal of Contract Referral to Gwent Police (No Further Action)

Directorate	Type	Outcome
Infrastructure	Yet to be determined - allegation received	Live
Social Care and Health	Yet to be determined - allegation received	Live
School Based	Yet to be determined - allegation received	Live

The Chief Internal Auditor will continue to update the Governance & Audit Committee regarding ongoing fraud, corruption and bribery cases through the quarterly progress report. These will then be reported annually through the updated Fraud Risk Assessment as above.

11. Conclusion

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

	Business Area	Risk	Root Cause	Consequence	Pre-Mitigation Risk Likelihood		Pre-Mitigation Risk Impact		Overall Pre-Mitigation Risk Risk	Control Measures	Post-Mitigation Risk Likelihood		Post-Mitigation Risk Impact		Overall Post-Mitigation Risk Residual	Risk Owner
1	HR	Authority employs worker who does not have the right to work in the UK / has provided false identification documents to demonstrate the right to work in the UK.	Ineffective pre employment checks due to lack of staff awareness / training / policies / procedures. Job advert does not state that applicants must hold the right to work within the UK.	Reputational risk. Fine from Border Agency - £60k per employee. Cost of re-running recruitment process. Cost of interim staff.	Almost Certain	4	Major	4	16	Staff training. Policies / procedures include adequate guidance. Job adverts include wording re right to work in UK. Adequate eligibility checks undertaken. Regular ongoing eligibility checks. Consider as appropriate criminal/civil proceedings.	Possible	2	Moderate	2	4	Chief Officer - People, Policy & Performance
2	HR	Authority employs worker who does not have the required experience / qualification for the role, or has provided false or misleading information e.g. false identification, employment history, qualifications.	Ineffective pre employment checks due to lack of staff awareness / training / policies / procedures.	Reputational risk. Cost of re-running recruitment process. Cost of interim staff.	Almost Certain	4	Major	4	16	Staff training. Policies / procedures include adequate guidance. 2 references obtained. Adequate I.D. checks undertaken. Adequate qualification checks undertaken. Consider as appropriate criminal/civil proceedings.	Possible	2	Moderate	2	4	Chief Officer - People, Policy & Performance
3	Payroll	Creation of fictitious or 'ghost' employees.	Lack of oversight / segregation of duties.	Financial loss. Reputational Damage.	Likely	3	Substantial	3	9	Regular payroll internal audits. Segregation of duties upon setting up new employees on the payroll system. Regular staff budget monitoring across departments. Take appropriate action such as appropriate criminal/civil proceedings.	Unlikely	1	Minor	1	1	Chief Officer - People, Policy & Performance
4	Payroll	Unauthorised changes to payroll e.g. pay rate alteration.	Lack of oversight / segregation of duties.	Financial loss. Reputational Damage.	Likely	3	Substantial	3	9	Regular payroll internal audits. Segregation of duties for changes on payroll system. Regular staff budget monitoring across departments. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Unlikely	1	Minor	1	1	Chief Officer - People, Policy & Performance
5	Payroll	Prolonging the pay of a leaver and/or redirecting their pay into a fraudster's account.	Lack of oversight / segregation of duties.	Financial loss. Reputational Damage.	Likely	3	Substantial	3	9	Regular payroll internal audits. Segregation of duties throughout payroll system. Regular staff budget monitoring across departments. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Unlikely	1	Minor	1	1	Chief Officer - People, Policy & Performance
6	Procurement	Bid Rigging / Cover pricing.	Lack of competition. Insufficient oversight. Lack of training / awareness. Collusion.	Financial Loss. Reputational damage. Lack of value for money / poor goods / services.	Almost Certain	4	Substantial	3	12	Management checks. Tendering process. Well communicated financial regs / standing orders. Internal audit checks. Encourage whistleblowing.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) ARDAL Procurement Partnership
7	All Service Areas	False declarations of mileage expenses.	Lack of authorisation process. Lack of expenses policy.	Financial loss. Reputational Damage.	Almost Certain	4	Minor	1	4	Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. Managers authorisation of expenses. Regular checks by Internal Audit. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Possible	2	Minor	1	2	Chief Officer - People, Policy & Performance Strategic Leadership Team

Appendix 1 – Fraud Risk Register

	Business Area	Risk	Root Cause	Consequence	Pre-Mitigation Risk Likelihood		Pre-Mitigation Risk Impact		Overall Pre-Mitigation Risk Risk	Control Measures	Post-Mitigation Risk Likelihood		Post-Mitigation Risk Impact		Overall Post-Mitigation Risk Residual	Risk Owner
8	All Departments	False declarations of overtime hours.	Lack of authorisation process.	Financial loss. Reputational Damage.	Almost Certain	4	Moderate	2	8	Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. Managers authorisation of overtime / additional hours. Regular checks by Internal Audit. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Possible	2	Minor	1	2	Chief Officer - People, Policy & Performance Strategic Leadership Team
9	All Service Areas	Employees undertaking alternative work while sick.	Employees who are disengaged / dissatisfied at work. Lack of sickness policy / attendance monitoring. Cost of living crisis.	Financial loss. Cost of supply / cover staff. Delay / halt / decline in quality of service delivery. Reputational damage.	Likely	3	Moderate	2	6	Foster a positive work environment. Clear and well communicated sickness / managing attendance policies. Conducting regular reviews of absence patterns. Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. NFI data matching. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Possible	2	Minor	1	2	Chief Officer - People, Policy & Performance Strategic Leadership Team
10	Procurement	Bribery / kick backs for Procurement official - collusion.	Financial incentives. Pressure to meet targets. Weak internal controls. Culture. Close supplier relationships.	Financial Loss. Reputational damage. Lack of value for money / poor goods / services.	Almost Certain	4	Substantial	3	12	Management checks. Tendering process. Well communicated financial regs / standing orders. Internal audit checks. Anti bribery policy. Rotation of duties Encourage whistleblowing.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) ARDAL Procurement Partnership
11	All Service Areas	Employee working for a third party on Council time.	Lack of monitoring by management. Cost of living crisis. Disengaged employees.	Reputational Damage. Poor work performance. Decline in service delivery.	Likely	3	Moderate	2	6	Regular performance monitoring. Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. NFI data matching. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Possible	2	Minor	1	2	Chief Officer - People, Policy & Performance Strategic Leadership Team
12	All Departments	Abuse of position.	Lack of management oversight. Cultural values and expectations. Bullying.	Financial losses, reputational damage, poor performance and sickness or high staff turn over. Reputational damage.	Likely	3	Moderate	2	6	Regular performance monitoring. Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing.	Possible	2	Minor	1		Chief Officer - People, Policy & Performance Strategic Leadership Team
13	Insurance	False insurance claims. Exaggerated insurance claims. Duplicate insurance claims.	Ineffective claim checks. Ineffective supporting evidence checks. Lack of procedures / staff training.	Financial loss. Drain on staff resource.	Almost Certain	4	Moderate	2	8	Experienced claim handlers. Rigorous authenticity checks. NFI data matching.	Possible	2	Minor	1	2	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
14	Grants	Any fraud that involves the false payment of grants, loans or financial support to any private individual, company, charity etc through fake applications / collusion.	Ineffective claim checks. Ineffective supporting evidence checks. Lack of staff training.	Financial loss. Reputational damage. Operational disruption (investigations / remedial action can divert resource away from other services / functions.	Almost Certain	4	Substantial	3	12	Educate / train staff on risks of grant fraud / ethical behaviour. Regular checks by Internal Audit. Well communicated procedures for grant distribution.	Possible	2	Minor	1	2	Deputy Chief Executive & Strategic Director Resources (S151 Officer)

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15	Procurement	Overcharging.	Insufficient oversight to identify inflated invoicing / falsified cost reports / unapproved charges.	Financial Loss. Reputational damage. Lack of value for money / poor goods / services.	Almost Certain	4	Substantial	3	12	Management checks / Internal Audit checks / well communicated procedures / regulations.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) ARDAL Procurement Partnership
16	Procurement	False claims and variations.	Insufficient oversight. Lack of staff awareness / training. Lack of procedures / regulations.	Financial Loss. Reputational damage. Lack of value for money / poor goods / services.	Almost Certain	4	Substantial	3	12	Management checks / Internal Audit checks / well communicated procedures / regulations.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) ARDAL Procurement Partnership
17	All Service Areas	Theft of Council information / intellectual property.	Insufficient cyber security measures. Phishing attacks. Employees misconduct. Lack of training / awareness. Inadequate security / access controls. Out of date software.	Financial loss. Reputational damage. Large fines / sanctions.	Likely	3	Major	4	12	Security policy. Restricted access to buildings. Encryptions. Password controls. Access controls. Staff awareness / training.	Possible	2	Major	4	8	Strategic Leadership Team Heads of Service Head of Info Technology & Security
18	Procurement	Cheaper materials substituted for those specified in contracts. The use of sub-standard materials may also carry health and safety risks and environmental risks.	Lack of sufficient checks. Lack of staff awareness / training / procedures / regulations.	Financial Loss. Reputational damage. Lack of value for money / poor goods / services. Fines / sanctions.	Almost Certain	4	Substantial	3	12	Management checks / Internal Audit checks / well communicated procedures / regulations. Inspections of materials.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) ARDAL Procurement Partnership
19	Finance	Bank mandate fraud.	Lack of staff awareness / training / procedures for dealing with requests to change supplier bank details.	Financial loss. Reputational damage.	Almost certain	5	Major	4	20	Staff awareness - emails / training.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
20	Finance	Treasury management unauthorised investments and loans.	Lack of policies and procedures, lack of training. Lack of segregation of duties. Poor authorisation controls and inappropriate access to banking and finance systems.	Financial loss, possibly high value. Reputational damage.	Almost Certain	4	Major	4	16	Robust policies, strict access controls segregation of duties and authorisation policies. Regular Internal Audit reviews.	Likely	3	Substantial	3	9	Strategic Director - Social Care & Health Head of Adult Services
21	Adult Social Services	Non-declaration of capital which can involve the transfer or disguise of property in order to avoid paying for residential or domestic care provision.	Lack of checks. Lack of staff awareness / training / procedures.	Fiancial loss. Increased resource intensive investigations. Costly leagl proceedings. Reputational damage.	Almost Certain	4	Major	4	16	Sound staff understanding of the legal framework and processes.	Likely	3	Substantial	3	9	Strategic Director - Social Care & Health Head of Adult Services
22	Adult Social Services	Theft of residents cash.	Lack of segregation of duties. Not adhering to Financial Regulations.	Reputational damage. Financial loss. Loss of staff. Cost of cover / re-employment of new staff.	Almost Certain	4	Major	4	16	Well communicated financial regulations. Robust internal controls i.e. segregation of duties / recording of transactions. Regular internal audit inspection.	Likely	3	Substantial	3	9	Strategic Director - Social Care & Health Head of Adult Services
23	Adult Social Services	Theft of residents valuables.	Lack of segregation of duties. Not adhering to Financial Regulations.	Reputational damage. Financial loss. Loss of staff. Cost of cover / re-employment of new staff.	Almost Certain	4	Major	4	16	Well communicated financial regulations. Robust internal controls i.e. segregation of duties / recording of transactions. Regular internal audit inspection.	Likely	3	Substantial	3	9	Strategic Director - Social Care & Health Head of Adult Services
24	Finance	Cyber crime including Ransomware, Whaling, hacking and Denial of Service attack. Human error is a high risk factor.	Lack of staff awareness / training / procedures for dealing with attacks. Insufficient cyber security measures.	Fiancial loss. Loss of access to systems essential to service delivery. Data breaches. Reputational damage. Large fines / sanctions. Operational disruption.	Almost certain	5	Major	4	20	Data Protection training for all staff and members (mandatory) . Multifactor Authentication. Firewalls and Email filtering / anti phishing tools. Restricted access. Continous monitoring. Penetration testing. Vendor due diligence.	Likely	3	Major	4	12	Head of Info Technology & Security
25	Finance	Duplicate invoices.	Weak controls over payment and authorisation of invoices. Lack of staff training / awareness.	Financial loss. Reputational damage.	Almost Certain	4	Major	4	16	Staff training. Robust internal controls. Segregation of duties. Regular internal audit checks.	Possible	2	Moderate	2	4	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
26	Finance	Fictitious suppliers.	Weak controls surrounding the creation, payment of suppliers. Lack of staff training / awareness.	Financial loss. Reputational damage.	Almost Certain	4	Major	4	16	Staff training. Robust internal controls. Supplier verification checks. Segregation of duties. Regular internal audit checks.	Possible	2	Moderate	2	4	Deputy Chief Executive & Strategic Director Resources (S151 Officer)

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27	Finance	Payments to employee bank accounts / relatives bank accounts.	Weak controls surrounding the creation, payment of suppliers. Lack of staff training / awareness.	Financial loss. Reputational damage.	Almost Certain	4	Major	4	16	Staff training. Robust internal controls. Segregation of duties. Strict authorisation process. Regular internal audit checks.	Possible	2	Moderate	2	4	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
28	Council Tax	Council Tax discount and exemption fraud.	Inadequate checks / evidence requests. Lack of staff awareness / training / procedures.	Financial loss. Increased costs of investigations. Resource diversion. Loss of public trust. Service cuts.	Almost Certain	4	Major	4	16	NFI participation/use of Datatank to verify SPD's. Other revalidation done on a cyclical basis. Trained staff. Regular internal audit. Raised staff and public awareness. Encouragement to report suspected cases of fraud. Proactive recovery of discounts and exemptions wrongly claimed. Identify cases that should attract premiums.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
29	Property	Sale or lease of high value assets, land or buildings at undervalue.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures. Collusion.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	4	Major	4	16	Asset registers up to date. Independent valuations obtained where appropriate. Policies and procedures in place. High value transactions subject to member approval. Maintenance of a managed and monitored Corporate Asset management plan.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) Head of Landlord Services
30	All Service Areas	The increasing sophistication of Artificial Intelligence leading to 'fake' documents or communications.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures. Collusion.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	5	Major	5	25	Staff awareness of what 'real' documents look like. Ensuring a culture of challenge is in place across the Council.	Likely	3	Substantial	3	9	Deputy Chief Executive & Strategic Director Resources (S151 Officer) Head of Info Technology & Security Head of Digital Services
31	All Service Areas	False sickness claims.	Employees who are disengaged / dissatisfied at work. A workplace culture that tolerates the use of sick leave for non medical issues. Employees using sick leave to address personal issues. Lack of sickness policy / attendance monitoring.	Financial loss. Cost of supply / cover staff. Delay / halt / decline in quality of service delivery.	Almost Certain	4	Moderate	2	8	Foster a positive work environment. Clear and well communicated sickness / managing attendance policies. Conducting regular reviews of absence patterns. Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Likely	3	Moderate	2	6	Chief Officer - People, Policy & Performance Strategic Leadership Team
32	All Service Areas	Employee abuse of flexitime or annual leave systems.	Employees who are disengaged / dissatisfied at work. Lack of policy / leave monitoring.	Financial loss. Cost of supply / cover staff. Delay / halt / decline in quality of service delivery. Reputational damage.	Almost Certain	4	Moderate	2	8	Foster a positive work environment. Clear and well communicated flexi / leave policies. Officer code of conduct in place and declared by all employees which details expected behaviours, corporate policies and potential penalties of wrongdoing. Take appropriate action such as disciplinary action and appropriate criminal/civil proceedings.	Likely	3	Moderate	2	6	Chief Officer - People, Policy & Performance Strategic Leadership Team
33	Adult Social Services	Blue Badge fraud.	Appropriate checks not undertaken. Lack of awareness / training / procedures.	Reputational damage. Effect quality of life for disabled residents / visitors.	Almost Certain	4	Minor	1	4	NFI participation. Enforcement Officer checks.	Likely	3	Minor	1	3	Strategic Director - Social Care & Health Head of Adult Services

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34	All Service Areas	Theft of assets and equipment.	Financial difficulties. Employer dissatisfaction. Perceived harmlessness. Lack of consequence. Poor inventory maintenance. Lack of cash reconciliation.	Financial loss. Disruption to service delivery. Reputational damage. Negative impact on employee morale.	Almost Certain	4	Substantial	3	12	Regular reconciliation of inventory / cash. Regular stock checking. Segregation of duties. Encourage confidential reporting of suspicious activity. Asset labelling / security marking of equipment. Regular internal audit checks. Restricted access to buildings / asset storage.	Likely	3	Moderate	2	6	Strategic Leadership Team Heads of Service
35	All Service Areas	Unauthorised sale of assets and equipment.	Financial difficulties. Employer dissatisfaction. Perceived harmlessness. Lack of consequence. Poor inventory maintenance.	Financial loss. Disruption to service delivery. Reputational damage. Negative impact on employee morale.	Almost Certain	4	Substantial	3	12	Regular reconciliation of inventory / cash. Regular stock checking. Segregation of duties. Encourage confidential reporting of suspicious activity. Asset labelling / security marking of equipment. Regular internal audit checks. Restricted access to buildings / asset storage.	Likely	3	Moderate	2	6	Strategic Leadership Team Heads of Service
36	Finance	Improper use of corporate purchase cards including personal use.	Lack of controls / not adhering to Purchase Card Regulations. Poor authorisation process.	Financial loss. Reputational damage.	Almost Certain	4	Substantial	3	12	Staff must sign Purchase Card User / Authoriser Regulations /Agreements. Segregation of Duties. Regular internal audit checks. Robust controls. Staff must produce receipt / invoice for every transaction.	Likely	3	Moderate	2	6	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
37	Adult Social Services	Direct payment fraud.	Lack of monitoring of compliance with policies and best practice by management.	Irrecoverable financial loss. Potential for financial abuse of vulnerable adults. HMRC fraud.	Likely	3	Moderate	2	6	Monitoring and support, training and guidance.	Likely	3	Moderate	2	6	Strategic Director - Social Care & Health Head of Adult Services
38	Housing Benefit	Benefit fraud.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	4	Substantial	3	12	Trained staff. NFI participation. Internal Audit. Documentary evidence. Raised staff and public awareness. Encouragement to report suspected cases of fraud. Share information with DWP and support investigations conducted by DWP. Actively recover overpayments. Take sanction action where appropriate.	Likely	3	Moderate	2	6	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
39	Council Tax Benefit	Council Tax Benefit (Council Tax reduction scheme) fraud.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	4	Substantial	3	12	Trained staff. NFI participation. Internal Audit. Documentary evidence. Raised staff and public awareness. Encouragement to report suspected cases of fraud.	Likely	3	Moderate	2	6	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
40	NNDR	False claim for rate relief, incorrect occupancy information supplied.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	4	Substantial	3	12	Trained staff. Internal Audit. Documentary evidence. Raised staff and public awareness. Encouragement to report suspected cases of fraud.	Likely	3	Moderate	2	6	Deputy Chief Executive & Strategic Director Resources (S151 Officer)
41	Housing	Tenancy Fraud including subletting or manipulation of succession.	Appropriate checks not undertaken. Lack of staff training. Lack of procedures.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk.	Almost Certain	4	Substantial	3	12	Trained staff. NFI participation. Internal Audit. Documentary evidence. Raised staff and public awareness. Recover properties where tenancy fraud is identified. Undertake criminal prosecutions (Prevention of Social Housing Fraud Act 2013). Encouragement to report suspected cases of fraud.	Likely	3	Moderate	2	6	Head of Housing, Strategic Partnerships & Reform

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42	All Service Areas	Abuse of trust / power / position.	Lack of a segregation of duties.	Financial loss. Increased costs of investigations. Resource diversion. Reputational risk. Negative impact on employe morale.	Almost Certain	3	Moderate	2	6	Regular reconciliaton of inventory / cash. Regular stock checking. Segregation of duties. Encourage confidential reporting of suspicious activity. Asset labelling / security marking of equipment. Reguar internal audit checks. Restricted access to bulidings / asset storage. Robust financial monitoring. Documenting of key decisions with detailed reasoning / business cases in support.	Likely	3	Minor	1	3	Chief Executive, All Strategic Directors, Chief Officers and Heads of Service.

National Fraud Initiative Self-Appraisal Checklist

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About the National Fraud Initiative

- 1 The National Fraud Initiative (NFI) is a biennial UK-wide counter-fraud exercise. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, that might suggest the existence of fraud or error.
- 2 Fraud, error and overpayment outcomes valued at £7.1 million were recorded by participants for the [NFI 2022-23 exercise](#). Beyond any financial savings, the benefits of participation and reviewing data matches include the assurances that NFI results can provide around systems of internal control. NFI results may also highlight areas for improvement.
- 3 The [Public Sector Fraud Authority](#) (PSFA) – part of the UK Government's Cabinet Office and HM Treasury – oversees the NFI across the UK. Audit Wales leads the exercise in Wales under the Auditor General's powers in the [Public Audit \(Wales\) Act 2004](#). The Auditor General's [Code of Data Matching Practice](#) summarises the key legislation, and controls, governing the exercise in Wales.
- 4 The Auditor General has mandated that unitary local authorities, NHS bodies, police forces, and fire and rescue authorities participate in the NFI. Other organisations participate on a voluntary basis, such as the Welsh Government and some Welsh Government arm's length bodies.
- 5 Information about the NFI is also available on the [Audit Wales website](#).

About this document

- 6 The NFI is one aspect of an organisation's counter-fraud arrangements. We have prepared this checklist to help participating bodies self-appraise how they are engaging with the NFI.
- 7 We encourage all participating bodies to complete the checklist and present it to those charged with governance to support scrutiny of their NFI arrangements.

Self-appraisal checklist

		Yes / Partly / No	Comments / action required	If action is required, who by and when?
Leadership, commitment, and communication				
1	Are we committed to the NFI? Has the council / board, those charged with governance and senior management expressed support for the exercise and has this been communicated to relevant staff?	Yes	The Councils Governance & Audit Committee and Senior Management of the Council support the NFI. This has been communicated to all staff via 'Fraud Awareness Week' (November 2024). This is also pre-planned with the Communications Team for 2025 to continue to raise awareness. Anti-Fraud, Corruption & Bribery training launched in January 2025 which talks about NFI.	n/a
2	Have we committed specific resources to support the overall management of the NFI? If information is available, how much time was spent by the Key Contact on the last exercise, and how much has been allocated for the next exercise?	Yes	As part of the restructure of the Internal Audit team in April 2024 a dedicated Counter Fraud Officer was added to the structure. The postholder commended work with MCC in January 2025 and has taken a lead on reviewing NFI returns. Resource also sits with the Shared Benefit Service with Torfaen CBC to investigate Council Tax and Housing Benefit data matches. The data is not available for how long the Key Contact spends directly on NFI. The Key Contact takes a lead in ensuring appropriate coverage and completion to statutory deadlines.	n/a
3	Is our NFI Key Contact the appropriate officer for that role, ie has sufficient authority to ensure the NFI exercise is delivered effectively?	Yes	The Key Contact is the Chief Internal Auditor. As per the Internal Audit Charter the Chief Internal Auditor has a direct reporting line to the Chief Executive, Chair of the Council and the Chair of the Governance & Audit Committee to report issues arising.	n/a

4	Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Yes	As detailed, the Chief Internal Auditor co-ordinates and monitors the exercise on behalf of Monmouthshire County Council. Issues raised through the NFI exercise are followed-up as per the agreed Internal Audit protocol with the Governance & Audit Committee.	n/a
Planning and preparation				
5	Do we plan properly for all aspects of the NFI exercise and set our own internal deadlines?	Yes	Planning took place for the 2024 collection of data and regular communication and reminders were issued to key staff for the data sets to ensure compliance with the specification. Internal deadlines were set to allow data to be returned and quality checked by the Internal Audit team prior to upload. All statutory deadlines were met with time to spare.	n/a
6	For the NFI 2024-25 exercise, did we provide all NFI data on time using the secure data file upload facility properly?	Yes	All data was submitted 14th October 2024. Deadline was 25th October 2024. Data was password protected as per the security guidance and uploaded via the secure data file upload facility.	n/a
		Yes / Partly / No	Comments / action required	If action is required, who by and when?
7	For the NFI 2024-25 exercise, did we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?	Yes	Compliance was confirmed 09th August 2024 via the secure website. Deadline was 30th August 2024	n/a
8	Do we review our Data Quality results before starting our investigations? ¹	n/a	Yes, data quality was reviewed prior to starting investigations. Our data was also independently quality assured by the IA department prior to upload.	n/a

¹ The Data Quality module could indicate that there are issues with the data submitted that may have affected some of the matches. The module can be accessed from the relevant National Exercise page of the web app.

9	Do staff take time to read the guidance that is provided on how to follow up the NFI matches (which are especially important for those users encountering the NFI for the first time), and do they consult the NFI team if they are unsure about how to record outcomes?	Yes	Guidance has been provided to team members. NFI System Training has been arranged via the Cabinet Office for the Counter Fraud Officer and a Senior Auditor prior to reviewing the 2024/25 data matches. The NFI helpdesk has been contacted where queries existed and MCC will continue to do so as and when required.	n/a
10a	Have we considered using the point of application data matching service offered by the NFI team (AppCheck) to improve internal controls and prevent fraud and error from happening?	No	This was due to be completed as part of this mid-Year review of the Fraud Risk Assessment however, a recent email from Audit Wales highlights that they may be looking to arrange a session for LA's on the use of AppCheck so consideration regarding it's use in Monmouthshire will be following this. Action: To consider the use of AppCheck within Monmouthshire.	Chief Internal Auditor March 2025
10b	If not using AppCheck, is there a clear rationale for this?	As above	As detailed above. This is work in progress.	See 10a
Effective follow-up of matches				
11	Have we documented our approach for risk assessing data match reports and investigating data matches? ²	Partly	The approach used by MCC in previous exercises has been to investigate ALL high risk matches followed by a sample of medium / low risk's based on auditor judgement. Matches not investigated were clearly marked as such. This approach will be formally documented for the 2024/25 exercise.	

² We do not expect organisations to look at every data match or report. Instead, they should prioritise which matches to look at and the order in which they are followed up. They may want to assess your matches by fraud risk area and then by match risk scores. Alternatively, they may want to set up bespoke filters using the filter tool. Matches not investigated should be Closed – Not Selected for Investigation.

		Yes / Partly / No	Comments / action required	If action is required, who by and when?
12	Does our approach give priority to local fraud risks? ³	Yes	The completion of this document has formed part of the Councils Counter Fraud Risk Assessment which considers the organisations fraud risk register and wider control environment. Internal Audit planning prioritises areas where concerns exist regarding the internal control environment or where historical instances of fraud have occurred both within Monmouthshire County Council and the wider region / Wales / Country.	n/a
13	Does our approach give priority to following up high-risk matches, those that become quickly out of date and those that could cause reputational damage if a fraud or error is not stopped quickly? ⁴	Yes	All high risk matches are reviewed as priority.	n/a
14	Are sufficient resources and expertise available at the right time to maximise the outcomes of the NFI exercise? ⁵	Yes	Counter Fraud Officer has been recruited to for 2024/25 exercise. Resource also sits with the Shared Benefit Service.	n/a
15	Does the Key Contact coordinate investigations across internal departments to prevent duplication of effort or delays in identifying overpayments and ensure all	Yes	Data matches relating to Council Tax and Housing Benefit are reviewed by the dedicated resource within the Shared Benefit Service.	n/a

³ We suggest that the NFI Key Contact (with support from Internal Audit/Counter Fraud) should review the organisation's overall control environment and systems. Existing internal audit reports and/or your organisation's risk register should assist this review. We advise prioritising data match reports that are linked to areas that have unknown or weak internal controls or areas that have had historical instances of fraud. Organisations should also look back to see which reports in a previous exercise gave them outcomes.

⁴ Use the tools within the web application, such as the filter and sort options or data analysis software, to help prioritise matches deemed the highest risk.

⁵ When nominating users to investigate matches, organisations should choose the person with the most knowledge about the dataset. For example, trade creditors matches are best dealt with by a nominated person in internal audit or the accounts payable team. We also suggest assigning a user to act as lead dataset contact for each dataset your organisation submits, so that, if necessary, other NFI participants can contact the most suitable person to assist their investigation. If organisations do not nominate a lead dataset contact, the default contact will be the Key Contact.

	relevant actions are taken, for example, organising joint investigation of single person discount matches involving housing benefit?		All other data reviews are conducted initially by the Internal Audit team with investigations co-ordinated when required across departments.	
		Yes / Partly / No	Comments / action required	If action is required, who by and when?
16	(In health bodies) Are we drawing appropriately on the help and expertise available from NHS Counter Fraud Service Wales?	n/a	n/a	n/a
17	Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?	Yes	A full investigation will be conducted for each match to satisfy the Officer. Reasons will be documented where a 'no issue' outcome has been recorded.	n/a
18	Do we review how frauds and errors arose and use this information to improve our internal controls?	Yes	A continual process of review is undertaken. The Council commits to highlighting where fraud has occurred to help improve its internal control environment.	n/a
19	Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Police or NHS Counter Fraud Service Wales) or errors are identified, eg recovering funds?	Yes	During the previous NFI exercise a case was investigated under the Councils disciplinary policy. This will remain the case, when appropriate, during 2024/25. When necessary reports to the Police will be made. All overpayments / fraud will be recovered.	n/a
20	Do we respond promptly to enquiries from other organisations that take part in the NFI? ⁶	Yes	We look to provide a response within 5 working days. This will be monitored by the Chief Internal Auditor.	n/a
Recording and reporting				
21	Are we recording outcomes properly in the secure website and keeping it up to date?	Yes	Yes, outcomes have been properly reported via the secure website.	

⁶ The web application shows the number of shared comments which require a response (Outstanding Actions). These responses should be prioritised if they relate to an ongoing investigation so that it can be progressed promptly.

22	Do we provide appropriate and regular feedback to senior management, board / council members and those charged with governance on NFI activity and outcomes?	Yes	Memo issued following previous NFI exercise to senior management and assurance opinion reported through Governance & Audit Committee. A similar feedback mechanism will be completed for the 2024/25 exercise but with the addition of direct reporting through an SLT meeting. This is due to be issued circa November 2025 once all matches have been reviewed. Action: To issue memo to SLT and G&AC on the outcomes of NFI once the work has been completed.	Chief Internal Auditor November 2025
		Yes / Partly / No	Comments / action required	If action is required, who by and when?
23	Do we provide those charged with governance assurances that the reasons for fraud and error happening are understood and that action is taken to address them and improve internal controls?	Yes	As part of the Counter Fraud Risk assessment which this review is part of.	
24	Where we have not submitted data or not used the matches returned to us, eg council tax single person discounts, are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?	Yes	Ongoing review by the Shared Benefits Service.	
25	Do we publish, as a deterrent, internally and externally the outcomes of the NFI exercise?	No	Has not been published previously but will be included as part of future reporting and awareness campaigns. Action: To include statistics within communications for Fraud Awareness Week in November 2025.	Chief Internal Auditor November 2025
26	If, out of preference, we record some or all outcomes outside the secure website, have	n/a	All outcomes are reported to the NFI via the secure website.	

	we made arrangements to inform the NFI team about these outcomes? ⁷			
--	--	--	--	--

Completed by – Jan Furtek, Chief Internal Auditor
26th September 2025

⁷ Although preferable for all NFI work to be recorded within the secure web application, we appreciate there may be instances when organisations need to do work on the matches outside it. As soon as data is extracted from the secure NFI web application organisations are responsible for the security of the data, including avoiding inappropriate disclosure and ensuring it is destroyed when no longer needed. Therefore, we only advise exporting data when it is essential to do so.

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.

Appendix 3 – Review of Counter Fraud, Corruption & Bribery Action Plan

Identified Need	Action	Implementation Date	Responsible Officer	Current Status	Outstanding Action
To raise awareness across the Council of Fraud, Corruption and Bribery.	- To ensure regular staff communications are sent highlighting fraud risks and sign-posting to the Policy. - Taking part in International Fraud Week	Quarterly November 2025	Chief Internal Auditor	Implemented & Ongoing Organisational wide training has been launched and communication goes out via SLT and the training team to increase uptake. The Chief Internal Auditor attends and presents at Corporate Induction to raise awareness to new starters and has also met with other groups such as the Schools Forum. MCC took part in Fraud Awareness Week during 2024 and this has been added to the Communication Teams forward work planner for November 2025.	To continue to raise awareness across the Council of Fraud, Corruption and Bribery.

Appendix 3 – Review of Counter Fraud, Corruption & Bribery Action Plan

Identified Need	Action	Implementation Date	Responsible Officer	Current Status	Outstanding Action
Organisational wide training.	- Develop a mandatory training module on Thinqi for all Members and Officers of the Council. - Monitor completion and report to Governance & Audit Committee.	January 2025 IA Annual Report – May 2025	Chief Internal Auditor	Implemented & On-going See update provided within the report. Training module has been launched and update continues to be monitored.	
Specific counter fraud training for Council staff.	Ensure a sufficient number of staff have completed formal Counter Fraud Training such as CIPFA Accredited Counter Fraud Specialist.	September 2025	Chief Internal Auditor	Partially Implemented Our Counter Fraud Officer has Accredited Counter Fraud Technician status. As part of a training review for the Internal Audit team (required by the Global IA Standards) this will be considered, budget dependant.	
Improve the organisational response to Fraud.	- Recruitment to Counter Fraud Officer post. - Ongoing review of current arrangements. - Look to embed fraud management arrangements within Service Business Plan guidance.	January 2025 October 2025	Deputy Chief Executive / Strategic Director (Resources) Head of Finance (Acting S151 Officer) Chief Internal Auditor	Partially Implemented Counter Fraud Position has been recruited to and has played a part in this updated Risk Assessment. Fraud management arrangements within Service Business Plans have not yet been progressed.	

Appendix 3 – Review of Counter Fraud, Corruption & Bribery Action Plan

Identified Need	Action	Implementation Date	Responsible Officer	Current Status	Outstanding Action
Strengthen the approach to the National Fraud Initiative across Monmouthshire.	Implement the required actions from the NFI Self Appraisal Checklist. (Appendix 2)	Included within NFI Self Appraisal.	Chief Internal Auditor	Implemented Actions from the NFI Self-Assessment have been reviewed in Appendix 2.	
Promptly investigate data matches arising from the National Fraud Initiative. Investigate and record outcomes where necessary.	Following data matches being returned in January 2025, ensure dedicated resource is available to promptly	April 2025	Deputy Chief Executive / Strategic Director (Resources) Head of Finance (Acting S151 Officer) Chief Internal Auditor	Partially Implemented Dedicated resource has been allocated to the 2024/25 NFI. Report due to be presented to December G&AC meeting regarding progress which is nearing completion.	Report to be presented to December G&AC.

Appendix 4 – Updated Counter Fraud, Corruption & Bribery Action Plan

Identified Need	Action	Implementation Date	Responsible Officer
To raise awareness across the Council of Fraud, Corruption and Bribery.	- To ensure regular staff communications are sent highlighting fraud risks and sign-posting to the Policy. - Taking part in International Fraud Week	Quarterly November 2025	Chief Internal Auditor
Organisational wide training.	- Continue to monitor completion and report to Governance & Audit Committee. - Roll out training to School Based Staff.	Ongoing March 2026	Chief Internal Auditor Workforce Development Team
Complete Internal Audit training needs analysis to see if specific counter fraud training for Council staff is required.	Ensure a sufficient number of staff have completed formal Counter Fraud Training such as CIPFA Accredited Counter Fraud Specialist.	March 2026	Chief Internal Auditor
Improve the organisational response to Fraud.	Look to embed fraud management arrangements within Service Business Plan guidance.	April 2026	Chief Internal Auditor
Promptly investigate data matches arising from the National Fraud Initiative. Investigate and record outcomes where necessary.	- Report outcomes of the NFI exercise to Governance & Audit Committee. - Complete the 2 further data uploads prior to the statutory deadlines (Social Care and Council Tax Single Person Discount).	December 2025 January 2026	Chief Internal Auditor



SUBJECT:	AUDITED STATEMENT OF ACCOUNTS 2024/25 - MONMOUTHSHIRE COUNTY COUNCIL
MEETING:	Governance & Audit Committee
DATE:	30th October 2025
DIVISIONS/WARD AFFECTED:	All

1. PURPOSE:

- 1.1. The purpose of this report is to provide the Governance & Audit Committee with the audited 2024/25 Statement of Accounts for Monmouthshire County Council for final scrutiny and approval.

2. RECOMMENDATIONS:

- 2.1. That the committee note that the statement of accounts provided have been amended since the draft version was published to reflect the outcomes of the external audit process, as detailed within the Audit Wales Audit of Accounts Report.
- 2.2. That the Governance and Audit committee approve the final audited Monmouthshire County Council Statement of Accounts for 2024/25 as shown at **Appendix 1**.

3. KEY ISSUES

The Accounts closure process

- 3.1. Legislation currently requires that the draft Statement of Accounts are produced each year by 31st May following the financial year they relate to, with audited accounts to be published by 31st July.
- 3.2. Welsh Government, in recognising the continued demands and pressure on local government resources, continue to allow Councils the flexibility to publish the Statement of Accounts after the statutory deadline. This is subject to providing a statutory notice as per paragraph 10(4) of the regulations detailing the reasons for not meeting the deadline. This notice was made by the Council on the 31st May 2025.
- 3.3. The draft Statement of Accounts was subsequently completed and signed by the Responsible Finance Officer on the 30th June 2025. The accounts were published on the Council's website and were considered by this committee on the 24th July 2025.
- 3.4. The draft accounts were completed a day earlier than for 2023/24, and 20 days earlier than those produced for 2022/23. The date of completion was in line with the timetable communicated to Audit Wales at the start of the closure process and therefore allows for the timely commencement of the external audit.
- 3.5. A public inspection period commenced from 31st July 2025 to 27th August 2024. No requests for further information or questions were received.

- 3.6. The external audit process has been ongoing since July 2025 will conclude in October 2025, in line with the agreed timetable. This represents a significant improvement compared to the 2023/24 audit, where final sign off was made at the end of November 2024.

Audit conclusion

- 3.7. It is pleasing to note that the auditors intend to once again provide an ***unqualified audit opinion***. The Council wish to acknowledge the continuing strength of relationship between the Council and Audit Wales and the professional and constructive approach in which audit colleagues have once again conducted their activities.
- 3.8. There were no recommendations raised in this year's Audit of Accounts Report. This reflects positively on the internal financial governance controls in place in the Council and on the dedication of the finance and wider service teams in maintaining high standards of financial records and supporting documentation.
- 3.9. Appendix 2 of the Audit of Accounts Report contains a list of misstatements found during the course of the audit that have been adjusted for within the final audited Statement of Accounts found in **Appendix 1**. The majority of these do not affect the primary financial statements, rather the explanatory notes to the accounts. Those that do impact the primary statements do not have any retrospective impact on the year-end financial position that was reported to Cabinet in July 2025.
- 3.10. There are two misstatements found during the course of the audit that have not been adjusted for in the final audited Statement of Accounts. These are:
1. Local Government bodies were required to adopt a new accounting standard (IFRS16) for the 2024-25 financial year that significantly changes the accounting treatment required for leased assets. Audit testing confirmed that the Council have understated the lease asset value by £1.745m and liability by £1.309m. This error occurred as:
 - A number of leases were incorrectly excluded from the accounts that resulted in both the asset and liability being understated by £627,327;
 - There were errors in some of the lease calculations that resulted in the asset/liability being understated by £681,551
 - A non-commercial peppercorn lease for a car park was understated by £436,187
 2. Property, Plant and Equipment is overstated by £261,000. Audit testing identified that incorrect valuation rates had been used in the revaluation of some building assets. This error represents less than 0.1% of the total value of the Council's Property, Plant and Equipment assets.
- The Council considered that the benefit to the reader of the accounts of including these adjustments is outweighed by the significant amount of work involved in processing these adjustments which are significantly below the materiality level set for the audit process. These adjustments will instead be made during the 2025/26 financial year.
- 3.11. Audit Wales have included commentary on one significant issue that impacts the ten local authorities within the South East Wales Corporate Joint Committee (SEWCJC):
- When collating the accounts, the Council consolidates its share of income, expenses, assets and liabilities from the SEWCJC;
 - The Council received the audited SEWCJC 2023-24 accounts and the draft 2024-25 accounts in September 2025;
 - The comparative figures have therefore now been amended in the Council's financial statements to reflect the audited 2023-24 SEWCJC accounts and the draft SEWCJC 2024-25 accounts;

- The 2024-25 SEWCJC audit is currently ongoing and is nearing completion and Audit Wales are satisfied that the amounts consolidated within the Council's accounts, for SEWCJC, are materially correct.

4. REASONS

- 4.1. To approve the Council's final audited Statement of Accounts which incorporate all adjustments for "corrected misstatements" which have been identified by Audit Wales and as noted within their Audit of Accounts report.

5. CONSULTEES

Section 151 Officer
Cabinet Member for Resources
Audit Wales

6. BACKGROUND PAPERS

Appendix 1: Audited Statement of Accounts 2024/25

7. AUTHORS:

Jonathan Davies
Head of Finance
Email: jonathandavies2@monmouthshire.gov.uk
Phone: (01633) 644114

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Audit of Accounts Report – Monmouthshire County Council

Audit year: 2024-25

Date issued: October 2025

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

Introduction



Adrian Crompton

Auditor General for
Wales

I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2024-25 annual accounts. My team have already discussed these findings with the Head of Finance and the Deputy Chief Executive & Strategic Director - Resources.

My team have substantially completed the audit work as set out in my Audit Plan dated April 2025. The remaining tasks involve:

- Receipt of, and our review, of the final revised financial statements; and the
- Completion of our internal file review procedures.

Since my Audit Plan, I have updated materiality to reflect the 2024-25 accounts. I have not identified any new audit risks. My response to previously identified risks is set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared, and give a true and fair view, in all material aspects. My proposed audit opinion and basis for it is outlined on page 9. It is the responsibility of the Governance and Audit Committee to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of Monmouthshire County Council for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

Your audit at a glance



We intend to issue an **unqualified opinion** on the accounts

See [Appendix 4](#)



There is one **other significant matter** to report

See [Audit findings](#)



There are two **uncorrected misstatements** in the accounts which we wish to draw to your attention

See [Audit findings](#)



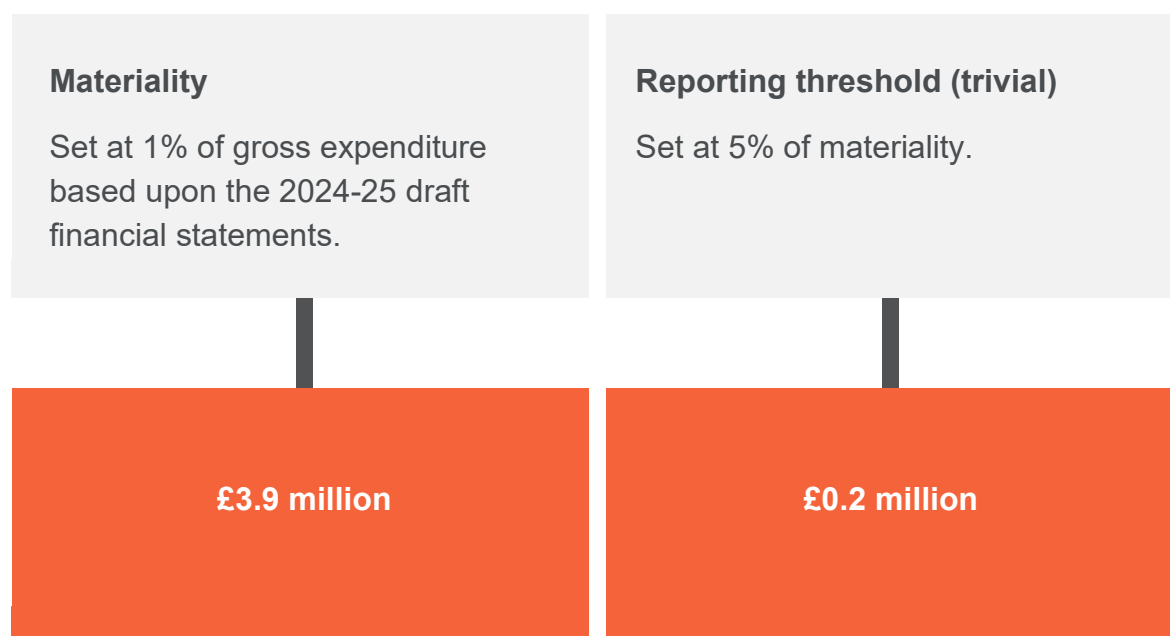
Any **recommendations** arising from our work will be communicated to officers in due course.



We are aiming to certify your accounts on **31 October 2025**, which is in accordance with the agreed certification deadline.

Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:



There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:



Audit Findings

Misstatements

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

Uncorrected misstatements

We set out below details of two misstatements that we identified in the accounts, which have been discussed with management but remain uncorrected. Neither of these errors have an impact on the Council's closing financial position

If you decide not to correct these misstatements we ask that you provide us with the reasons in writing for not doing so.

Lease (Right of Use) assets are understated by £1.745m and the related liabilities by £1.309m

- Local Government bodies were required to adopt a new accounting standard (IFRS16) for the 2024-25 financial year that significantly changes the accounting treatment required for leased assets. As a result, and as highlighted in our Audit Plan and Appendix 1 of this report, this was identified as a risk as part of our financial audit work at the Council.
- In completing our testing to address this risk we identified that the Council have understated the lease asset value by £1.745m and liability by £1.309m. This error occurred as:
 - A number of leases were incorrectly excluded from the accounts that resulted in both the asset and liability being understated by £627,327;
 - There were errors in some of the lease calculations that resulted in the asset/liability being understated by £681,551;
 - A non-commercial peppercorn lease asset for a car park was understated by £436,187.

Property, Plant and Equipment is overstated by £261,000

Audit testing identified that incorrect valuation rates had been used in the revaluation of some building assets. As a result, the value of “Other land and buildings” in the Balance Sheet, and within Note 12, is overstated by £261,000. The Revaluation Reserve is similarly overstated.

Corrected misstatements

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

These are set out in **Appendix 2**.

Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of the Council's financial reporting process.

There is one such issue to raise concerning the consolidation adjustments relating to the South East Wales Corporate Joint Committee (SEWCJC):

- When collating its accounts, the Council consolidates its share of income, expenses, assets and liabilities from the SEWCJC
- The Council received the audited SEWCJC 2023-24 accounts and the draft 2024-25 accounts in September 2025.
- The comparative figures have therefore now been amended in the Council's financial statements to reflect the audited 2023-24 SEWCJC accounts and the draft SEWCJC 2024-25 accounts.
- The 2024-25 SEWCJC audit is currently ongoing and is nearing completion and we are satisfied that the amounts consolidated within the Council's accounts, for SEWCJC, are materially correct.

Proposed audit opinion

Audit opinion

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

Our proposed audit report is set out in **Appendix 3**.

Letter of representation

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

The letter we are requesting you to sign is included in **Appendix 4**.

Recommendations

Any recommendations arising from our audit work will be communicated to the Council within a separate report.

Audit team and ethical compliance

The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

Exhibit 1: my local audit team

Engagement Director	Gareth Lucey Gareth.Lucey@audit.wales
Audit Manager	Steve Wyndham Steve.Wyndham@audit.wales
Audit Lead	Julie Owens Julie.Owens@audit.wales

Compliance with ethical standards

We confirm that:

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

Appendix 1 – Audit risks and outcomes

My Audit Plan set out the risks of material misstatement for the audit of the Vale of Glamorgan Council's accounts. **Exhibit 2** lists these audit risks and sets out how they were addressed as part of the audit. No additional audit risks have been identified since that need to be brought to your attention.

Exhibit 2: audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
Risk of management override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team: • tested the appropriateness of journal entries and other adjustments made in preparing the financial statements; • reviewed accounting estimates for bias; and • evaluated the rationale for any significant transactions outside the normal course of business.	My audit work did not identify any instances of management override of controls.

Valuation of pension fund net liability

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

The nature of this estimate means that it is subject to a high degree of estimation uncertainty.

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

We have completed our planned audit work, including the:

- assessment of the competence and objectivity of the actuary;
- assessment of the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability;
- testing of the accuracy of the accounting entries and disclosures; and
- consideration of the reasonableness of the assumptions made by the actuary.

A material error was identified that resulted in the both the pension liability and reserve needing to be increased by £4.935m. See **Appendix 2**.

Valuation of land and buildings

The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates and are subject to a high degree of subjectivity.

There is a risk that the carrying value of assets recognised in the accounts could be materially different to the current value of assets as at 31 March 2025.

The audit team have:

- evaluated the competence and objectivity of the professional valuer;
- tested a sample of assets revalued in the year; and
- tested the reconciliation between the financial ledger and the asset register.

Our testing of this area was generally satisfactorily although we identified a non-material error concerning some asset valuations - see the 'uncorrected misstatements' section of this report at page 7.

Senior officer remuneration

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

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

My audit team have:

- identified the movements in the senior management team during 2024-25;
- ensured that remuneration disclosed is consistent with supporting evidence;
- ensured that the amounts paid are consistent with those approved by the Council; and
- ensured that the disclosures are complete.

Our testing of the Remuneration disclosures was generally satisfactory although some issues were identified – please refer to **Appendix 2**.

International Accounting Standard (IFRS) 16 - Leases

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

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

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

The audit team have:

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

We identified a misstatement of £1.7m – see the 'uncorrected misstatements' section of this report at page 7. Our audit work also identified some other areas that required amendment in the Council's financial statements – please see **Appendix 2**.

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

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

The audit team have:

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

The comparative figures have been amended to reflect the audited 2023-24 SEWCJC accounts which were certified in September 2025.

In addition, adjustments have made to a number of 2024-25 transactions and balances to reflect the draft SEWJC 2024-25 accounts which were produced, and therefore only available to the Council, in September 2025. See **Appendix 2**.

**Related party
disclosures**

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

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

The audit team have:

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

There were some issues arising from our audit work on this area – see **Appendix 2**.

Appendix 2 – Summary of corrections made

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

Only one of the adjustments impacts on the Council's closing position – an income accrual error of £350,000 that will increase the year end reserves of the Council as at 31 March 2025.

Value of correction	Accounts area	Explanation
£4,935,000	Comprehensive Income and Expenditure Statement (CIES), Balance Sheet, Note 14 Post-employment Benefits and Note 10.9 Pension reserve The pension fund liability was understated as unfunded benefits, which are not matched by assets, had not been excluded from the asset restriction adjustment. There was a corresponding increase in the overall liability movement in the CIES.	To correctly disclose the pension fund liability
£3,500,000	CIES and Note 11.2 Income and expenditure of £3,500,000 which was Agency in nature was incorrectly included in the draft accounts.	To ensure accuracy of the financial statements

	The financial statements were corrected to decrease both income expenditure in the CIES and Note 11.2. There is no impact on the Council's General Fund	
£1,189,000	CIES and Note 11.6 Grant income of £1,189,000 was misclassified in the draft accounts. This was shown within cost of services income but should have been shown as general grant income within the Taxation and non-service specific grant income line of the CIES.	To ensure the correct classification of grant income within the financial statements.
£1,202,000	CIES and Note 10.10 The accumulated absence liability was overstated by £1,202,000. This was adjusted along with a corresponding correction to the Accumulated adjustment account reserve (Note 10.10). There is no impact on the Council's General Fund	To correctly disclose the accumulated absence liability and reserve.
£335,000	Balance Sheet and Note 15.3 Testing identified a mis-classification between cash and cash equivalent balances in the Balance Sheet. The current asset was decreased by £335,000 and the current liability decreased by the same amount.	To ensure cash and cash equivalents are correctly classified.

There is no overall effect on the
Balance Sheet

£328,000	CIES and Expenditure and Funding Analysis Due to mis-classifications on the face of the CIES – gross expenditure for Resources should be increased by £328k and Infrastructure and Place decreased by the same amount.	To ensure the correct classification of expenditure within the financial statements.
£350,000	Note 13.5: Debtors Our income cut-off testing identified grant income of £350,000 that had not been accrued correctly in the 2024-25 accounts. Debtors were increased by £350,000 with a corresponding increase in the surplus on provision of services in the CIES by the same amount.	To ensure accuracy of the financial statements.
Various	Note 16: Remuneration disclosures Some adjustments have been made to the disclosures: • An additional disclosure was made to Note 16.7 to include the remuneration of the Acting Section 151 officer during 2024-25; • Revisions have been made to the remuneration ratio and employee bandings tables in Notes 16.7 and 16.8; and	To ensure compliance with the CIPFA Code.

- Other minor changes to the narrative were made for increased clarification.

Various

Note 16.4: Related Party Transactions

Various narrative disclosure amendments have been made to the note. These mainly relate to additional disclosures relating to the value of transactions with related parties.

To ensure completeness and accuracy of the disclosures and compliance with the CIPFA Code.

£101,000

Note 12: Property, Plant and Equipment

We identified a number of vehicles that had been disposed of in prior years but not removed from the Balance Sheet. As a result the following amendments were made to Note 12:

- Gross book value decreased by £402,000
- Accumulated depreciation decreased by £301,000
- Overall decrease in Net Book value £101,000

£282,000

Note 11.2: Expenditure and income analysed by nature

A classification error of £282,000 within the note was corrected by reducing the

To ensure accuracy of the financial statements.

	‘precepts and levies’ line and increasing ‘other services’ line.	
Various	Note 17.19: IFRS 16 disclosures The IFRS 16 related notes were amended to include the following disclosures that are required by the Code: • the weighted average lessee's incremental borrowing rate applied to lease liabilities at the date of initial application; and • an explanation of any difference between operating lease commitments previously disclosed to those applying the new standard	To ensure compliance with the CIPFA Code
Various	South East Wales Corporate Joint Committee (SEWCJC) transactions and balances The comparative figures have been amended to reflect the audited 2023-24 SEWCJC accounts which were certified in September 2025. Adjustments have also been made to a number of 2024-25 transactions and balances to reflect the draft SEWJC 2024-25 accounts which were produced, and therefore only available to the Council, in September 2025.	To ensure compliance with the CIPFA Code.
Various	A number of other minor amendments were made to the	To ensure accuracy of the financial statements.

(No overall effect on the primary statements)	financial statements relating to either revisions to disclosures of information, narrative changes or typing errors.
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Appendix 3 – Proposed audit report

The report of the Auditor General for Wales to the members of Monmouthshire County Council

Opinion on financial statements

I have audited the financial statements of Monmouthshire County Council for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

Monmouthshire County Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Monmouthshire County Council as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025.

Basis of opinion

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

My staff and I are independent of the Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical

Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025;

- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Monmouthshire County Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report [or the Annual Governance Statement](#).

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set on page 12, the responsible financial officer is responsible for:

- the preparation of the statement of accounts which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Monmouthshire County Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

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

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

My procedures included the following:

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

- Obtaining an understanding of related party relationships.

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

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

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

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

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

Other auditor's responsibilities

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

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Monmouthshire County Council in accordance with the requirements of the Public Audit

(Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton

Auditor General for Wales

31 October 2025

1 Capital Quarter

Tyndall Street

Cardiff, CF10 4BZ

Appendix 4 – Letter of representation

Auditor General for Wales

Wales Audit Office

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BZ

30 October 2025

Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements of the Monmouthshire County Council for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness.

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

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- The preparation of the financial statements in accordance with legislative requirements and the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom UK 2024-25; in particular

the financial statements give a true and fair view in accordance therewith.

- The design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- Full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;
 - additional information that you have requested from us for the purpose of the audit; and
 - unrestricted access to staff from whom you determined it necessary to obtain audit evidence.
- The results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Our knowledge of fraud or suspected fraud that we are aware of and that affects the Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
- Our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others.
- Our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- The identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

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

- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.
- All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.
- The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Details upon the uncorrected misstatement are set out below:
 - *Council to include commentary here as to why the uncorrected misstatements have not been corrected.*

Representations by Monmouthshire County Council

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

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Council's Governance and Audit Committee on 30 October 2025.

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

Signed by:

Signed by:

Deputy Chief Executive & Strategic
Director - Resources

Chair of the Governance and
Audit Committee

Date: 30 October 2025

Date: 30 October 2025

Audit quality

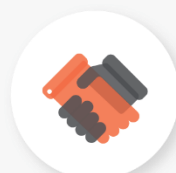
Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



Our People

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



Arrangements for achieving audit quality

Selection of right team

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



Independent assurance

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

Supporting you

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

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



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Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.



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MONMOUTHSHIRE COUNTY COUNCIL

AUDITED STATEMENT OF ACCOUNTS

2024/25



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1 NARRATIVE REPORT

1.1 Introduction

Monmouthshire County Council's Statement of Accounts provides a record of the Council's financial position for the year. This section of the document supplements the financial information contained in the accounts, with the aim of providing an overview of the more significant financial and accounting issues which affected the Council during the year.

Key facts about Monmouthshire



Monmouthshire is the most South Eastern County in Wales covering the area from the main towns of Abergavenny & Monmouth in the North to Chepstow & Caldicot in the South. It is a predominantly rural County covering an area of 880sq miles and serving a resident population of just over 94,000.

The majority of the Council's administrative and political functions are carried out at County Hall at The Rhadyr, near Usk, Monmouthshire.

Political and management structure

The Council uses a Leader and Cabinet (Executive) governance model, with the Cabinet comprised of elected members, who each have lead responsibility for an area of the Council's business, including the Leader. Council determines the Authority's policy framework and budget and other constitutional functions. Below Cabinet and Council level there are a number of committees and panels that fulfil various scrutiny, statutory oversight and regulatory functions.

Following the Local Government elections in May 2022, there are 46 locally elected councillors representing 39 Monmouthshire wards who sit on the various committees of the Council, with the current political make-up of the Council being 21 Labour; 19 Conservative; 4 Independent; 2 Green Independent.

The Cabinet and elected members are supported by the Council's Strategic Leadership Team which is led by the Chief Executive. For management purposes the Council's operations are organised into Service Areas each of which is headed by a chief officer reporting to the Chief Executive. The Service Areas with a brief overview of their budget and functions are:

Social Care & Health

£68.4m

Adult services

Children's services

Public protection

Resources & performance

Learning, Skills & Economy

£65.2m

Schools and Early Years provision

Emergency Planning

Standards

Economy, Employment & Skills

Infrastructure & Place

£26.2m

Enterprise, Housing & Community Animation

Facilities & Fleet Management

Neighbourhood services

Placemaking, Highways & Flood



1.2 Operational Performance for the Year

The Council's Community & Corporate Plan 2022-28 sets the Council's purpose and objectives focused on the well-being of current and future generations. The commitments in the plan will continue to inform the council's medium-term financial strategy to ensure that our spending follows clear priorities.

The Community & Corporate Plan establishes a clear purpose to become a net-zero county, supporting well-being, health and dignity for everyone at every stage of life. This is supported by six well-being objectives. A summary of the progress being made against these during 2024/25 is outlined below:

A fair place to live

- We have rolled out universal free school meals to all primary school pupils in Monmouthshire. The proportion of children having these free meals has maintained at 75%
- We have supported children and young people in the school holidays with free or low-cost play provision. Over 2,400 children have benefitted from these sessions.
- We have distributed 360 meal kits containing 1,400 meals to residents struggling with the cost of living and food insecurity.

A green place to live

- Our residents have recycled 72.2% of household waste. This is well above the national target of 70%
- We have created or enhanced 19 active travel routes in the county to provide more opportunities for residents to walk and cycle
- We have increased the percentage of our vehicle fleet which is ultra-low emission from 14% to 16.5% as part of our commitments to reduce our carbon emissions

A thriving & ambitious place

- We supported 82 people into employment during the year through a range of training and support
- We supported young people who were not in employment, education or training (NEET) into employment. Overall, 3.1% of school leavers in Monmouthshire are NEET. We will use the tools available to us to try and prevent young people becoming NEET
- We provided support to 89 pre-start-up and existing local businesses to help them develop and grow

A safe place to live

- We have prevented 71% of homeless applications from becoming homeless, the same as the previous year
- We have decreased the number of homeless households in Bed & Breakfast accommodation by over 60% during the year, from 46 to 20 households

A connected place where people care

- We have provided care and support for adults requiring social care services. 84.7% of adults we support are happy with the care and support they receive
- We have provided early help to support families through our Building Stronger Families service. 100% of families involved reported positive outcomes following intervention
- We delivered 309 packages of reablement to support people to regain independence, of which 55.7% of packages mitigated the need for further support

A learning place

- We have worked with schools to support pupils to attend schools. Pupil attendance at our primary schools was 93.6%. Pupil attendance at our secondary schools remains lower at 88.2%. We are providing continued support to increase attendance
- We have built a new 3-19 school in Abergavenny that will provide wide ranging education and support to 1,900 pupils, including for those with complex learning needs
- We are continuing to develop adult learning by supporting 909 learners to participate in community education courses

1.3 Financial Performance for the Year

Revenue Budget for 2024/25

The 2024/25 financial year has seen the continuation of financial headwinds which are impacting upon the Council's service operating environment.

The ongoing cost of living crisis and broader socio-economic challenges are increasing demand for Council services, especially in Children's and Adult Social Care, Homelessness, and Additional Learning Needs. Pressures from the wider public sector, particularly Health, are adding complexity to social care needs. Despite falling headline inflation, some services still face rising costs and supply chain issues. High interest rates, expected to persist longer than initially forecast, add financial strain. Additionally, staff shortages continue to affect some Council departments.

The first two financial updates received by Cabinet in October and December indicated significant pressure on the Council's budget of between £3m and £4m. Cabinet subsequently endorsed mitigating action to develop a structured approach to tackling the forecast deficit through a range of budget recovery measures.

In February 2025 Cabinet received the third financial update for the year outlining a reduced forecast deficit of £1.593 million. This was reflective of favourable movements within the majority of service budget areas, where successful budget recovery action and additional grant income had been notified.

At outturn, the Council has successfully mitigated the overall cost pressures through these ongoing targeted actions, and through additional unbudgeted grants and contributions. This has culminated in a gross expenditure budget surplus of £1.239 million prior to transfers to reserves, representing a 0.6% variance against the approved budget.

Further details on the outturn position are provided in the July 2025 budget outturn report to Cabinet.

	Revised Budget	Actual	Variance
	£000	£000	£000
Net Expenditure:			
Net cost of services (as per internal management reporting)	212,321	211,781	(540)
Interest and Investment Income	(1,176)	(1,314)	(138)
Interest Payable and Similar Charges	7,252	7,049	(203)
Charges Required Under Regulation	6,230	6,778	548
Borrowing Cost Recoupment	(3,883)	(4,726)	(843)
Earmarked Contributions to/(from) Reserves	(533)	(380)	153
Net Revenue Budget	220,211	219,187	(1,023)
Financed by:			
General government grants	(91,149)	(91,149)	0
Non-domestic rates	(34,871)	(34,871)	0
Council tax	(102,601)	(102,265)	337
Council Tax Benefit Support	8,410	7,858	(552)
Net Financing Budget	(220,211)	(220,426)	(215)
Year-end Surplus	0	(1,239)	(1,239)
Year-end Transfer to Earmarked Reserves	0	742	742
Year-end transfer to Council Fund	0	497	497
Council Fund (surplus)/deficit - Non Schools	0	(0)	0

Council Fund (surplus)/deficit - Schools	0	3,187	3,187
Council Fund (surplus)/deficit - Total	0	3,187	3,187

The net cost of services in the table above of £211.781m is reported on a management accounting basis, i.e. the same basis as the budget reports that Cabinet receive during the year. The net cost of services in the Comprehensive Income and Expenditure (CIES) of £209.317m is different because these accounts are prepared on a financial accounting basis, which is specified and governed by accepted accounting guidelines.

Note 11.1 to the accounts shows how these figures reconcile.

Level of general and specific reserves/balances

The following summarises the Council's general and earmarked reserve balances.

Reserves & balances	2022/23 £000	2023/24 £000	2024/25 £000
Council Fund Balance	11,105	10,388	10,885
School Balances	4,256	(905)	(4,092)
Earmarked Reserves	11,549	9,359	9,440
Total Usable Reserves & balances available for Revenue Purposes	26,909	18,842	16,233

The level of the Council Fund reserve stood at £10.4m at the start of 2024/25, excluding delegated school balances. This represented 5% cover as a proportion of the Council's 2024/25 net revenue budget and was in line with the recommendations of the approved Medium Term Financial Strategy.

The final revenue budget proposals for 2024/25 did not include any use of the Council Fund reserve to balance the budget which was in line with the budget planning framework agreed by Cabinet. The budget did include £1.122 million of planned use of earmarked reserves in support of one-off revenue expenditure.

In determining the allocation of the outturn position, priority was given to strengthening the Council's financial sustainability. The focus has been on mitigating potential financial risks and enhancing the medium-term financial outlook. These will provide greater resilience against future uncertainties and support strategic investment in key service priorities over the medium term.

The level of the Council Fund at the end of 2024/25 represents 5% of the Council's net revenue budget and is considered to be at a prudent level to cover future risks.

Further information on reserves can be found in Section 10 of the accounts.

Schools: The following table summarises the schools year-end balances position by school type:

School Balances	Number of schools	2022/23 £000	2023/24 £000	2024/25 £000
Comprehensives	3	1,259	(976)	(1,366)
Middle	1	0	(329)	(1,386)
Primaries	30	3,027	1,142	306
Other	1	(31)	(742)	(1,645)
Total	35	4,257	(905)	(4,092)

Schools continue to face significant budget pressures, particularly in respect of attendance, behaviours and increased additional learning needs. This has required increased staff and specialist resources to tackle the issues presenting and increased the overall costs of provision. Higher than budgeted pay awards have also impacted upon budgets.

The 2024/25 financial year has culminated in a £3,187,000 draw on school's balances, resulting in the cumulative deficit balance increasing to £4,092,000 and with fifteen of thirty-five schools now holding deficit balances.

The ongoing budget challenges at Chepstow Comprehensive, King Henry VIII School, and the Pupil Referral Service remain a concern. The Local Authority continues to work closely with representatives from these schools to implement agreed budget recovery plans. It is acknowledged that, due to the scale of the challenges, the recovery process will take longer than initially anticipated.□

The Authority continues to work closely with all schools of concern to aid in the return to more sustainable budget plans over the medium term without impacting on educational standards. This will continue to be informed by the ongoing review of school's budgets as part of the periodic update of the medium-term financial plan.

Capital expenditure & financing

In addition to revenue spending the Council also spent £48.8m on its assets which is detailed below along with the corresponding finance streams:

2023/24 £000		2024/25 £000
	Expenditure	
28,192	Schools modernisation programme	21,801
11,941	Infrastructure	10,749
8,357	Asset management schemes	5,162
1,481	Inclusion schemes	2,872
503	ICT schemes	641
8,976	Regeneration schemes	2,676
1,209	Vehicles	930
4,193	Other	3,975
64,852	Total Expenditure	48,806
	Financing	
(6,472)	Capital receipts	(4,275)
(12,095)	Borrowing and Finance Lease Commitments	(17,019)
(45,758)	Grants and Contributions	(27,230)
(527)	Revenue and Reserve Contributions	(282)
(64,852)	Total Financing	(48,806)

Significant capital receipts

No significant capital receipts were received during the year. Multiple small disposals totalled £264,000. The Council currently utilise its capital receipts reserve to support the ongoing investment priorities in line with its approved Community & Corporate plan.

Non-current assets

The Council has a policy of revaluing all Land & Building assets every five years on a rolling programme. During 2024/25 the valuations included Community Centres, Comprehensive & Primary Schools, Corporate Facilities, Hubs & Public Contact Centres, Leisure & Outdoor Education Centres, Museum & Theatres and Nurseries & Play Groups. The programme for subsequent years is as follows:

- 2025/26 – Community Centres, Corporate Facilities, Leisure & Outdoor Education Centres and Recreational Spaces
- 2026/27 – Primary Schools, Recreational Spaces, Public Conveniences, Nurseries & playgroups and Cemeteries

In addition to the assets individually revalued a program of indexation has been undertaken on the remaining land & building assets to uplift values. Significant inflation in recent years increases the risk that the carrying values of non-revalued assets may be materially different to the current value. This has been addressed by uplifted DRC asset values in line with the relevant movements in the BCIS' All In Tender Price Index.

In addition to this rolling asset revaluation programme, an annual review is also undertaken of our assets for any significant changes in their use. The investment property portfolio is assessed annually by the Authority's Estates section to ensure the value is accurately reflected in the accounts.

During the year the value of our non-current assets has increased from £524.9m to £568.8m. The increase arises from recognising the in-year asset expenditure of £40.3m, £2.6m of newly recognised Right of Use assets, the rolling programme of revaluations increasing their held value by £19.1m, additional Land & Building uplift of £4.4m; offset by depreciation of £15.9m and impairment of £5.8m, and book value of disposals of £0.8m.

Effective from 1 April 2024, the Council implemented the IFRS 16 accounting standard, which mandates that lessees recognise the majority of leases on the Balance Sheet. In accordance with this standard, Right-of-Use (RoU) assets have been recognised for leased properties, vehicles, and equipment where the Council retains control over the use of the asset for a specified period in exchange for payment. This change has resulted in an increase in the reported value of Property, Plant, and Equipment on the Balance Sheet.

Borrowing arrangements and sources of funds

The Council's overall borrowing, on a principal valuation basis, totalled £204.5m as at 31st March 2025 (£175.9m as at 31st March 2024), comprising of the following:

31st March 2024 £000		31st March 2025 £000
126,236	Public Works Loan Board	146,792
3,081	Market Loans & Bank loans	0
4,739	Welsh Government	3,741
38,830	Local Government bodies	50,949
3,000	Special Purpose Vehicle	3,000
175,886	Total borrowing	204,482

Further information on borrowing arrangements is disclosed in notes 13.3 and 13.4 to the accounts. The Council continues to operate within its limits as set according to the Local Government Act 2003 and the CIPFA Prudential Code.

Collection of Council Tax and Non-Domestic Rates

The Council Tax bill for Monmouthshire County Council in 2024/25 (including amounts raised for Police and Community Councils) was £2,110.67 (£1,959.94 in 2023/24) for properties in valuation Band D. We collected 96.1% in year of the total due (96.7% 2023/24). Our in-year collection rate for Non-Domestic Rates was 94.8% in 2024/25 (96.9% in 2023/24). During the year £216,000 Council Tax and £312,000 Non-Domestic Rates debts were written off (£53,000 and £0 in 2023/24).

Pension Liabilities

In accordance with accounting standards, the Council is required to recognise the cost of retirement pensions when it becomes committed to them, rather than when payments are made. An independent actuary estimates these figures for Monmouthshire. For 2024/25, a net surplus of £83.4 million has been reported, compared to £5.98 million in 2023/24. This was driven by a £27.6 million rise in scheme assets and a £61.4 million reduction in scheme liabilities. The improvement reflects stronger performance across equities, bonds, and infrastructure investments.

In line with IFRIC 14 – IAS 19, which addresses the limit on a defined benefit asset, minimum funding requirements, and their interaction, any surplus must be adjusted for committed past service contributions. This adjusted surplus is then assessed against the economic benefit available through reduced future contributions to determine whether an additional liability should be recognised. As a result, an adjustment has been made to reflect the asset ceiling. After accounting for this and the present value of unfunded benefits, a total net liability of £58.1 million is reported.

The most recent actuarial valuation that informs the accounts was conducted as of 31 March 2022 and will inform employer contribution rates through to 31 March 2026. Further information is provided in Section 14 of the Notes to the Accounts.

1.4 The Financial Outlook

2025/26

The budget round for 2025/26 was the third successive year that the Council has needed to tackle gross expenditure pressures of £20m+. Whilst the Council has in the past regularly dealt with financial challenges in the order of £5m - £10m in an annual planning cycle, the level of sustained increase in demand for high-cost services continues to put a strain on the Council's finances.

Given the nature and extent of the cost pressures faced for 2025/26 and the broad range of budget savings proposals being proposed, Cabinet reached out and purposefully engaged with a wide range of different interest groups and communities within Monmouthshire. The feedback received was considered and addressed in the final budget.

The Council was required to make difficult choices balancing the levels of service delivery, fees and charges, reserve usage, and Council Tax levels. As part of the process the Council approved an annual Council Tax increase of 7.8%, which increased the annual band D charge by £131.56 to £1,818.26 (excluding amounts raised for Police and Community Councils). Cabinet committed to maximising its efforts to ensure that individuals and households eligible for council tax exemptions or reductions claim the benefit available to them.

In respect of the Council's forward capital programme this has been constructed to principally support the Schools modernisation programme, Disabled Facilities Grants, Asset management and Infrastructure. The Council has a good track record of securing external capital grant funding and this will continue through 2025/26 to support wider regeneration within Active travel, town centre regeneration and wider infrastructure improvements. £65.1m is budgeted to be spent in 2025/26, inclusive of budget carried over from 2024/25.

The Medium Term

The Council's financial planning has been shaped by a consistent and disciplined approach in response to a prolonged period of fiscal constraint. Since the 2009 financial crisis, the Council, like many across Wales and the UK, has operated within a challenging financial environment. Over the period from 2010/11 to date, the Council has delivered over £83 million in budget savings. In the last two financial years alone, it has absorbed more than £31 million in cost pressures.

Despite these pressures, the Council has maintained a strong track record in delivering value for money and managing public resources effectively. It has successfully navigated the impacts of austerity, economic recession and the COVID-19 pandemic.

Looking ahead to 2026/27, the financial outlook remains uncertain. Significant changes at both national and local levels are expected to influence the Council's operating environment, including economic conditions, policy shifts, additional responsibilities and changes in demographic trends.

The medium term outlook remains very uncertain at the current time. Budget assumptions have been revised and based on the premise that inflation will remain under control and that public spending by UK Government and the consequential impact on local government in Wales are in line with independent analysis. There are a lot of downside risks that could still play out which could adversely impact further the budget shortfalls modelled over the medium term.

With reserve levels comparatively low and the scope for further efficiencies increasingly constrained, the Council faces a significant financial challenge. Addressing this will require a deliberate and forward-looking response - one that prioritises long-term reform, financial resilience and the transformation of service delivery.

The Council's evolving programme of change, underpinned by strong financial governance, provides the strategic framework through which services will be reshaped to meet resident needs within available resources. This programme is not only a response to financial pressures but also a proactive effort to modernise and improve outcomes.

South East Wales Corporate Joint Committee (SEWCJC)

The Cardiff Capital Region City Deal was originally established as a Joint Committee through a Joint Working Agreement on 1 March 2017. This partnership includes the ten local authorities in South East Wales, including Monmouthshire County Council.

As of 18 March 2024, the City Deal transitioned into a Corporate Joint Committee (CJC). The public-facing name of the body is Cardiff Capital Region (CCR), while its legal designation is the South East Wales Corporate Joint Committee (SEWCJC).

Monmouthshire County Council contributes 6.1% to the £120 million investment programme, based on its share of the regional population. The Council is also responsible for funding its share of the annual costs associated with this investment. The development and oversight of the programme are managed by the CJC Regional Cabinet.

The revenue contribution required during the year was £78,568 (£78,568 in 2023/24). The capital contribution to the project was not required during 2024/25, as was the case in 2023/24, due to reprofiling of the investment pipeline.

The Council has incorporated its proportionate share of income, expenditure, assets, liabilities, reserves, and cash flows related to the SEWCJC within its single-entity financial statements and disclosures. Further details are provided in Note 16.6 of the Accounts.

1.5 The Accounting Statements

The Authority's accounts for the year are set out in sections 5 to 17. They consist of:

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This is different from the statutory amounts required to be charged to the Council Fund Balance for council tax setting. The Net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory Council Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations. This may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories:

- The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).
- The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

Notes to the Accounts

The core financial statements outlined above are supported by notes to further assist the reader in interpreting the Authority's financial position for the year ended 31st March 2025. The notes are sectioned to aid the user of the accounts to navigate the extensive supporting notes.



Peter Davies
Section 151 Officer

30th October 2025

Date

2 STATEMENT OF RESPONSIBILITIES

2.1 The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs, in line with statute this is the Section 151 Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

2.2 The Section 151 Officer's Responsibilities

The Section 151 Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the *CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, the Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Local Authority Code.

The Section 151 Officer has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF STATEMENT OF ACCOUNTS

I certify that the accounts set out within sections 5 to 17 gives a true and fair view of the financial position of the Council as at the 31st March 2025 and its income and expenditure for the year ended 31st March 2025.



Peter Davies
Section 151 Officer

30th October 2025

Date

ANNUAL GOVERNANCE STATEMENT

2024/25

Date of Report Issue

24th June 2025

Report Status

Draft v4

Report Author

Jan Furtek, Acting Chief Internal Auditor



Executive Summary

This Annual Governance Statement confirms that Monmouthshire County Council (the 'Council') has, for the financial year 2024/25, 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 interim amendments being made to the Strategic Leadership Team structure. A permanent restructuring of the Strategic Leadership Team will be completed during the Summer of 2025 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 2024/25 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	Good	↓ (Previously Very Good)	
B. Ensuring openness and comprehensive stakeholder engagement	Very Good	↔	
C. Defining outcomes in terms of sustainable economic, social, environmental and cultural benefits	Very Good	↔	
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	Good	↑ (previously adequate)	
F. Managing risks and performance through robust internal control and strong public financial management	Very Good	↔	
G. Implementing good practices in transparency, reporting, and audit to	Very Good	↔	

Principle	Rating	Movement from Previous Year	Number of Areas for Improvement
deliver effective accountability			
Overall	Very Good		

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 2023/24 Action Plan is shown on page 33.

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. 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 Code sets out what governance arrangements are in place within Monmouthshire CC for each of the Governance Principles.
- 7 The Council had planned to formally review the Code of Corporate Governance during the 2024/25 financial year. The Code was reviewed over the year by the Chief Officer for Law & Governance (Monitoring Officer) and it was determined no changes were required, however, this was not put forward for subsequential approval as Officers were aware of forthcoming updated guidance from CIPFA which was not published until May 2025. The updating of the Code in light of the Delivering Good Governance in Local Government: addendum will be a priority for the 2025/26 year.

Senior Management

- 8 For the majority of the 2024/25 financial year an interim senior management structure for the Council was in place. This was due to the absence of the Chief Executive and also the departure of two Chief Officers. The following occurred.
 - The Chief Executive was absent on medical leave between October 2024 to March 2025. We are pleased to report that he has now fully returned to work.
 - The Deputy Chief Executive / Strategic Director for Resources (S151 Officer) assumed the Chief Executive's responsibilities during the above period.
 - To ensure a segregation of duties, while the Deputy Chief Executive acted up their Section 151 responsibilities were formally delegated to the Head of Finance.
 - The Chief Officer for Communities & Place left the Council in October 2024 to become the Chief Executive at Neath Port Talbot Council. As an interim arrangement their portfolio was managed by an Interim Chief Officer for Infrastructure and an Interim Chief Officer for Place.

- The Chief Officer for Customer, Culture and Wellbeing (MonLife) retired in March 2024. The Deputy Chief Executive assumed line management responsibility for the service area as an interim arrangement.
- 9 Since the Chief Executive returned to work, a review has taken place of the senior leadership structure of the Council. This along with proposed departmental changes will be presented to the County Council in June 2025 and subsequently implemented.
- 10 In July 2024, the County Council agreed to establish a Remuneration Committee with the scope to determine the remuneration for the Council's Senior Leadership Team which consisted of the Chief Executive and 7 Chief Officers. This was prompted as the pay scales for senior officers had not been reviewed since 2009/10 and over the last 15 years, the roles of senior leaders have evolved. Reviewing the pay scale would also ensure that Monmouthshire could attract and retain the best possible candidates for the positions which are key to the effective running of the Council.
- 11 The remuneration committee met 3 times and sought advice from independent sources, the Deputy Monitoring Officer, Torfaen County Borough Council and an experienced public sector HR consultant. Prior to Council approval, the Independent Remuneration Panel for Wales was requested to review and approve the proposed increase in Chief Executive Salary. Panel members noted a comprehensive review of salaries of senior pay (including Chief Executive) was undertaken by the authority. Supported by an independent governance officer and an external consultant, members agreed the process was open, transparent and rigorous. The approach was also holistic, logical and very much evidence based. It was the decision of the Panel to approve the proposal for the revised salary of the post of Chief Executive as submitted.
- 12 In accordance with the Remuneration Committees Terms of Reference they presented a report to the County Council in April 2025 who resolved to approve the recommendations made. This resulted in senior leaders of the Council receiving an increase in pay, in accordance with the median salary range, over a 2-year period, from April 2025. The implementation of this recommendation ensured that the salary structure for senior leaders was comparable with other Councils in the regional area.

The Purpose of the Governance Framework

- 13 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.
- 14 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.
- 15 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 2025 and up to the date of approval of the statement of accounts.

The Governance Framework

- 16 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

- 17 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

- 18 The key elements of the Council's governance arrangements are set out in its Community and Corporate Plan 2022-28. This was approved by Council on the 20th April 2023.
- 19 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. During the 2024/25 financial year, a Councillor from the administration was elected to serve as the Member of Parliament for Monmouthshire and stepped down from the Council in September 2024. The resulting bi-election reduced the number of seats held by the coalition to 22 out of 46.
- 20 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. Monmouthshire is a member of a Gwent-wide Public Service Board, formed following a voluntary agreement between the partners.

Review of Effectiveness

- 21** 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.
- 22** 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

- 23** 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 Audit Committee in April 2024. 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 2024/25 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 SRS 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 objectives in the area audited.*

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

Jan Furtek
Acting Chief Internal Auditor
June 2025

- 24 The [Global Internal Audit Standards](#), the [Application Note: Global Internal Audit Standards in the UK Public Sector](#) and the [Code of Practice for the Governance of Internal Audit in UK Local Government](#) replace the Public Sector Internal Audit Standards with effect from April 2025. The Council will look to ensure compliance with the new standards as soon as possible.

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

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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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	- 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	- 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 4 times during 2024/25. - The Public Service Ombudsman Wales (PSOW) Annual Report (2023/24) was presented to Cabinet in December 2024. This indicated that for 2023/24 there were 15 complaints that the PSOW decided not to investigate and 1 where it did investigate but decided no action was necessary. - The PSOW's annual report for 2024/2025 is due by September of this year and will be considered by the Standards Committee and Cabinet. - No judicial reviews were commenced or dealt with at the pre-action stage in the previous year. - The Governance & Audit Committee met 9 times during 2024/25 and has the responsibility for ensuring that sufficient internal control mechanisms are in place to help identify any potential misconduct within the authority.	Continue to review all HR policies including the Employee Code of Conduct and Whistleblowing Policy. (Principle A)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Complaints procedure - Decision 'Call In' process - Audit Wales Review into MCC Counter-fraud Arrangements Action Plan - Fraud Risk Assessment	- The Remuneration Committee met 3 times with it's recommendations reviewed and approved by both the County Council and the Independent Remuneration Panel for Wales prior to implementation. - Over 2024/25 the Council began a programme to review all HR policies in consultation with the Joint Advisory Group. Ten policies have so far been revised and approved. - Audit Wales completed a review of the Counter Fraud Arrangements which concluded that 'the Council has recently strengthened its counter-fraud arrangements but recognises there are further steps it can take'. A management response has been provided and will be further considered as part of the Fraud Risk Assessment review due in October 2025.	
Demonstrating strong commitment to ethical values	- Council Values — Openness, Fairness, Flexibility, Teamwork, Kindness - Contract procedure rules - Financial procedure rules - Codes of conduct for members and employees - Audit Wales Review into MCC Counter-fraud Arrangements - Whistleblowing Policy - Fraud Risk Assessment	The ethical governance framework includes: - 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 2024/25. - A Scrutiny and Executive Protocol is in place which is aligned to the constitution and provides parameters for effective executive and scrutiny relationships.	- Review the Council's Code of Corporate Governance against new CIPFA guidance and seek approval from SLT and Members. (Principle A) - Review the Corporate Induction process to ensure the key messages are being delivered. (Principle A)

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Respecting the rule of law	- 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 - Internal Audit Annual Report presented to Governance & Audit Committee - External Auditors Annual Audit Letter - Standards Committee - Whistleblowing Policy - Complaints procedure - Decision 'Call In' process - Audit Wales Review into MCC Counter-fraud Arrangements	- The Constitution is updated periodically by the Monitoring Officer; the latest update approved by Council was in April 2025. 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 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 2024/25, or in the previous year, 2023/24. - The Councils has an Anti-Fraud, Corruption & Bribery Policy which was approved by Cabinet in January 2024. A mandatory training course for this area was launched in January 2025 with completion across all service areas being closely monitored. - Audit Wales completed a review of MCC's Counter-fraud Arrangements during 2024/25 with the final report issued in May 2025. It was determined that the Council has recently strengthened its counter-fraud arrangements but recognises there are further steps it can take. The Council will look to implement the 2 recommendations issued.	Deliver the action plan to address the recommendations from the Audit Wales Counter-fraud Arrangements review.

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
Openness	- 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).	- 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 work planner is used to identify decision making reports due to be considered by Council, Cabinet and Individual Cabinet Member decision. This is also used to inform the work programme of scrutiny committees. - The Council's website contains links to 38 open data sets to promote transparency and openness. Following a decision of the First Tier Information Rights Tribunal (EA/2018/0033) the Authority no longer publishes business rates data on its	The use of the Committee Forward Work Planner will be strengthened to ensure decision making reports are included on it at the earliest opportunity to support improved democratic work planning.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	Publication of open data sets on the Council's website	open data web page. It will no longer disclose information about business rate accounts in response to FOI requests. - 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. - The Council's strategic risk register is published.	
Engaging comprehensively with institutional stakeholders	- Gwent Public Service Board Partnership arrangements and structure - Gwent Public Service Board Well-Being Plan - Public Services Scrutiny Committee - Cardiff Capital Region	- 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 is a good alignment between the priorities of the PSB document and our own Community and Corporate Plan. The programme board did not meet during 2024/25. During this	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		time the Gwent PSB was conducting work to determine its priorities and as a result it was determined that there was no need for the Programme Board to meet The Council is a member of the Cardiff Capital Region, a regional body (Corporate Joint Committee) made up of the 10 councils across South East Wales.	
Engaging stakeholders effectively, including individual citizens and service users	- 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 - Lets Talk Monmouthshire - a designed website for customer consultations and engagement. - Completion of National Resident Survey - Support key services, such as the Contact Centre and Community Development, to be aware of current communication messages and to be able to support our residents.	- Social media e.g. X (Twitter), Instagram Facebook, LinkedIn and YouTube, are used to engage local people and communicate the corporate message. During 24/25 in excess of 2.5m reach / interactions was achieved on social media and 698k views were achieved through our Monmouthshire.gov website. - 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. Work continued during 24/25 to ensure the information hosted within the budget proposals consultation was as accessible as it could be and in a much more condensed version when compared to previous year. Face to face engagement sessions in the community enabled conversations to take place to inform the wider consultation process. - The Medium Term Financial Plan supports the vision for Monmouthshire and extensive public engagement continued in 2024/25 for the 2025/26 budget and Medium Term	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		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. ▪ In January 2025 Monmouthshire County Council launched 'Lets Talk Monmouthshire' - a designed platform for consultations and engagement. The focus of this platform is to enable clarity of information for residents and a single place to visit for online consultations right across the organisation, ensuring residents do not miss the opportunity to engage. It also enables a recognisable brand when engaging in face-to-face conversations within our communities. Work continues to grow this platform and encourage residents to register for regular updates, across each and every directorate. ▪ During the Autumn of 2024 the Council conducted the National Resident survey. Hosted by Data Cymru, the survey is designed to support local councils in increasing their understanding of performance and perception. A total of 1,465 responses were received and the results have been analysed to understand what respondents said about their local area, the council and their interactions with the council.	

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

6 Excellent	5 Very Good	4 Good	3 Adequate	2 Weak	1 Unsatisfactory
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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 Improvement	Future
Defining Outcomes	- 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	- 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 2023/24 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 September 2024. The 2024/25 self-assessment is being developed, this has informed and been informed by the Annual Governance Statement. - The annual self-assessment report will be complemented by a panel performance assessment once in an electoral cycle, a requirement of the Local Government & Elections Act 2021. - The Council is planning to undertake this towards the end of 2025/26. The six-month performance report on the Community and Corporate Plan was presented to Performance and Overview Scrutiny Committee and Cabinet in December 2024. - Monmouthshire County Council is a member of the Gwent PSB, where we work with other public services and the		

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		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 and at Outturn. The budget management actions of Cabinet and senior officers are scrutinized regularly by the Performance and Overview Scrutiny Committee. - 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 2023/24 was presented to the Performance and Overview Scrutiny Committee in July 2024. - 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.	
Sustainable economic, social and environmental benefits	- 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.	- The Budget Setting Process and Timetable for 2025/26 was reviewed and approved by Cabinet in October 2024. This provided a framework to underpin the 2025/26 budget and a set of principles were adopted. This report also highlighted an initial budget shortfall of £11.4 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 overspend that had been forecast. - The Draft Capital Budget Proposals 2025/26 were taken to Cabinet in January 2025. Final Proposals went to Cabinet before being approved by Council in March 2025. 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.	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Climate Emergency Strategy and Action Plan - Replacement Local Development Plan process	- 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. A revised Climate and Nature Emergency Strategy was considered by Cabinet in May 2024. - Between September and October 2024 the Council consulted with the public regarding the Local Nature Recovery Action Plan (NRAP) and Green Infrastructure Strategy. - The Council began the process for their Replacement Local Development Plan. A revised Delivery Agreement was agreed by Welsh Government on 25th October 2024 which sets out the amended timetable for plan preparation. - Monmouthshire County Council (MCC) consulted on its Deposit Replacement Local Development Plan, together with the supporting Integrated Sustainability Appraisal Report and Habitats Regulations Assessment between Monday 4th November and Monday 16th December 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 Improvement	Future
Determining interventions	- 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	- 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 corporate complaint / compliment procedure is available on the web site. During 2024/25 there were; - Stage 1 Complaints - 93 - Stage 2 Complaints - 8 - Comments - 359 - Compliments - 277		

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		- 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. - 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. - The Council looks to ensure that detailed and timely responses are made to both Welsh and UK Government consultations. For example, over the 2024/25 year the Council has responded to the COVID public enquiry as coordinated by the WLGA.	
Planning Interventions	- 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 - Quarterly, six monthly & annual Performance Monitoring Reports	- The Council has established robust planning and control cycles covering strategic and operational plans, priorities and targets which is achieved through: - 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. - Self-assessment report agreed by Council and published in September 2024. The report provides an assessment of the Authority's performance during the year ending 31 March	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- 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	2024, in line with requirements outlined in the Local Government and Elections (Wales) Act 2021. A Local Authority Warning Notice was issued to the Chair of Governors at Caldicot School on the 19th April 2024 in accordance with Part 2 of the School Standards and Organisation (Wales) Act 2013 and Welsh Government Statutory Guidance Document (202/2016) Schools Causing Concern. The purpose of the Warning Notice was to secure immediate improvement in the specified aspects of the School. This has been continually reviewed over the course of the year.	
Optimising achievement of intended outcomes	- 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	- 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	- 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. - Thinqi Learning Management System.	- 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 Digital Design and Innovation Service Business Plan. A Digital and Data Strategy was agreed by Cabinet in July 2024 with the aim to outline how the Councils use of digital and data will transform and modernise services, improve efficiency and effectiveness, and support the delivery of the wider Community and Corporate Plan. - Over the course of the 2024/25 year the Council considered and developed proposals to build on existing collaborative arrangements in place for the provision of technology services	- Implement the revised senior management structure for the Council. - Use feedback from the implementation of the TalentLinkLink Recruitment System to identify improvements to enhance the user experience.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	ResourceLink Recruitment System.	through the Shared Resource Service (SRS). In May 2025 Cabinet agreed to being the process for transitioning towards a shared service model for digital and data in collaboration with Torfaen County Borough Council and Blaenau Gwent County Borough, as part of an expanded role for the SRS. - There is continued support for Members' development through briefing sessions and other learning opportunities. - 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 continued during the 2024/25 year and was concluded at a meeting of Full Council in April 2025. - The Thingi Learning Management System was launched during the 2024/25 year with a number of modules deemed as mandatory essential learning. The system continues to be developed with new training being launched. - During 2024/25 the Council implemented a new recruitment management system, TalentLink. This was designed to improve the accessibility and the ease of recruitment into Monmouthshire so that we can attract the best possible candidates for the post.	
Developing the capability of the entity's leadership and other individuals	- Member/Officer Protocol in Constitution - Scheme of Delegation published in Constitution - Scrutiny member development programme	- 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.	Roll out of a new performance appraisal system across the organisation.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- 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	The Councils Annual Appraisal process was reviewed during 2024/25 with pilot training provided to a group of senior leaders. This will be rolled out during the 2025/26 year.	

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.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
Managing Risk	- 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	- The Council's Strategic Risk Management Policy was reviewed, updated and approved by Cabinet in June 2024. 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. - Within the Council the purpose of risk management is to: - preserve and protect the Council's assets, reputation and staff. - aid good management of risk and support whole authority governance. - aid delivery of its population outcomes internally and when working with partners. - improve business performance and anticipated risks in delivering improvements.	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		○ avoid unnecessary liabilities, costs and failures. ○ shape procedures and responsibilities for implementation. ▪ The strategic risk assessment ensures that: ○ 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 the Performance & Overview Scrutiny Committee in December 2024. They 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 November 2024 to fulfil the committee's role of assessing the effectiveness of the authority's risk management arrangements. ▪ The Council's Strategic Risk Assessment for 2024/25 contained 16 risks. Following mitigation there were 7 medium risks and 9 high risks.	
Managing performance	▪ Community & Corporate Plan produced and reviewed annually ▪ Corporate Plan Annual Self-Assessment Report ▪ Service Business Plans produced annually and reviewed quarterly by each service area. ▪ Quarterly, six monthly & annual Performance Monitoring Reports	▪ Audit Wales presented the Councils ISA260 report for 2023/24 to the Governance & Audit Committee in November 2024. ▪ The Councils Self-Assessment report 2023/24 was completed in line with requirements outlined in the Local Government and Elections (Wales) Act 2021 to ensure that members and the public had a clear and transparent assessment of the Council's performance. ▪ The Authority makes numerous annual returns to various external Governing Bodies and Government Agencies, such	

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
	- Director of Social Services Annual report - Chief Officer Children & Young People Annual Report - Scrutiny function - Bi-monthly Directorate and Financial monitoring meetings	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'.	
Robust internal control	- 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 - Audit Wales Review into MCC Counter-fraud Arrangements - Role of Internal Audit Section - Annual Plans approved by Governance & Audit Committee - Annual Reports to Governance & Audit Committee - Annual Governance Statement - Governance Working Group	- 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. - Internal Audit operate to the standards set out in the 'Public Sector Internal Auditing Standards' (PSIAS) which came into effect in April 2013. During 2024/25 the team have begun implementing the Global Internal Audit Standards (GIAS) and the Code of Practice for the Governance of Internal Audit in UK Local Government which replace PSIAS in the UK Public Sector with effect from April 2025. A presentation was made to the Governance & Audit Committee regarding the new standards and their implications in October 2024. - The Internal Audit team's role and status is set out in the Council's Internal Audit Charter which has been updated to reflect the GIAS. This along with an Internal Audit Strategy and Mandate was considered and approved by the Governance & Audit Committee in June 2025. The Chief Internal Auditor reports a summary of audit findings to the Governance & Audit Committee each quarter; he also reports annually an opinion on the overall adequacy and effectiveness of the Council's	Continue to implement the Global Internal Audit Standards and complete a self-assessment of compliance.

Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement																												
		internal control environment through his Internal Audit Annual Report. - The Chief Internal Auditor continues to ensure Internal Audit complies with the PSIAS. A self-assessment was undertaken during 2024/25 to assess compliance with the Standards which was validated as 'generally compliant' in March 2024 by an external assessor. A self-assessment of the GIAS has been completed with a similar outcome and the Chief Internal Auditor is working to implement new requirements brought about by the changing of the requirements. - 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 approved by Cabinet January 2024 and provides a deterrent, promotes detection, identifies a clear pathway for investigation and encourages prevention. Mandatory training was launched to all staff in January 2025. - The overall opinion on the adequacy of the internal control environment for 2024/25 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 2024/25 were; <table border="1"> <thead> <tr> <th>Opinion</th><th>2022-23</th><th>2023-24</th><th>2024-25</th></tr> </thead> <tbody> <tr> <td>Substantial Assurance</td><td>7</td><td>8</td><td>3</td></tr> <tr> <td>Considerable Assurance*</td><td>10</td><td>-</td><td>-</td></tr> <tr> <td>Reasonable Assurance</td><td>4</td><td>18</td><td>21</td></tr> <tr> <td>Limited Assurance</td><td>1</td><td>8</td><td>9</td></tr> <tr> <td>No Assurance</td><td>-</td><td>0</td><td>0</td></tr> <tr> <td>Total</td><td>22</td><td>34</td><td>33</td></tr> </tbody> </table> * The 'Considerable' audit opinion ceased to be used with effect from 01st April 2023.	Opinion	2022-23	2023-24	2024-25	Substantial Assurance	7	8	3	Considerable Assurance*	10	-	-	Reasonable Assurance	4	18	21	Limited Assurance	1	8	9	No Assurance	-	0	0	Total	22	34	33	
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Sub-Principles	What is in place to support this?	Effectiveness	Areas for Future Improvement
		- 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 action will be taken to make the necessary improvements in control. - 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 2024/25 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.	
Managing data	- 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	- 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. - 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
	Annual National and Local performance Indicator data collection process and internal audit arrangements	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	- Financial procedure rules in Constitution - Contract procedure rules in Constitution - Accounting Instructions on Intranet - Spending Restrictions document on Intranet - Audit Wales Review into MCC Counter-fraud Arrangements	- 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 Procurement Act 2023 became applicable from February 2025 and the Councils Contract Procedure Rules were updated accordingly and approved by the County Council in March 2025. Training with regards to the Procurement Act and revised Contract Procedure Rules is available to all staff via Thingi.	

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 Improvement	Future
Implementing good practice in transparency	- Report writing template and guidance - Integrated Impact Assessment including Future Generations evaluation and Equality Impact Assessment, on decision reports	- The Council aims to present understandable and transparent reports for both stakeholders and the public which is supported by:- - 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	- 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	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
	- Audit Wales Review into MCC Counter-fraud Arrangements - Quarterly budget monitoring and Medium Term Finance Plan (MTFP) reports to Cabinet.		
Assurance and effective accountability	- 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 - Enabling strategy framework	- The Council's enabling strategies have been revised to align to the delivery of the Community and Corporate Plan, these include the Digital and Data Strategy, People Strategy, Asset Management Strategy, Medium-term Financial Strategy and Socially Responsible Procurement Strategy as well as linking in with Service Business Plans. - A collective annual performance review of these strategies will be completed, alongside and informing the self-assessment 2024/25, and reported to Performance & Overview Scrutiny Committee in July 2025. - 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 2023/24 was presented to Governance & Audit Committee in November 2024 which identified the number and types of feedback, received and dealt with, from 1 April 2023 until 31 March 2024. - 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 2023/24)

No	Area for Improvement	Current Status
1	Review the Council's Code of Corporate Governance (Principle A)	Partially Implemented The Chief Officer Law & Governance (Monitoring Officer) has reviewed the current Code and has determined that no changes are required from a legal perspective. New CIPFA guidance issued in May 2025 will be incorporated into the review which will be subject to SLT and Member consultation / approval.
2	Review the Corporate Induction process to ensure the key messages are being delivered. (Principle A)	Implemented Corporate Induction has been kept under continual review with the Chief Internal Auditor having a regular slot to talk to new employees. This will be carried forward as a continuous improvement action.
3	Review and update the Employee Code of Conduct and Whistleblowing Policy. (Principle A)	Partially Implemented We are undertaking a review of all HR Policies in consultation with the Joint Advisory Group. Ten policies have so far been revised and approved. This policy is scheduled for January 2026. In the meantime, the Governance and Audit Committee continue to receive the annual whistleblowing report
4	Review the minute taking process to ensure accurate minutes are held of all meetings. (Principle B)	Implemented The minute taking process has been reviewed as part of the audit into democratic services and more detailed minutes are now being taken.
5	To continue to increase the number of datasets published on the council's website. (Principle B)	Implemented 38 open data sets are now published on the Council's website. Further work work is presently a low priority relative to other commitments within the Council's Digital and Data Strategy. This will remain an action for continuous improvement to further improve our transparency.
6	Deliver the action plan to address the recommendations form the Audit Wales Use of Performance Information review. (Principle B)	Implemented The action plan is being implemented and updates provided to Governance and Audit Committee as part of the 'Audit Wales Work Programme: Council Progress Update' report presented on 2 nd June 2025.
7	To ensure that the revised financial strategy is considered by scrutiny and approved by Council. (Principle C)	Implemented The revised Financial Strategy was considered by the Performance and Overview Scrutiny Committee on the 11 th July 2024 prior to approval by the County Council on the 18 th July 2024.
8	A learning management system to be implemented across the organisation to coordinate all training including for schools. (Principle E)	Implemented The Learning Management System was launched authority-wide in September 2024 enabling is to target

		and track essential learning for all colleagues.
9	Roll out of a new performance appraisal system across the organisation. (Principle E)	Partially Implemented A new template has been developed and tested by a cross section of teams. This will improve our ability to link individuals' performance to the priorities of the organisation and improve accountability. Capacity constraints in the people services teams have slowed progress and as a result this is not yet been rolled out across the whole organisation.
10	For Cabinet to approve the Council's updated Strategic Risk Management Policy. (Principle F)	Implemented The updated policy was approved by Cabinet in June 2024 following the involvement of the Governance and Audit Committee.
11	Deliver awareness raising training sessions on the importance of compliance with revised Contract Procedure Rules and Financial Procedure Rules. (Principle F)	Partially Implemented A number of training courses have been launched via the Thingi e-Learning system over the year. • Anti-Fraud, Corruption & Bribery • Contract Procedure Rules • Financial Controls • Thingi has not been in place for a full year at time of publication and the authority has yet to achieve 100% take up of all mandatory courses

Action Plan – 2024/25 Annual Governance Statement

No	Area for Improvement	By Who	By When
1.	Review the Council's Code of Corporate Governance against new CIPFA guidance and seek approval from SLT and Members. (Principle A)	Chief Officer Law & Governance	December 2025
2.	Review the Corporate Induction process to ensure the key messages are being delivered. (Principle A)	Chief Officer People, Performance & Partnerships	December 2025
3.	Deliver the action plan to address the recommendations from the Audit Wales Counter-fraud Arrangements review. (Principle A)	Chief Internal Auditor	October 2025
4.	Continue to review all HR policies including the Employee Code of Conduct and Whistleblowing Policy. (Principle A)	Chief Officer People, Performance & Partnerships	Ongoing
5.	The use of the Committee Forward Work Planner will be strengthened to ensure decision making reports are included on it at the earliest opportunity to support improved democratic work planning. (Principle B)	Chief Officer People, Performance & Partnerships	Ongoing
6.	Implement the revised senior management structure for the Council. (Principle E)	Chief Executive	June 2025

No	Area for Improvement	By Who	By When
7.	Use feedback from the implementation of the TalentLinkLink Recruitment System to identify improvements to enhance the user experience.	Chief Officer People, Performance & Partnerships	September 2025
8.	Roll out of a new performance appraisal system across the organisation. (Principle E)	Chief Officer People, Performance & Partnerships	March 2026
9.	Continue to implement the Global Internal Audit Standards and complete a self-assessment of compliance. (Principle F)	Chief Internal Auditor	March 2026
10.	To further raise awareness of the importance of compliance with revised Contract Procedure Rules and the Procurement Act 2023. (Principle F)	Deputy Chief Executive & Strategic Director - Resources	December 2025

Monitoring & Evaluation

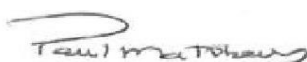
We propose over the coming year to continually review our governance arrangements to ensure they remain effective and appropriate. Steps will be taken, where appropriate, to further enhance our governance arrangements.

Certification by the Leader of the Council and the Chief Executive

Signed: 

Date: 30th October 2025

Councillor Mary Ann Brocklesby, Leader of Monmouthshire County Council

Signed: 

Date: 30th October 2025

Paul Matthews, Chief Executive



The report of the Auditor General for Wales to the members of Monmouthshire County Council

Opinion on financial statements

I have audited the financial statements of Monmouthshire County Council for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

Monmouthshire County Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Monmouthshire County Council as at 31 March 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025.

Basis of opinion

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

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025;
- The information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Monmouthshire County Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- I have not received all the information and explanations I require for my audit;
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set on page 12, the responsible financial officer is responsible for:

- the preparation of the statement of accounts which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error;
- assessing the Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible financial officer anticipates that the services provided by Monmouthshire County Council will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

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

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

My procedures included the following:

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

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

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

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

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

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

Other auditor's responsibilities

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

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Monmouthshire County Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
31 October 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Movement In Reserves Statement for the Year Ended 31st March 2025

		Council Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Joint Arrangement SEWCJC	Total Reserves
	Note	£000	£000	£000	£000	£000		£000
Balance at 1st April 2023		15,361	11,549	12,846	39,755	225,826	5,082	270,664
<i>Movement in reserves during 2023/24</i>								
Total Comprehensive Income and Expenditure		22,203	0	0	22,203	58,801	1,259	82,263
Adjustments between accounting basis & funding basis under regulations	10.2	(30,270)		(2,626)	(32,896)	32,896		1
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(8,067)	0	(2,626)	(10,693)	91,697	1,259	82,263
Transfers to/(from) Earmarked Reserves	10.4	2,190	(2,190)		0			0
Prior period restatement: SEWCJC							29	29
Increase/(Decrease) in 2023/24		(5,877)	(2,190)	(2,626)	(10,693)	91,697	1,288	82,292
Balance at 31st March 2024 carried forward		9,483	9,358	10,221	29,063	317,523	6,370	352,955
<i>Movement in reserves during 2024/25</i>								
Total Comprehensive Income and Expenditure		8,208	0	0	8,208	(35,115)	1,632	(25,274)
Adjustments between accounting basis & funding basis under regulations	10.2	(10,817)		(4,010)	(14,827)	14,826		-0
Net Increase/(Decrease) before Transfers to Earmarked Reserves		(2,609)	0	(4,010)	(6,619)	(20,288)	1,632	(25,274)
Transfers to/(from) Earmarked Reserves	10.4	(81)	81		0			0
Increase/(Decrease) in 2024/25		(2,690)	81	(4,010)	(6,619)	(20,288)	1,632	(25,274)
Balance at 31st March 2025 carried forward		6,794	9,439	6,210	22,444	297,236	8,003	327,682

Comprehensive Income & Expenditure Statement for the Year Ended 31st March 2025							
2023/24					2024/25		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
91,350	(19,835)	71,514	Learning, Skills & Economy		100,334	(36,391)	63,943
95,384	(26,333)	69,052	Social Care & Health		97,991	(26,275)	71,716
74,778	(38,273)	36,506	Infrastructure & Place		69,755	(31,370)	38,386
19,742	(9,496)	10,246	Customer, Culture & Wellbeing		17,294	(10,307)	6,987
5,513	(2,287)	3,226	People, Performance & Partnerships		4,729	(1,077)	3,652
2,930	(197)	2,733	Law & Governance		3,401	(698)	2,704
42,285	(23,673)	18,611	Resources		42,988	(22,619)	20,369
3,514	(597)	2,916	Corporate		3,303	(2,969)	334
2,474	(202)	2,272	SEWCJC		1,630	(404)	1,227
337,969	(120,892)	217,077	Cost of Services	11.1	341,425	(132,108)	209,317
			Other operating expenditure:				
			<i>Precepts & Levies:</i>				
15,505	0	15,505	Gwent Police Authority		16,940	0	16,940
5,472	0	5,472	South Wales Fire & Rescue Authority		5,839	(84)	5,755
3,381	0	3,381	Community and Town Councils		3,608	0	3,608
116	(1)	115	National Parks		116	0	116
105	0	105	Internal Drainage Boards		109	0	109
2,341	(2,227)	114	Gains/losses on the disposal of non-current assets		781	(157)	624
0	0	0	SEWCJC: Gains/losses on the disposal of non-current assets		62	0	62
		24,691	Total Other operating expenditure				27,214
17,185	(22,263)	(5,078)	Financing and investment income and expenditure	11.3	19,390	(11,513)	7,877
0	(267)	(267)	SEWCJC: Interest & Investment income and expenditure		23	(372)	(348)
109	0	109	SEWCJC: Change in Fair Value of Investment Properties		84	0	84
			<i>Taxation & non-specific grant income:</i>				
442	(93,883)	(93,440)	Council Tax	11.5	835	(103,100)	(102,265)
0	(31,224)	(31,224)	Non-domestic rates redistribution	11.5	0	(34,871)	(34,871)
0	(131,956)	(131,956)	General government grants	11.6	0	(114,192)	(114,192)
12	(3,262)	(3,250)	SEWCJC: Taxation & non-specific grant income		22	(3,688)	(3,666)
		(23,338)	(Surplus) or Deficit on Provision of Services				(10,850)
			Other Comprehensive Income and Expenditure:				
		(7,468)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets	12.1			(21,223)
		(124)	SEWCJC: (Surplus) or deficit on revaluation of Property, Plant and Equipment assets				0
		0	SEWCJC: (Surplus) or Deficit on Revaluation of Financial Instrument Assets				1,010
		(72)	(Surplus) or deficit from investments in equity instruments designated at fair value through other comprehensive income				(1)
		(51,261)	(Gains)/losses on remeasurement of pension assets / liabilities	14.3			56,338
		(58,925)	Total Other Comprehensive Income and Expenditure				36,124
		(82,263)	Total Comprehensive Income and Expenditure				25,274

Balance Sheet as at 31st March 2025			
31st March 2024 £000s		Note	31st March 2025 £000s
294,266	Other land and buildings	12.1	317,082
11,121	Vehicles, plant, furniture and equipment	12.1	9,125
90,028	Infrastructure	12.1	94,799
4,548	Community assets	12.1	4,547
38,217	Assets under construction	12.1	57,479
10	Surplus assets not held for sale	12.1	10
0	Right of Use Assets	12.1	1,749
9,682	Heritage Assets	12.7	9,696
79,915	Investment Property	12.5	77,192
8	Intangible Assets		4
2,739	Long-Term Investments	13.1	3,239
2,876	Long Term Debtors	13.5	2,790
0	SEWCJC: Deferred Tax asset		152
0	SEWCJC: Defined Benefit Pension Scheme Asset		160
533,409	Long term assets		578,024
6,693	Short Term Investments	13.1	10,925
504	Inventories		474
42,578	Short Term Debtors	13.5	52,093
9,130	Cash and Cash Equivalents	15.3	9,481
1,250	Assets Held for Sale	12.6	1,250
131	CCRCDC: Deferred Tax asset		0
60,287	Current Assets		74,223
(1,723)	Cash and Cash Equivalents	15.3	(2,153)
(51,678)	Short Term Borrowing	13.1	(65,814)
(43,236)	Short Term Creditors	13.6	(45,269)
(466)	Provisions	13.7	(342)
(97,103)	Current Liabilities		(113,579)
(5,980)	Liability related to defined benefit pension scheme	10.9	(58,085)
(2,191)	Provisions	13.7	(1,438)
(124,208)	Long Term Borrowing	13.1	(139,311)
(2,249)	SEWCJC: Long Term Creditors		(1,898)
(2,273)	Other Long Term Liabilities	13.1	(3,081)
(5,388)	Capital Grants Receipts in Advance	11.6	(5,711)
(1,350)	Revenue Grants Receipts in Advance		(1,302)
0	SEWCJC: Long-Term Pensions Liabilities		(160)
(143,638)	Long Term Liabilities		(210,985)
352,954	Net Assets		327,682
9,483	Council Fund Balance	10.3	6,794
9,359	Earmarked Reserves	10.4	9,440
10,220	Capital Receipts Reserve	10.6	6,210
1,580	SEWCJC: Other usable Reserves		1,292
30,641	Usable Reserves		23,735
81,737	Revaluation Reserve	10.7	100,360
(5,980)	Pensions Reserve	10.9	(58,085)
248,207	Capital Adjustment Account	10.8	263,320
2,443	Deferred Capital Receipts Reserve	10.11	2,336
(449)	Financial Instrument Adjustment Account		(401)
(347)	Financial Instrument Revaluation Reserve		(347)
(3,562)	Accumulating Absence Adjustment Account	10.10	(3,592)
265	SEWCJC: Other unusable Reserves		355
322,313	Unusable Reserves		303,947
352,954	Total Reserves		327,682

Cash Flow Statement for the Year Ended 31st March 2025			
31st March 2024 £000		Note	31st March 2025 £000
(23,358)	Net (surplus) or deficit on the provision of services	15.1	(10,850)
(29,400)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	15.1	(8,643)
44,727	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	15.1	29,669
(8,031)	Net cash flows from Operating Activities	15.1	10,176
51,423	Purchase of property, plant and equipment, investment property and intangible assets		45,555
0	Purchase of short-term and long-term investments		4,650
1,720	Other payments for investing activities		1,765
(4,010)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets		(264)
(10,812)	Proceeds from short-term and long-term investments		(4,758)
(37,460)	Other receipts from investing activities		(27,828)
861	Net Cash (Inflow)/Outflow from Investing Activities		19,120
	Financing Activities		
30,389	Repayments of short and long-term borrowing		3,998
35	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts		35
(6,051)	Cash receipts of short and long-term borrowing		(32,622)
(488)	Other receipts from financing activities		(626)
23,885	Net Cash (Inflow)/Outflow from Financing Activities		(29,216)
16,716	Net (increase) / decrease in cash and cash equivalents		80
24,123	Cash and cash equivalents at the beginning of the reporting period		7,407
7,407	Cash and cash equivalents at the end of the reporting period	15.3	7,327

**Notes to the Accounts
for the Year Ended
31st March 2025**

10 MOVEMENT IN RESERVES STATEMENT NOTES

10.1 Movement in Reserves

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves. A summary of the movement in reserves during the financial year is illustrated below. More detailed information to support the Movement in Reserves Statement follows this note.

	Note	Balance at 1st April 2023 £000	Movement in Reserve £000	Balance at 31st March 2024 £000	Movement in Reserve £000	Balance at 31st March 2025 £000
Usable Reserves:						
Council Fund balance: Authority	10.3	11,105	(717)	10,388	498	10,885
Council Fund balance: LMS School Balances	10.5	4,256	(5,161)	(905)	(3,187)	(4,092)
Earmarked reserves	10.4	11,549	(2,190)	9,359	81	9,440
Capital Receipts Reserve	10.6	12,846	(2,626)	10,220	(4,010)	6,210
Usable Reserves: CCRCD		1,402	177	1,579	(287)	1,292
Total Usable Reserves		41,158	(10,516)	30,641	(6,906)	23,735
Unusable Reserves:						
Revaluation Reserve	10.7	77,372	4,365	81,737	18,623	100,360
Capital Adjustment Account	10.8	210,354	37,853	248,207	15,113	263,320
Financial Instruments Adjustment Account		(472)	23	(449)	48	(401)
Pension Reserve	10.9	(56,576)	50,596	(5,980)	(52,105)	(58,085)
Deferred Capital Receipts Reserve	10.11	3,409	(966)	2,443	(107)	2,336
Financial Instrument Revaluation Reserve		(419)	72	(347)	1	(346)
Accumulated Absences Adjustment Account	10.10	(4,354)	792	(3,562)	(30)	(3,592)
Unusable Reserves: CCRCD	16.6	192	73	265	90	355
Total Unusable Reserves		229,506	92,808	322,314	(18,368)	303,947
Total Authority Reserves		270,664	82,293	352,954	(25,273)	327,682

10.2 Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note summarises the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. A more detailed overview is provided in the individual notes that follows for each reserve:

Movements in 2024/25:	Council Fund Balance £000	Usable Reserves £000	Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:			
Charges for depreciation and impairment of Property, Plant and Equipment assets	19,720	-	(19,720)
Charges for impairment of Heritage Assets	134	-	(134)
Revaluation movements on Property Plant and Equipment (charged to SDPS)	(4,383)	-	4,383
Revaluation movements on Assets Held for Sale (charged to SDPS)	0	-	0
Movements in the market value of Investment Properties	3,703	-	(3,703)
Amortisation and impairment of intangible assets	212	-	(212)

Capital grants and contributions applied	(23,043)	-	23,043
Revenue expenditure funded from capital under statute	4,285	-	(4,285)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	778	-	(778)
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Statutory provision for the financing of capital investment (MRP)	(7,530)	-	7,530
Capital expenditure charged against the Council Fund	(282)	-	282
Adjustments involving the Capital Receipts Reserve:			
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(157)	264	(107)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(4,274)	4,274
Adjustments involving the Financial Instruments Adjustment Account:			
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(48)	-	48
Adjustments involving the Pensions Reserve:			
Reversal of items relating to retirement benefits debited or credited to the CIES	15,508	-	(15,508)
Employer's pensions contributions and direct payments to pensioners payable in the year	(19,741)	-	19,741
Adjustment involving the Accumulated Absences Account:			
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	27	-	(27)
Adjustment between the Capital Adjustment Account and the Revaluation Reserve:			
Depreciation of non-current asset revaluation gains	0	-	0
Total adjustments between accounting basis & funding basis under regulations	(10,817)	(4,010)	14,827

Movements in 2023/24:	Council Fund Balance £000	Usable Reserves £000	Unusable Reserves £000
Adjustments primarily involving the Capital Adjustment Account:			
<i>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</i>			
Charges for depreciation and impairment of Property, Plant and Equipment assets	20,812	-	(20,812)
Charges for impairment of Heritage Assets	121	-	(121)
Revaluation movements on Property Plant and Equipment (charged to SDPS)	264	-	(264)
Revaluation movements on Assets Held for Sale (charged to SDPS)	522	-	(522)
Movements in the market value of Investment Properties	(10,214)	-	10,214
Amortisation and impairment of intangible assets	183	-	(183)
Capital grants and contributions applied	(40,505)	-	40,505
Revenue expenditure funded from capital under statute	4,929	-	(4,929)
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	2,366	-	(2,366)
<i>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</i>			

Statutory provision for the financing of capital investment (MRP)	(5,985)	-	5,985
Capital expenditure charged against the Council Fund	(363)	-	363
Adjustments involving the Capital Receipts Reserve:			
Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	(2,253)	4,010	(1,758)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	(6,636)	6,636
Adjustments involving the Financial Instruments Adjustment Account:			
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	(22)	-	22
Adjustments involving the Pensions Reserve:			
Reversal of items relating to retirement benefits debited or credited to the CIES	19,636	-	(19,636)
Employer's pensions contributions and direct payments to pensioners payable in the year	(18,971)	-	18,971
Adjustment involving the Accumulated Absences Account:			
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(790)	-	790
Adjustment between the Capital Adjustment Account and the Revaluation Reserve:			
Depreciation of non-current asset revaluation gains	-	-	-
Total adjustments between accounting basis & funding basis under regulations	(30,270)	(2,626)	32,895

10.3 Usable Reserves available for Revenue Purposes

The in-year movements in the Authority's usable Reserves that are available to be applied for revenue purposes are summarised below:

Each of the Authority's Schools is directly governed by a Board of Governors, which is responsible for managing the school's finances. The balance on the Council Fund includes a deficit of £905,000 in respect of underspent (or overspent) budgets which have been delegated to schools. These balances are at the disposal of the respective schools and represent an earmarked reserve which is not available for the Authority to use generally.

	At 1st April 2023 £000	In Year Movement £000	At 31st March 2024 £000	In Year Movement £000	At 31st March 2025 £000
Amount of Council Fund Balance held by Schools under Local Management Schemes	4,256	(5,161)	(905)	(3,187)	(4,092)
Amount of Council Fund Balance generally available for new expenditure	11,105	(717)	10,388	498	10,885
Total Council Fund Balance	15,360	(5,878)	9,483	(2,689)	6,794
Earmarked Revenue Reserves	11,549	(2,190)	9,359	81	9,440
Total Usable Reserves available for Revenue Purposes	26,909	(8,067)	18,842	(2,608)	16,234

10.4 Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the Council Fund into earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet Council Fund expenditure.

Earmarked reserves have been set up where there has been a need to set aside resources for a specific future purpose. The purpose of each earmarked reserve is detailed below. Utilisation of these reserves is under the control of the Cabinet.

The transfers to and from Earmarked Reserves in 2024/25 can be summarised as follows:

	At 1st April 2023	Transfer to Reserves	Transfer from Reserves	At 31st March 2024	Transfer to Reserves	Transfer from Reserves	At 31st March 2025
	£000	£000	£000	£000	£000	£000	£000
Invest to Redesign	1,427	1,236	(1,427)	1,236			1,236
Priority Investment	1,905	27	(1,500)	432		(27)	405
Insurance and risk management	925			925			925
IT Transformation	746		(389)	357	664	(214)	807
Treasury equalisation	590	1,007		1,597		(1,007)	590
Capital Investment	625			625		(375)	250
Redundancy and Pensions	769			769		(88)	681
Pay Inflation Reserve	1,316		(1,316)	(0)	130		130
Council Tax Premium Reserve	0			0	1,062	(253)	809
Programme of Change Reserve	0			0	350		350
Capital Receipt Generation	314			314			314
Service and partnership Reserves:							
Elections	125	35		160	100		260
Museums acquisition	36			36			36
Solar Farm Maintenance & Community Fund	158	23		181	23		204
Castlegate Business Park	125		(40)	85			85
Newport Leisure Park	177		(177)	0			0
Sustainability - PV Invertor Replacement Reserve	65		(25)	40		(28)	12
Ukrainian Support Reserve	1,341	131		1,472		(400)	1,072
Local Resilience Forum	129		(13)	116	1		117
Grass Routes Buses	171	5		176	5		181
Schools sickness & maternity cover	298	49		346		(22)	324
Youth Offending Team	150			150			150
Building Control	(2)		(9)	(11)			(11)
Rural Development Plan	19		(4)	15		(15)	0
Highways Plant & Equipment Replacement	141	65	(103)	103	100		203
Energy Efficiency Development Reserve	0	236		236	74		310
Total	11,549	2,813	(5,003)	9,359	2,509	(2,428)	9,440

Invest to Redesign Reserve - To fund service redesign to either improve the service, generate income or reduce costs.

Priority Investment Reserve - To fund additional one off investment in the Authority's agreed priorities.

Insurance and Risk Management Reserve - To meet excesses and administration costs on claims against the Council, to provide cover on self insured risks and contribute to risk management activities.

I.T. Transformation Reserve - To invest in information technology in support of the organisations outcomes and generation of improved service efficiency, income generation or cost savings.

Treasury Equalisation Reserve - Originally created from loan rescheduling discounts and premia, the reserve is held to manage the longer term approach to treasury decisions.

Capital Investment Reserve - To finance future capital expenditure.

Redundancy and Pensions Reserve - To meet redundancy costs and commuted payments for early retirements over a maximum of 5 years.

Pay Inflation Reserve - To mitigate against the volatility and budgetary risk of future pay settlements.

Capital Receipt Generation Reserve - Securing capital receipts is a vital element of the Authority's capital investment strategy. Improving the final disposal value by investment, either in the fabric of the asset or by proper disposal expertise ensures the Council obtains the best possible value for surplus assets.

Ukrainian Support Reserve - Created from unspent Welsh and UK Government funding to cover future costs related to housing and supporting Ukrainian refugees.

Council Tax Premium Reserve – This reserve holds funds generated through council tax premiums on long-term empty properties and second homes. The funds are earmarked for strategic investment within the County to address housing challenges. Key objectives include:

- Bringing long-term empty properties back into use – Encouraging owners to sell or rent these properties to increase the availability of housing.
- Supporting the supply of affordable housing – Discouraging underuse of housing stock to make more homes accessible to local residents.
- Enhancing the sustainability of local communities – Reducing the number of empty or intermittently occupied homes to help maintain vibrant, year-round communities, particularly in areas with high concentrations of second homes.

Programme of Change Reserve - This reserve is designated to provide targeted, upfront support for the Council's change initiatives. It underpins efforts to develop and implement financially sustainable service delivery models that align with the strategic priorities outlined in the Community and Corporate Plan.

Service Reserves - Held for a specific service purpose and maintained to support and develop service delivery, mitigate specific service risk, or support collaborative arrangements.

10.5 School Balances

The balance on the Council Fund includes (£3,186,636) in respect of underspent (or overspent) budgets which have been delegated to schools. These balances are at the disposal of the respective schools and represent an earmarked reserve which is not available for the Authority to use generally. Details of the movements of these reserves are shown below:

	At 1st April 2023	In Year Movement	At 31st March 2024	In Year Movement	At 31st March 2025
	£	£	£	£	£
Comprehensives					
Caldicot	227,499	(579,936)	(352,437)	85,181	(267,256)
Chepstow	(352,451)	(500,587)	(853,038)	(277,952)	(1,130,990)
King Henry VIII*	785,180	(785,180)	0	0	0
Monmouth	599,192	(369,535)	229,657	(197,735)	31,922
Sub Total Comprehensives	1,259,420	(2,235,237)	(975,817)	(390,507)	(1,366,324)
Middle					
King Henry VIII 3-19	0	(329,197)	(329,197)	(1,056,972)	(1,386,169)
Sub Total Middle	0	(329,197)	(329,197)	(1,056,972)	(1,386,169)
Primaries					
Archbishop R Williams	31,060	(4,239)	26,821	55,323	82,144
Cantref	196,350	(85,933)	110,417	(8,922)	101,495
Castle Park	105,297	(30,251)	75,046	(56,304)	18,742
Cross Ash	101,453	(42,986)	58,467	(43,790)	14,677
Deri View*	26,326	(26,326)	0	0	0

Dewstow	275,059	(217,499)	57,560	(51,255)	6,305
Durand	55,199	3,506	58,705	34,692	93,397
Gilwern	151,764	(174,688)	(22,924)	7,206	(15,718)
Goytre Fawr	72,125	(64,781)	7,344	36,302	43,646
Kymin View	88,378	(11,511)	76,867	(140,353)	(63,486)
Llandogo	(5,941)	23,596	17,655	(10,243)	7,412
Llanfoist	171,434	(45,949)	125,485	(37,865)	87,620
Llantilio Pertholey	72,714	(11,966)	60,748	14,015	74,763
Llanvihangel Crucorney	119,219	(22,353)	96,866	(13,258)	83,608
Magor Vol Aided	215,776	(54,257)	161,519	44,605	206,124
New Pembroke Primary	203,307	(32,231)	171,076	96,968	268,044
Osbaston Church in Wales	12,750	(86,238)	(73,488)	9,680	(63,808)
Our Lady's & St Michael's Catholic Primary	(17,078)	(4,177)	(21,255)	(32,634)	(53,889)
Overmonnow	7,662	(132,066)	(124,404)	(130,825)	(255,229)
Raglan	195,485	(20,104)	175,381	(14,092)	161,289
Rogiet	21,439	(86,860)	(65,421)	(103,791)	(169,212)
Shirenewton	185,338	(55,395)	129,943	974	130,917
St Mary's (Chepstow)	95,024	(25,021)	70,003	360	70,363
The Dell	(23,912)	(57,082)	(80,994)	(77,188)	(158,182)
Thornwell	4,257	(99,447)	(95,190)	(73,593)	(168,783)
Trellech	157,692	(57,639)	100,053	(7,524)	92,529
Undy	167,025	(25,516)	141,509	703	142,212
Usk CV	268,295	(176,876)	91,419	(72,307)	19,112
Ysgol Gymraeg Y Fenni	20,789	(191,254)	(170,465)	(115,614)	(286,079)
Ysgol Gymraeg Ffin	52,678	(69,341)	(16,663)	(58,553)	(75,216)
Ysgol Gymraeg y Trefynwy	0	0	0	(88,855)	(88,855)
Sub Total Primaries	3,026,964	(1,884,884)	1,142,080	(836,139)	305,941
Other					
Pupil Referral Unit	(30,707)	(711,453)	(742,160)	(903,018)	(1,645,178)
Sub Total Other	(30,707)	(711,453)	(742,160)	(903,018)	(1,645,178)
Total	4,255,677	(5,160,771)	(905,094)	(3,186,636)	(4,091,730)

* King Henry VIII and Deri View closed on 31/08/23; the King Henry VIII 3-19 School is operating from these sites with effect from 01/09/23 until Easter 2025, whilst the new build is being completed, and is utilising the previous school budgets.

10.6 Capital Receipts Reserve

Amounts in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the usable Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's borrowing requirement. Receipts are appropriated to the reserve from the Council Fund via the Statement in Movements Statement.

2023/24 £000		2024/25 £000
12,846	Balance as at 1st April	10,220
2,983	Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	157
1,027	Transfer from Deferred Capital Receipts Reserve upon receipt of cash	107
(6,636)	Less: use of the Capital Receipts Reserve to finance new capital expenditure	(4,274)
10,220	Balance as at 31st March	6,210

10.7 Revaluation Reserve

The Revaluation Reserve contains the net gains made by the Authority arising from increases in the value of its Property, Plant and Equipment, Heritage Assets and Intangible Assets. The balance is reduced when assets are:

Revalued downwards or impaired;

Used in the provision of services and the gains are consumed through depreciation; or

Disposed of and the gains are realised.

The Reserve contains gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2023/24 £000		2024/25 £000
77,372	Balance at 1 April	81,737
9,725	Upward revaluation of assets	23,352
(2,257)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(2,129)
(3,103)	Difference between fair value depreciation and historical cost depreciation	(2,599)
0	Accumulated gains on assets sold or scrapped	0
81,737	Balance at 31 March	100,360

10.8 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Authority. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

This note provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2023/24 £000		2024/25 £000
210,354	Balance at 1 April	248,207
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(20,812)	Charges for depreciation and impairment of property, plant and equipment assets	(19,720)
(121)	Impairment of Heritage assets	(134)
(264)	Revaluation movements on Property, Plant and Equipment	4,383
(522)	Revaluation movements on Assets Held for Sale	0
(183)	Amortisation & impairment of intangible assets	(212)
(4,929)	Revenue expenditure funded from capital under statute	(4,285)
(2,366)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(778)
(792)	Transfer of sale proceeds credited as part of the gain/loss on disposal to the CIES	0
3,103	Adjusting amounts written out of the Revaluation Reserve	2,599
1,036	SEWCJC Adjustment	1,834
6,636	Use of the Capital Receipts Reserve to finance new capital expenditure	4,274

40,505	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	23,043
5,984	Statutory provision for the financing of capital investment charged against the Council Fund	7,530
363	Capital expenditure charged against the Council Fund	282
10,214	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(3,703)
248,207	Balance at 31 March	263,320

10.9 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24 £000		2024/25 £000
(56,576)	Balance at 1 April	(5,980)
51,261	Remeasurement gains or (losses) on pension assets and liabilities	(56,338)
(19,636)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(15,508)
18,971	Employer's pensions contributions and direct payments to pensioners payable in the year	19,741
(5,980)	Balance at 31 March	(58,085)

10.10 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year, for example, annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from the Account. Further information on the calculations of benefits can be found in note 17.8 to the accounts.

2023/24 £000		2024/25 £000
(4,354)	Balance at 1 April	(3,562)
4,354	Settlement or cancellation of accrual made at the end of the preceding year	3,562
(3,562)	Amounts accrued at the end of the current year	(3,589)
(2)	Share of SEWCJC	(3)
(3,562)	Balance at 31 March	(3,592)

10.11 Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which full cash settlement has yet to take place. Under statutory arrangements, the authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

The balance at the 31st March 2025 is made up of £2.336m relating to the Old Abergavenny cattle market site disposed of under a finance lease.

2023/24 £000		2024/25 £000
3,409	Balance at 1 April	2,443
(1,027)	Transfer to the Capital Receipts Reserve upon receipt of cash	(107)

61	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
2,443	Balance at 31 March	2,336

11 COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT NOTES

11.1 Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2023/24				2024/25		
Net Expenditure Chargeable to the general fund £000	Adjustments between the Funding & Accounting Basis £000	Net Expenditure in the CIES £000		Net Expenditure Chargeable to the general fund £000	Adjustments between the Funding & Accounting Basis £000	Net Expenditure in the CIES £000
62,736	8,779	71,514	Learning, Skills & Economy	65,120	(1,177)	63,943
67,020	2,031	69,052	Social Care & Health	71,561	155	71,716
25,965	10,540	36,505	Infrastructure & Place	25,655	12,731	38,386
8,067	2,179	10,246	Customer, Culture & Wellbeing	7,454	(467)	6,987
2,865	361	3,226	People, Performance & Partnerships	3,347	305	3,652
2,775	(43)	2,733	Law & Governance	2,843	(140)	2,704
8,120	10,491	18,611	Resources	8,610	11,758	20,369
27,136	(24,219)	2,916	Corporate	26,272	(25,938)	334
0	2,272	2,272	SEWCJC	0	1,227	1,227
204,683	12,392	217,076	Cost of Services	210,863	(1,546)	209,317
(203,967)	(36,446)	(240,414)	Other Income & Expenditure	(211,360)	(8,806)	(220,166)
716	(24,054)	(23,338)	Surplus or Deficit	(497)	(10,352)	(10,850)
(11,104)			Opening General Fund Balance	(10,388)		
716			Surplus or Deficit on General Fund	(497)		
(10,388)			Closing General Fund Balance	(10,885)		

Adjustments from the General Fund to arrive at the CIES Amounts:

2023/24					2024/25			
Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other differences £000	Total Adjustments £000		Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other differences £000	Total Adjustments £000
9,497	(790)	72	8,779	Learning, Skills & Economy	2,717	(1,311)	(2,583)	(1,177)
2,750	(560)	(159)	2,031	Social Care & Health	2,324	(1,183)	(986)	155
8,914	(558)	2,185	10,540	Infrastructure & Place	10,748	(1,092)	3,075	12,731
2,877	(220)	(477)	2,179	Customer, Culture & Wellbeing	503	(475)	(495)	(467)
216	(64)	210	361	People, Performance & Partnerships	277	(134)	162	305
84	(40)	(86)	(43)	Law & Governance	0	(93)	(47)	(140)
2,493	(102)	8,100	10,492	Resources	3,373	(281)	8,666	11,758
0	359	(24,579)	(24,219)	Corporate	438	152	(26,528)	(25,938)

0	0	2,272	2,272	SEWCJC	0	0	1,227	1,227
26,830	(1,976)	(12,462)	12,393	Cost of Services	20,380	(4,417)	(17,509)	(1,546)
(34,440)	7,208	17,228	(10,003)	Other Income & Expenditure	(30,121)	184	24,898	(5,039)
(7,609)	5,232	4,767	2,389	Adjustments between the Funding & Accounting Basis	(9,740)	(4,233)	7,388	(6,585)

11.2 Expenditure & Income analysed by nature

The authority's expenditure and income is analysed as follows:

2023/24 £000		2024/25 £000
153,181	Employee benefits expenses	156,386
159,475	Other services expenses	166,386
34,079	Depreciation, amortisation and impairment	30,186
24,578	Precepts & levies	26,611
6,395	Interest payments	7,066
2,334	Gain/loss on disposal of non-current assets	778
2,596	SEWCJC Adjustment	1,822
382,638	Total Expenditure	389,235
(66,292)	Fees, charges & other service income	(72,472)
(14,125)	Interest and investment income	(3,685)
(125,107)	Income from council tax & NNDR	(137,971)
(194,500)	External grants and contributions	(181,336)
(2,220)	Gain/loss on disposal of non-current assets	(157)
(3,731)	SEWCJC Adjustment	(4,463)
(405,975)	Total Income	(400,085)
(23,338)	Surplus or Deficit on the Provision of Services	(10,850)

11.3 Financing and Investment Income and Expenditure

A summary level breakdown of Financing and Investment Income and Expenditure reported on the face of the Comprehensive Income and Expenditure Statement for the year is shown below. Further information is contained within the respective notes to the accounts.

31st March 2024				Note	31st March 2025		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000			Gross Expenditure £000	Gross Income £000	Net Expenditure £000
6,395	0	6,395	Interest payable and similar charges	13.2	7,066	0	7,066
2,641	0	2,641	Pensions interest cost and expected return on pensions assets	14.3	184	0	184
0	(1,762)	(1,762)	Interest receivable and similar income	13.2	0	(1,313)	(1,313)
0	(267)	(267)	Interest receivable and similar income: SEWCJC share		0	0	0
5,724	(18,123)	(12,399)	Income and expenditure in relation to investment properties and changes in their fair value		9,323	(7,680)	1,643
2,535	(2,328)	207	(Surpluses)/deficits on trading undertakings not included in the Net Cost of Services		2,817	(2,513)	304
0	(50)	(50)	Other investment income		0	(7)	(7)

17,295	(22,531)	(5,236)	Total Financing and Investment Income and Expenditure		19,390	(11,513)	7,877
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11.4 Agency Income & expenditure

There have been a number of grants and financial support made available by Welsh & UK Government to support businesses in the retail, leisure and hospitality sectors and to fund the additional services required to support people displaced by the war in Ukraine. Local Authorities have been requested to administer these grants on behalf of Welsh & UK Government because they have the local knowledge and ability to put in place systems quickly to make payments.

A payment was also made to Cardiff City Council to facilitate a CCRCD transaction which was matched by a corresponding receipt for the same amount. As this transaction was made on behalf of Cardiff City Council and does not relate directly to Monmouthshire's provision of service it has been treated as Agency income & expenditure.

The Council acted as an agent in the provision of the following funding streams:

Amount Received 2023/24 (£000's)	Scheme	Purpose	Amount Received 2024/25 (£000's)
4	Ukraine £200	Each Ukrainian person arriving in the UK is eligible for a £200 cash payment to support them with essentials before universal credit is awarded.	5
104	Ukraine £350 Host Payments	£350 payment by UK Government for guests that have been in the country for less than a year	50
44	Ukraine £150 Host Top-up Payments	£150 top up payment by Welsh Government for guests that have been in the country for less than a year	21
240	Ukraine £500 Host Payments	£500 payment by UK Government for guests that have been in the country for more than a year	271
13	Ukraine £100 Host Top Up Payments	£100 top up payment by Monmouthshire County Council	18
3,164	Cardiff City Council	Payment on behalf of Cardiff City Council to facilitate CCRCD transaction	557
4,068	Gwent Police Collaborative Arrangement	The Council acts as an agent on behalf of Gwent Police where their property maintenance service is managed by Monmouthshire County Council. Payments are made on behalf of Gwent Police with full reimbursement made during the year.	3,942
48,286	Bus Services Support Grants	Monmouthshire County Council are the regional lead on the Bus services support grant and Bus Network grant, acting as the agent on behalf of Welsh Government.	30,235
3,269	NDR Rate Relief Scheme	Monmouthshire County Council provided rate relief to eligible business under the Welsh Government's Retail, Leisure and Hospitality Rates Relief Scheme	1,833
59,192	Total		36,932

These transactions are not included the figures reported in the primary statements or as part of the other disclosure notes to these accounts.

11.5 Council Tax & National Non-Domestic Rates

Council Tax

Council tax derives from charges raised according to the value of residential properties. Each dwelling has been classified into one of nine valuation bands according to its capital value at 1 April 2003 for this specific purpose. Charges are calculated by taking the amount of income required for the Authority, Office of Police and Crime Commissioner for Gwent and Town and Community Councils for the forthcoming year and dividing this amount by the Council Tax Base. The Council Tax Base is the total number of properties in each valuation band adjusted by a proportion to convert the number to a Band D equivalent, totalled across all bands and adjusted for discounts. The tax base was £48,465.53 for 2024/25 (£47,778.09 for 2023/24).

This average basic amount for a Band D property, £2,110.67 (£1,959.94 in 2023/24), is multiplied by the proportion specified for the particular band to give the individual amount due.

Council tax bills were based on the following multipliers for bands A to I.

Band	A	B	C	D	E	F	G	H	I
Multiplier	6/9	7/9	8/9	1.0	11/9	13/9	15/9	18/9	21/9
Chargeable Dwellings	521	3,454	7,141	9,457	7,655	8,095	5,515	1,791	666
Valuation (£000)	up to 44	44-65	65-91	91-123	123-162	162-223	223-324	324-424	424+

The analysis of the net proceeds from council tax are as follows:

2023/24 £000		2024/25 £000
(93,882)	Council tax collectable	(103,100)
442	Provision for non-payment of council tax	835
(93,440)	Total Council Tax proceeds	(102,265)

National Non-Domestic Rates (NNDR)

NNDR is organised on a national basis. The Welsh Government specifies an amount for the rate, 0.562p per £ in 2024/25 (0.535p per £ in 2023/24) and, subject to the effects of transitory arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The NNDR income after relief and provisions of £25,312,901 (£23,406,540 for 2023/24) was based on an average rateable value of £61,528,461 (£62,020,519 for 2023/24).

The Authority acts as the Welsh Government's agent and collects rates due from ratepayers in its area and then pays the proceeds into the NNDR pool administered by the Welsh Assembly Government. The Welsh Government redistributes the sums payable to local authorities on the basis of a fixed amount per head of population. The total amount redistributed from the National Pool to the Council in 2024/25 was £34.87m (£31.22m in 2023/24).

A net debtor of £1,928,864 at 31st March 2025 (£1,399,303 debtor as at 31st March 2024) is included in the balance sheet which represents the amount by which the cash received from Welsh Government is less than the amount collected from ratepayers.

11.6 Grant Income

Capital Grants and Contributions

The Authority has credited the following capital grants & contributions to the Comprehensive Income and Expenditure Statement in 2024/25:

2023/24 £000		2024/25 £000
2,495	WG General Capital Grant	2,502
225	Section 106 Developer Contributions	565
43,038	Grants	24,164
0	Other Contributions	0
45,758	Total	27,231
	Credited to the Comprehensive Income and Expenditure Statement:	
(5,253)	Grants and contributions applied towards Revenue Expenditure Funded from Capital under Statute	(4,188)

(40,505)	Capital grants and contributions applied and credited to Taxation and Non-specific Grant Income	(23,043)
(45,758)	Total	(27,231)

Capital Grants and Contributions Received in Advance

The Authority has also received a number of capital grants and contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the provider. The balances at the year-end are as follows:

2023/24 £000		2024/25 £000
	Developer Contributions held in Advance:	
5,388	S106 Developer contributions	5,711
5,388	Total	5,711

Revenue Grants and Contributions

The Authority credited the following revenue grants and contributions to the Comprehensive Income and Expenditure Statement:

2023/24 £000	Revenue Grants credited to services	2024/25 £000
	Central Government:	
15,819	Housing Benefit Subsidy	15,201
	Welsh Government:	
10,068	Education - General Grants - EIG/PDG/LAEG	13,169
4,199	Education - Post-16 Funding	4,387
2,814	Housing Support Grant (Supporting People)	3,046
2,265	Concessionary Fares, Transport Subsidy	3,714
1,745	Universal Free School Meals	2,352
1,745	Education - Children & Communities	2,613
0	Scape Pensions	1,563
1,046	Animal Licensing Wales	1,126
1,121	Social care workforce grant	1,113
415	INFUSE - Innovating Public Services	1,010
1,957	Ukrainian Support Fund	935
647	Homelessness - No one left out grant	613
0	Deprivation of Liberties (DOLS)	577
478	Eliminate Agenda	562
499	Radical reform	524
483	Waste Management	482
692	Families First	330
353	Communities for Work	263
948	ENRAW – Gwent Green Grid Partnership	120
364	Floods and SUDS	81
359	WG 20mph Scheme (Monmouthshire)	0
3,402	Other WG grants	2,273
	Home Office:	
2,222	Community Renewal Fund (Shared Prosperity Fund)	2,284
533	Support Afghan / Syrian / Unaccompanied Asylum Seekers	572
170	Police and Crime Commissioner	360
2,951	Other Grants & Contributions	2,498

57,292	Total Revenue Grants credited to services	61,768
	Non-Specific Grant Income	
31,224	Non-Domestic Rates	34,871
91,451	Revenue Support Grant	92,337
122,675	Total Non-Specific Grant Income	127,208

12 NON-CURRENT ASSET & CAPITAL FINANCING NOTES

12.1 Property, Plant and Equipment

The following tables summarise the movements in the Authority's property, plant and equipment portfolio by asset type for the years ending 31st March 2025 and 31st March 2024.

Movements in 2024/25:	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Total Property, Plant and Equipment £000	PFI Assets Included in Property, Plant and Equipment* £000
Cost or Valuation:								
At 1st April 2024	297,642	26,051	4,547	10	38,217	0	366,465	1,529
Additions	7,807	1,429	67	0	19,285	2,578	31,166	
Revaluation movements taken to Revaluation Reserve	14,630						14,630	(18)
Revaluation movements taken to Surplus/Deficit on Provision of Services	2,160						2,160	
Impairment movements taken to Surplus/Deficit on Provision of Services	(1,621)	(285)	(59)	0			(1,964)	
Impairment movements taken to RRA	(1,182)		(8)	0			(1,190)	
Reclassified (to)/from Held for Sale	0	(3,818)					(3,818)	
Disposals							0	
Other reclassifications	392						392	
Movement in SEWCJC Assets		(70)			(23)		(93)	
At 31st March 2025	319,828	23,307	4,547	10	57,479	2,578	407,747	1,511
Accumulated Depreciation:								
At 1st April 2024	(3,375)	(14,930)				0	(18,305)	0
Depreciation charge	(9,488)	(2,293)				(829)	(12,610)	(64)
Depreciation written out on revaluation to Revaluation Reserve	7,783						7,783	18
Depreciation written out on revaluation to Surplus/Deficit on Provision of Services	2,223						2,223	46
Depreciation written out on impairment to Surplus/Deficit on Provision of Services	112						112	
Reclassified to/(from) Held for Sale		3,040					3,040	
Disposals							0	
Other reclassifications							0	
Movement in SEWCJC Assets							0	

At 31st March 2025	(2,745)	(14,183)	0	0	0	(829)	(17,757)	(0)
Net Book Value:	317,082	9,124	4,548	10	57,479	1,749	389,990	1,511

Movements in 2023/24	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Total Property, Plant and Equipment £000	PFI Assets Included in Property, Plant and Equipment* £000
Cost or Valuation:								
At 1st April 2023	289,776	25,218	4,528	10	18,702		338,234	1,485
Additions	6,311	1,930	306		32,111		40,659	
Revaluation movements taken to Revaluation Reserve	(940)						(940)	44
Revaluation movements taken to Surplus/Deficit on Provision of Services	(2,630)						(2,630)	
Impairment movements taken to Surplus/Deficit on Provision of Services	(722)	(105)	(280)		-375		(1,481)	
Impairment movements taken to RRA	(553)		(8)				(560)	
Reclassified (to)/from Held for Sale	(3,531)	(1,057)					(4,588)	
Disposals							0	
Other reclassifications	9,930				(12,184)		(2,254)	
Movement in SEWCJC Assets		64			(37)		27	
At 31st March 2024	297,642	26,051	4,547	10	38,217	0	366,467	1,529
Accumulated Depreciation:								
At 1st April 2023	(2,634)	(13,586)					(16,220)	0
Depreciation charge	(12,626)	(2,194)					(14,819)	
Depreciation written out on revaluation to Revaluation Reserve	9,518						9,518	(45)
Depreciation written out on revaluation to Surplus/Deficit on Provision of Services	2,367						2,367	45
Depreciation written out on impairment to Surplus/Deficit on Provision of Services							0	
Reclassified to/(from) Held for Sale		900					900	
Disposals							0	
Other reclassifications							0	
Movement in SEWCJC Assets		(50)					(50)	
At 31st March 2024	(3,375)	(14,930)	0	-	-	-	(18,305)	-
Net Book Value:	294,266	11,121	4,548	10	38,217	0	348,162	1,528

12.1b Infrastructure Disclosure

In accordance with the temporary relief offered by the Statutory Instrument as an amendment to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (Regulation 24L) this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately and would not provide the basis for the users of the financial statements to take economic or other decisions relating to infrastructure assets.

The authority has determined in accordance with Regulation [24L Wales] of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

2023/24 £000		2024/25 £000
81,758	Net Book Value At 1 April	90,028
12,782	Additions	10,028
0	Derecognition	0
(2,836)	Depreciation	(3,242)
(1,676)	Impairment	(2,015)
0	Other Movements in Costs	0
90,028	Net Book Value At 31 March	94,799

12.1c Right of Use Assets

From 1 April 2024, the Council adopted IFRS 16, which requires most leases where the Council is the lessee to be recognised on the balance sheet. This means that assets previously treated as operating leases - such as vehicles, equipment, property, and land - are now recorded as right-of-use assets, with corresponding lease liabilities.

Under IFRS 16, lessor accounting remains largely unchanged. The Council has applied the standard retrospectively using the modified approach, meaning prior year figures have not been restated. Instead, balances have been recognised from 1 April 2024 as if IFRS 16 had always applied.

Exemptions have been applied for:

- Leases of low-value assets
- Short-term leases (12 months or less) ending by 31 March 2025

For these, lease payments continue to be recognised as an expense on a straight-line basis over the lease term.

	Land and Buildings £000	Vehicle, Plant & £000	Total £000
Balance at 1 April 2024	0	0	0
Additions	2,213	150	2,363
Additions - New Lease Arrangements	119	96	214
Depreciation	(734)	(94)	(829)
Disposals	0	0	0
Balance at 31 March 2025	1,598	151	1,749

12.2 Revaluations of Property, Plant & Equipment

The Authority carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out by the Authority's Estates Section overseen by a qualified member of the Royal Institution of Chartered Surveyors (RICS). Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of RICS.

The following statement summarises the progress of the Authority's rolling programme for the revaluation of fixed assets:

- The 2024/25 revaluations were carried out or approved by qualified valuers within the Authority's Estates section. The basis for valuation is set out in the accounting policies within section 17 of the notes to the accounts.

- All assets requiring valuations have been revalued in the 5 year period ending 31st March 2025. The valuations carried out during 2024/25 include Community Centres, Comprehensive & Primary Schools, Corporate Facilities, Hub & Public Contact Centres, Leisure & Outdoor Education Centres, Museum & Theatres, Nurseries & Play Groups, Public Conveniences, Care & Housing and Waste Disposal Sites.
- In addition to the rolling programme of revaluations any DRC assets not individually revalued were uplifted in line with movements in the BICS All In Tender Price Index. This indexation was undertaken due to the high levels of inflation seen in the year which increased the risk of potential misstatement in carrying value of assets.

	Other Land and Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Total Property, Plant and Equipment £000
Carried at historical cost	0	8,908	4,547	10	57,452	1,749	72,665
Valued at current value as at:							
31st March 2025	282,555	-	-	-	-	-	282,555
31st March 2024	19,848	-	-	-	-	-	19,848
31st March 2023	1,913	-	-	-	-	-	1,913
31st March 2022	11,855	-	-	-	-	-	11,855
31st March 2021	911	-	-	-	-	-	910
SEWCJC Assets (Method unknown)	-	217	-	-	28		245
Total Cost or Valuation	317,082	9,125	4,547	10	57,479	1,749	389,990

12.3 Schools Non-Current Assets

The Authority currently owns and runs three secondary, one middle and twenty three primary schools. In addition to the twenty three primary schools, there are two voluntary controlled schools and four voluntary aided schools.

The Authority runs the voluntary controlled schools on behalf of 3rd party organisations such as charities and religious organisations who own the underlying assets. The Authority does not record these school assets on its balance sheet other than Raglan Primary (£5,189,124.82 as at 31st March 2025) as the transfer of legal ownership to the third party is yet to be concluded.

With regards to voluntary aided schools within Monmouthshire, and similar to voluntary controlled schools, the assets are owned by 3rd party organisations and are not recorded on the Authority's balance sheet other than Osbaston Primary (£2,289,460.70 as at 31st March 2025) as the transfer of legal ownership to the third party is yet to be concluded.

The net book value of school non-current assets as at 31st March 2025, shown in the Authority's balance sheet, is £207,248,716.66 (£206,789,094 as at 31st March 2024).

12.4 Private Finance Initiatives

Monmouth Health & Social Care Facility (Monnow Vale)

The Authority has entered into a pooled budget arrangement with the Aneurin Bevan Local Health Board. Under the arrangements funds are pooled under Section 33 of the NHS (Wales) Act 2006 to provide health and social care in the form of inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs. This agreement came into effect from the 1st June 2006.

The Facility is a unique project that replaced a number of out dated or separate facilities scattered throughout the County with a new building that has been financed by a private finance partner over a period of 30 years.

The Authority accounts for its 28% share of the PFI assets, comprising buildings and equipment, with a corresponding liability amounting to its long term obligation for financing these assets.

The life of the building had originally been established for valuation purposes as being 40 years and the equipment as being 15 years. As the life of the building is 10 years beyond that of the PFI agreement, it is anticipated that the facility will be used by the parties beyond the 30 year PFI agreement. At the end of the agreement, the buildings revert to the Health Board at nil consideration. There have been no changes in the arrangements during the year.

The Authority's share in the assets used to provide services at the facility are recognised on the Authority's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the Property, Plant and Equipment balance in Note 12.1, their total net book value at 31st March 2025 being £1,511,158.11 (£1,529,128 at 31st March 2024).

12.5 Investment Properties

Investment Properties are those that are used solely to earn income and/or for capital appreciation. Investment Properties are not used in any way to deliver a service and are not held for sale. The Authority's current portfolio of investment properties consists of long held assets such as County Farms and District Shops and also a Solar Farm, Newport Leisure Park and Castlegate Business Park constructed/acquired more recently. The resultant impact on the Authority's net income is shown below.

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

2023/24 £000		2024/25 £000
(5,912)	Rental income from investment property	(5,353)
3,618	Direct operating expenses arising from investment property	3,705
(2,294)	Net (gain)/loss	(1,647)

The following table summarises the movement in the fair value of investment properties over the year.

2023/24 £000		2024/25 £000
66,862	Balance at start of the year	79,915
650	Additions	1,360
0	Disposals	0
10,214	Net gains/(losses) from fair value adjustments recognised in Financing and Investment Income and Expenditure	(3,703)
2,255	Transfers (to)/from Property, Plant and Equipment	(392)
(66)	Movement in SEWCJC balances	12
79,915	Balance at end of the year	77,192

No capital receipts were credited to the Capital receipts reserve during 2024/25 in relation to investment properties (£0 in 2023/24).

Fair Value Hierarchy

Details of the Authority's investment properties and information about the fair value hierarchy:

2023/24				Type of Property	2024/25			
Quoted Prices in active markets for identical assets	Other Observable inputs	Significant Unobservable inputs			in active markets for identical assets	Other Observable inputs	Significant Unobservable inputs	
Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
£000	£000	£000	£000		£000	£000	£000	£000
		107	107	Freehold Reversions			123	123
	38,329		38,329	Agricultural Properties		38,215		38,215
		883	883	Retail Units			1,074	1,074
		2,677	2,677	Industrial Properties			2,853	2,853
		5,611	5,611	Solar Farm			5,785	5,785
		3,841	3,841	Share of SEWCJC Asset			3,852	3,852
		28,467	28,467	Properties acquired for rental income			25,289	25,289
0	38,329	41,586	79,915		0	38,215	38,976	77,192

There have been no transfers between levels during the year. The authorities share in SEWCJC assets have recognised at Level 3.

Level 2 Other Observable inputs: The fair value for the Agricultural Portfolio (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets locally. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Level 3 Significant Unobservable Inputs: The Freehold Reversions, Retail Properties, Industrial Properties & Solar Farm located in the local authority area & properties acquired for rental income are measured using the income approach, by means of a term and reversion method. The approach has been developed using the authority's own data requiring it to factor in assumptions such as the duration, rent growth, occupancy levels, bad debt levels, maintenance costs, etc. These property types are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

Highest and Best Use: In estimating the fair value of the authority's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques: There has been no change in the valuation techniques used during the year for investment properties.

Level 3 Investment Properties

A summary of the movement in the fair value of level 3 investment properties over the year:

2023/24 £000		2024/25 £000
39,216	Balance at start of the year	41,586
2,255	Transfers (to)/from Level 3	0
282	Additions	1,031
0	Disposals	0
(167)	Net gains/(losses) from fair value adjustments included in Surplus or Deficit on the Provision of Services	(3,640)
41,586	Balance at end of the year	38,977

Fair Value Measurement

The valuers arrive at a Fair Value for level 3 Investment Properties by applying a yield to the income stream. The yield reflects the risk and is derived from factors such as the use made of the property, the quality of the tenant, the length and security of the income and also in the case of retail, the location. These impact on rent growth, occupancy levels, bad debt levels and maintenance costs. The yield is arrived at from the valuers knowledge of the market, from contacts and published information alongside knowledge of the individual asset.

Type of Property	Valuation Technique used to measure Fair Value	Unobservable Inputs	Range	Sensitivity
Freehold Reversions	Income approach, by means of a term and reversion method	Yield	4%	The Fair Value of the Property will increase as the yield reduces.
Retail Units		Yield	7% - 10%	
Industrial Properties		Yield	12%	
Solar Farm		Yield	6%	
Investment Assets		Yield	6%	
Investment Assets		Yield	7%	

12.6 Assets Held for Sale

Assets held for sale comprise those assets that are available for immediate sale and where the sale is highly probable and will be actively marketed at its market value. The in-year movement and balance of assets held for sale as at 31st March 2025 are shown below:

2023/24 £000		2024/25 £000
1,000	Balance outstanding at start of year	1,250
0	Additions	0
3,687	Assets newly classified as held for sale: From Plant, Property & Equipment	778
0	Assets declassified as held for sale: To Plant, Property & Equipment	0
250	Revaluation gains	0
(522)	Revaluation losses charged to SDPS	0
(799)	Revaluation losses charged to RRA	0
0	Impairment losses	0
(2,366)	Assets sold	(778)
1,250	Balance outstanding at year-end	1,250

12.7 Heritage Assets

The Code requires that heritage assets are measured at valuation in the financial statements, together with comparative year information. The Code however permits some relaxations in the valuation requirements of heritage assets, meaning that the authority could potentially recognise more of the museums collections in the Balance Sheet. However, whereas the Authority recognises some heritage collections in financial statements, it is of the view that obtaining valuations for the vast majority of these collections would involve a disproportionate cost of obtaining the information in comparison to the benefits to the users of the Authority's financial statements. Whilst this exemption is permitted by the Code, the position will be subject to ongoing review.

The Authority would not typically consider disposing of any heritage assets even though previously offers have been received.

The following table summarises the movement in the carrying value of Heritage assets:

	Property £000	Museum £000	Civic £000	Total £000
Cost or Valuation:				
1st April 2023	322	8,901	156	9,379
Additions	424	0	0	424

Revaluation increases/(decreases) recognised in the SDPS	0	0	0	0
Revaluation increases/ (decreases) taken to Revaluation Reserve	0	0	0	0
Impairment (losses)/reversals recognised in the SDPS	(121)	0	0	(121)
Reclassified from property, plant and equipment	0	0	0	0
31st March 2024	625	8,901	156	9,682
Cost or Valuation:				
Additions	149	0	0	149
Revaluation increases/(decreases) recognised in the SDPS	0	0	0	0
Revaluation increases/ (decreases) taken to Revaluation Reserve	0	0	0	0
Impairment (losses)/reversals recognised in the SDPS	(134)	0	0	(134)
Reclassified from property, plant and equipment	0	0	0	0
31st March 2025	640	8,901	156	9,696

Property Heritage Assets

The Authority owns six property assets which meet the criteria for inclusion as heritage assets. These comprise the following assets:

- Caldicot Castle
- Angidy Ironworks, Tintern
- The Slaughterhouse - Arches, Monmouth
- Shire Hall
- Clydach Ironworks, Clydach
- War Memorial, Frogmore St, Abergavenny
- Tintern Station, Tintern

These assets were last valued on an existing use value (EUV) basis and were carried out internally by the Authority's Estates Section under the supervision of the Head Of Commercial and Integrated Landlord Services (MRICS).

Further to this Abergavenny Museum and Castle is leased by the Authority.

Museum Exhibits

Monmouthshire operates four museums, namely Monmouth, (The Nelson Museum), Abergavenny, Caldicot (Castle) and Chepstow. Each individual museum maintains an inventory of exhibits and the Authority last commissioned a valuation of material items in 2022.

The most significant museum exhibit is the Nelson collection which is included on the balance sheet at a valuation of £8.7m. This collection was revalued externally during the year and the estimated value has increased by £4.4m since the previous valuation carried out in August 2012. The valuation was limited to selected items with market prices in excess of £1,000.

Civic Regalia, Artwork & Collections

Five other assets are classified as Heritage assets under this classification where cost information was readily available. These comprise the following assets:

- Henry Tapestry
- Chairman's Chain of Office
- Vice Chairman's Chain & Insignia
- Lady Chairman's Chain & Insignia
- Vice Lady Chairman's Chain & Insignia

These assets are currently valued at their most recent insurance valuation.

12.8 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

31st March 2024 £000		31st March 2025 £000
193,336	Opening Capital Financing Requirement	199,446
	Capital investment:	
	Enhancing value:	
48,884	Property, plant and equipment	32,508
348	Investment properties	948
1,188	Vehicles	872
304	Heritage assets	14
	Not enhancing value:	
3,305	Property, plant and equipment	5,090
302	Investment properties	412
157	Intangible assets	209
63	Vehicles	146
121	Heritage assets	134
10,181	Revenue Expenditure Funded from Capital under Statute	8,473
	Sources of finance:	
(6,636)	Capital receipts	(4,274)
(2,495)	General Capital Grant	(2,502)
(43,038)	Capital Grants and Contributions	(24,164)
(225)	S106 Contributions	(565)
(363)	Direct revenue contributions	(282)
	Other:	
0	Right of Use assets recognised	2,578
(5,985)	Minimum revenue provision	(7,530)
199,446	Closing Capital Financing Requirement	211,513
	Explanation of movements in year:	
2,430	Increase in underlying need to borrowing - supported by Government financial assistance	2,436
9,665	Increase in underlying need to borrowing - unsupported by Government financial assistance	14,583
0	Right of Use assets recognised	2,578
(5,985)	Less: Minimum revenue provision	(7,530)
6,110	Increase / (decrease) in Capital Financing Requirement	12,067

12.9 Capital Commitments

At 31st March 2025, the Authority had entered into no major contracts (those individually £200,000 and more) for the construction of Property, Plant and Equipment in 2024/25 and later years. Last years budgeted commitments were valued to a cost of £36,109,672, which have been satisfied.

12.10 Minimum Revenue Provision

2023/24		2024/25
£5,984,016	Minimum Revenue Provision Charged	£7,530,021

The Council is not required to raise council tax to cover depreciation, impairment losses or amortisations. However, it is required to make an annual minimum revenue provision (MRP) from revenue to contribute towards the reduction in its overall borrowing requirement.

The charge is equal to an amount calculated on a prudent basis according to the policy determined by the Council in accordance with statutory guidance. An annual MRP Statement is submitted to Council for approval in advance of each financial year and any variance to this policy must be approved by Council.

The Authority also makes additional voluntary revenue contributions in respect of finance leased assets.

MRP charges have been in respect of Right-of-Use assets recognised under IFRS 16. This reflects the requirement for local authorities to make a prudent provision for the repayment of the capital element of lease liabilities, consistent with the statutory guidance issued.

12.11 Leases - Authority as Lessor

Operating Leases

The Authority has entered into operating lease arrangements to lease property assets to various individuals and organisations. These primarily consist of Industrial units, County Farms, Land parcels and Recreation halls. Under IFRS 16 Lessor accounting is effectively unchanged.

The future minimum lease payments receivable under non-cancellable leases in future years are:

2023/24 £000		2024/25 £000
2,565	Not later than one year	3,238
9,679	Later than one year and not later than five years	11,331
12,645	Later than five years	12,974
24,890		27,543

Finance Leases

In 2016/17, the Authority entered into a Finance lease arrangement for land at the Old Cattle market site in Abergavenny.

The gross carrying amount and present value of the minimum lease payments receivable under this finance lease is detailed below.

2023/24			2024/25	
Present Value of Minimum Lease Payments to the	Gross Amount outstanding from Lessee		Present Value of Minimum Lease Payments to the Authority	Gross Amount outstanding from Lessee
£000			£000	
153	160	Not later than one year	150	160
579	640	Later than one year and not later than five years	566	640
1,563	2,080	Later than five years	1,426	1,920
2,295	2,880		2,142	2,720

The present value of the minimum lease payments has reduced during 2024/25 by the £160,000 receivable in year, offset by finance lease interest receivable.

13 FINANCIAL INSTRUMENTS, CURRENT ASSETS & LIABILITIES NOTES

13.1 Categories of Financial Instruments

A financial Instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes, benefits and government grants, do not give rise to financial instruments.

The Council adopted the IFRS 9 Financial Instruments accounting standard with effect from 1st April 2018. The main changes include the reclassification and remeasurement of financial assets and the earlier recognition of the impairment of financial assets.

Under the new Accounting Standard IFRS 9, financial instruments may be held at amortised cost or at fair value either through other Comprehensive income or Profit & Loss.

Financial assets are held as amortised cost where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flows. This is the majority of our treasury investments such as term deposits, certificate of deposits, call accounts, trade debtors for goods and services provided contractually and also lease receivables. This excludes council tax debtors and grants receivable as they are non-exchange transactions.

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council. For most assets, this is 12 month expected credit losses until the risk increases significantly, then it is lifetime expected losses. For trade debtors expected lifetime losses are always used. Due to the high credit rating of counterparties used for treasury investments 12 month expected credit losses are minimal.

Financial assets are held at fair value through other comprehensive income where cashflows are solely payments of principal and interest and it is the Council's business model to collect these cashflows and sell the instruments before maturity. The authority does not hold any such investments. The standard also allows the authority to elect to account for equity investments through other comprehensive income if they are being held for strategic investment purposes, see table below.

All other financial assets are held at fair value through Profit & Loss.

The following categories of financial assets are carried in the Balance Sheet as at 31st March 2025:

Long-Term 31st March 2024 £000	Short-Term 31st March 2024 £000		Note	Long-Term 31st March 2025 £000	Short-Term 31st March 2025 £000
		Financial Assets			
		Investments at amortised Cost:			
2,719	3,000	Principal invested	13.4	3,219	7,273
	0	Accrued Interest		0	0
		Investments at fair value through other comprehensive income:			
0	3,653	Equity Investments elected FVOCI		0	3,652
		Investments at fair value through profit & loss:			
20	41	Unquoted equity investments	13.4	19	0
2,739	6,693	Total Investments		3,239	10,925
		Cash & Cash Equivalents at amortised cost:			
0	9,130	Principal	15.3	0	9,481
0	0	Accrued Interest		0	0
0	9,130	Total Cash & Cash Equivalents		0	9,481
		At amortised cost:			
0	8,306	Trade Receivables		0	8,031
0	(1,026)	Loss allowance		0	(1,510)
2,240	107	Lease Receivables		2,133	107

378	(4)	Loans made for service purposes		185	(4)
2,618	7,384	Included in Debtors	13.5	2,318	6,624
5,356	23,207	Sub-Total Financial Assets		5,557	27,030
	1,885	Current assets which are not Financial Instruments		0	1,724
385	35,194	Debtors which are not Financial Instruments	13.5	473	45,469
5,742	60,287	Total Financial Assets		6,029	74,223

Long-Term 31st March 2024 £000	Short-Term 31st March 2024 £000		Note	Long-Term 31st March 2025 £000	Short-Term 31st March 2025 £000
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All of the Council's financial liabilities are held at amortised cost including short and long term loans, bank overdraft, lease payables, PFI contracts and trade payables for goods and services.

The following categories of financial liabilities are carried in the Balance Sheet as at 31st March 2025:

		Financial Liabilities			
		Loans at amortised Cost:			
(124,183)	(50,019)	Principal sum borrowed		(139,311)	(63,603)
0	(1,658)	Accrued Interest		0	(2,211)
(25)	(1)	EIR adjustments		0	0
(124,208)	(51,678)	Total Borrowings	13.4	(139,311)	(65,814)
		Loans at amortised Cost:			
0	(1,723)	Cash & cash equivalents	15.3	0	(2,153)
0	(1,723)	Total Cash & Cash Equivalents		0	(2,153)
		Liabilities at amortised Cost:			
(574)		PFI and finance lease liabilities		(1,664)	
(1,699)		Other Long Term Liabilities		(1,417)	
(2,273)	0	Total Other Long Term Liabilities		(3,081)	0
		Liabilities at amortised Cost:			
	(2,142)	Trade Payables			(2,862)
0	(2,142)	Included in Short Term Creditors	13.6	0	(2,862)
(126,481)	(55,543)	Total Financial Liabilities		(142,392)	(70,829)
	(41,094)	Short term creditors which are not Financial Instruments	13.6		(42,407)
(17,157)	(466)	Other Current & long term liabilities which are not Financial Instruments:		(68,594)	(342)
(143,638)	(97,103)	Total Balance Sheet Liabilities		(210,986)	(113,579)

Under IFRS 16, lease liabilities are included in the accounts to reflect the Council's obligation to make future lease payments. The standard requires lessees to recognise most leases on the balance sheet by recording a right-of-use asset and a corresponding lease liability. This approach improves transparency and comparability by ensuring that financial statements reflect the full extent of lease commitments, rather than treating them as off-balance sheet items.

Where the lease or contract does not specify an implicit interest rate, the Council has applied the relevant Public Works Loan Board (PWLb) borrowing rate to calculate the present value of lease liabilities.

The weighted average of the incremental borrowing rates used to discount liabilities was 5.05%

The newly recognised lease liability of £2.577m compares with the operating lease commitments of £3.549m at 31 March 2024 that was disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £3.549m (using incremental borrowing rate at 1 April 2024), there is a difference of £0.973m from the newly recognised lease liabilities. This is explained by the fact that the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 2025.

Right-of-use asset lease liabilities totalling £1.79 million are split between long-term and short-term obligations on the Balance Sheet with £1.12 million reported under other long-term liabilities, and £0.67 million under short-term creditors. The maturity profile of these lease liabilities is shown below.

	31st March 2025 £000
Lease Liabilities Maturity	
Less than one year	666
One to five years	1,100
More than five years	25
Total	1,791

Equity instruments elected to fair value through OCI						
31st March 2024 £000	31st March 2024 £000	31st March 2024 £000		31st March 2025 £000	31st March 2025 £000	31st March 2025 £000
Fair value	OCI	Dividends		Fair value	OCI	Dividends
1,870	95	115	Kames Capital diversified monthly income fund	1,855	(15)	108
1,366	(6)	62	Investec Asset Management Ltd diversified income fund	1,367	1	67
416	(17)	16	CCLA LAMIT Property Fund	431	15	27
3,654	72	194	Total Balance Sheet Asset	3,653	1	202

The Council has elected to account for the investments in pooled funds above which are equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performance.

13.2 Financial Instruments - Income, Expense, Gains and Losses

The Income, expense, gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

31st March 2024 £000					31st March 2025 £000
	Financial Liabilities measured at:	Fair value through P&L	Fair value through OCI	Fair value through OCI - elected	Amortised cost
15	Interest expense - finance lease /private finance initiative debtors	0	0	0	15
0	Losses on de-recognition	0	0	0	0
0	Losses from changes in fair value	0	0	0	0
0	Impairment losses	0	0	0	0
0	RoU Lease Liability Interest	0	0	0	130
6,380	Other Interest expense	0	0	0	6,922
6,395	Subtotals	0	0	0	7,066
6,395	Total Interest payable and similar charges				7,066
	Financial assets measured at:	Fair value through P&L	Fair value through OCI	Fair value through OCI - elected	Amortised cost
(55)	Interest income relating to finance lease debtors	0	0	0	(53)
0	Interest from deferred receipts	0	0	0	0

0	Dividend income (elected equity instruments)	0	0	(204)	0
0	Gains on derecognition	0	0	0	0
0	Gains from changes in fair value	0	0	0	0
0	Impairment loss reversals	0	0	0	0
(1,561)	Other Interest income	0	0	0	(1,064)
(1,617)	Subtotals	0	0	(204)	(1,116)
(1,812)	Total Interest & Investment income				(1,321)
4,583	Net impact on surplus/deficit on provision of services				5,746

	Impact on other comprehensive income:	Fair value through P&L	Fair value through OCI	Fair value through OCI - elected	Amortised cost
0	Gains on revaluation	0	0	0	0
0	Losses on revaluation	0	0	(1)	0
0	Amounts recycled to surplus/deficit on provision of services	0	0	0	0
0	Subtotals	0	0	(1)	0
13	Impact on other comprehensive income				(1)
4,596	Net (gain)/loss for the year				5,745

13.3 Fair Values of Financial Instruments

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including pooled funds, the fair value is taken from the market price. The fair values of other instruments have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2025, using the following methods and assumptions.

The value of financial instruments held at amortised cost have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2025, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of "Lender's Option Borrower's Option" (LOBO) loans have been increased by the value of the embedded options. Lenders' options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March 2025.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at an appropriate rate.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

Financial liabilities						
Balance Sheet 31st March 2024 £000	Fair Value 31st March 2024 £000		Balance sheet position	Fair Value Level	Balance Sheet 31st March 2025 £000	Fair Value 31st March 2025 £000

		Financial liabilities held at amortised cost:				
(175,886)	(150,536)	Borrowings	Borrowing (ST & LT)	2	(205,125)	173,345
(574)	(444)	PFI and finance lease liabilities	Other LT Borrowing	3	(1,664)	
(176,460)	(150,980)	Subtotal			(206,789)	173,345
		Financial liabilities held at amortised costs for which fair value is not disclosed:				
(1,723)		Cash & Cash equivalent	C & C E		(2,153)	
(2,142)		Trade payables	Short term creditors		(2,862)	
(1,699)		Net agency creditor and lease deposits	Other LT Borrowing		(1,417)	
(182,023)		Total financial liabilities			(213,221)	

The fair value of financial liabilities held at amortised cost is less than the carrying amount because the authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the current rates available for similar loans at the balance sheet date. The commitment to pay interest below current market rates reduces the amount that the authority would have to pay if the lender requested or agreed to early repayment of the loans.

Financial Assets

Balance Sheet 31st March 2024 £000	Fair Value 31st March 2024 £000			Fair Value Level	Balance Sheet 31st March 2025 £000	Fair Value 31st March 2025 £000
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		Financial assets held at fair value:				
3,653	3,653	Equity investments elected FV through OCI	ST Investments	2	3,652	3,652
20	20	Unquoted equity investments held at FVP&L	LT Investments	3	19	19
3,672	3,672	Subtotal			3,672	3,672
		Financial assets held at amortised cost:				
2,347	1,934	Lease receivables	LT debtors	3	2,240	
0	0	Trade receivables - deferred receipt	LT debtors			
6,019	5,606	Subtotal			5,911	3,672
		Financial assets held at amortised cost for which fair value is not disclosed:				
8,346		Cash & Cash equivalent	C&CE		9,481	
6,878		Short term investments	ST Investments		10,925	
8,306		Trade Receivables	Short term debtors		8,031	
193		Loans made for service purposes	Long term debtors		185	
29,742		Total financial assets			34,533	

There is a small difference between the fair value and carrying value of long term lease receivables and long term trade receivables.

13.4 Nature and Extent of Risks arising from Financial Instruments

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team in conjunction with appointed treasury advisors.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Welsh Government Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its management practices seek to achieve a suitable balance between risk and return or cost.

Whilst the majority of Investments used continue to be with institutions which are given a high credit rating by external rating agencies and which continue to show other measures of credit worthiness, the authority's investment portfolio now includes £4m in strategic pooled funds which achieve higher returns. The risk is controlled by following the advice of the Authority's treasury management advisors, by the use of experienced fund managers and diversification within the funds purchased.

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that the counterparty to any of the Authority's financial assets will fail to meet its contractual obligations to pay the amounts due, causing a loss to the Council.
- Liquidity risk – the possibility that the Authority might not have cash available to make contracted payments on time
- Market risk – the possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

The revised Borrowing Strategy continues to take into account the fact that it is cheaper to borrow for shorter periods than for long periods as previously was the case. It also took into account that there was a net benefit to be gained from internal borrowing, where surplus cash is utilised to fund capital expenditure, compared to borrowing externally. This approach reduces surplus cash balances but produces a net benefit as the cost of borrowing is higher than the returns from investing the additional surplus cash.

a) Credit Risk

Treasury Investments

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £4m is placed on the amount of money that can be invested in unsecured investments with a single counterparty (other than the UK government) for the majority of the Authority's activities (for more details see the Treasury Strategy).

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

Balance Long-term	Balance Short-term	Counterparty Group	Investment Vehicle	Average rating	Country	Balance Long-term	Balance Short-term
31st March 2024	31st March 2024					31st March 2025	31st March 2025
£'000	£'000					£'000	£'000

0	3,000	UK Government	Term Deposit with DMADF	AA+	United Kingdom	0	3,000
0	0	Local Authority	Term Deposit	AA+	United Kingdom	0	0
0	5,187	Bank	Term Deposit	A+	United Kingdom	0	9,134
		Credit risk Not applicable:					
0	3,653	Pooled funds			United Kingdom	0	3,652
19	0	Unquoted Equity			United Kingdom	19	0
2,719	3,984	SEWCJC				3,219	4,618
2,738	15,823	Total Investments				3,239	20,405

* Credit risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any sum of money.

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies, multiplied by 365% to adjust for current and forecast economic conditions. A two-year delay in cash flows is assumed to arise in the event of default. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by three or more credit rating notches or equivalent since initial recognition, unless they retain an investment grade credit rating. They are determined to be credit-impaired when awarded a "D" credit rating or equivalent. At 31st March 2025, £nil of loss allowances related to treasury investments.

Trade & Lease receivables and Contract assets

Credit risk also arises from the Authority's customers and other contractual debtors. Customers for goods and services are assessed taking into account their financial position, past experience and other factors such as the current economic climate. Risk of default and uncollectability is assessed based on the nature of the underlying debt and historic collection rates. Receivables as at the year-end are illustrated in note 13.5 to the accounts, together with any associated impairment age.

Trade receivables are normally written off to the Surplus or Deficit on the Provision of Services when over due, but steps are still taken to collect sums owing until all economic avenues have been explored. The amount provided for but still subject to collection processes and its age profile is provided in note 13.5.

The Council has one finance lease receivable as a result of a lease disposal of a piece of land, which is held on the balance sheet at amortised cost. The Council's credit risk on lease receivables is mitigated by its legal ownership of the asset leased, which can be repossessed if the debtor defaults on the lease contract, so no loss allowance has been applied. At the 31st March 2025 the carrying value was £2,720,000.

Loans, Financial Guarantees and Loan Commitments

The Council has not made any material Loans, Financial Guarantees and Loan Commitments.

b) Liquidity Risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements occur, the authority has ready access to borrowing at favourable rates from the Public Works Loans Board and other local authorities. There is no significant risk that it will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will be bound to replenish a significant proportion of its borrowings at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring net short term borrowing is no more than 50% of the Council's net total borrowing.

The maturity analysis of financial instruments is as follows:

31st March 2024				31st March 2025		
£000	£000	£000		£000	£000	£000
Borrowing	Investment	Net		Borrowing	Investment	Net
		The Loans Mature as follows:-				
0	(5,235)	(5,231)	No defined maturity	614	(11,164)	(4,666)
51,678	(3,000)	48,678	Less than one year	65,814	(3,000)	62,787
5,086	0	5,086	Between one and two years	20,518	0	20,518
16,594	0	16,594	Between two and five years	19,234	0	19,234

27,714	0	27,714	Between five and ten years	25,589	0	25,589
16,634	0	16,634	Between ten and twenty years	15,968	0	15,968
58,179	0	58,179	More than twenty years	57,387	0	57,387
175,886	(8,235)	167,655	Total	205,125	(14,164)	196,817

The Counterparty analysis of Borrowing is shown below:

31st March 2024 £000		31st March 2025 £000
126,236	Public Works Loan Board	146,792
3,081	Market Loans & Bank loans	0
4,739	Welsh Government	3,741
38,830	Local Government bodies	50,949
3,000	Special Purpose Vehicle	3,000
0	Other including SEWCJC	642
175,886	Total	205,125

The financial liabilities due to Welsh Government at the 31st March 2025 are the outstanding balances from interest free loans provided to fund energy saving Street Lighting & Refit capital schemes and a loan which funded the Oak Grove solar farm construction. Accounting requirements require financial liabilities in the form of loans to be carried at amortised cost. However, some of these interest free loans have not been carried at amortised cost on the grounds that the figures quoted are not materially different.

Market loans are considered long term loans based on the remaining time to maturity, but it should be noted that they are currently within their call period. If a lender should exercise a call option on one of these loans, Monmouthshire County Council has the right to repay the loan immediately.

c) Market Risk

i) Interest rate risk

The Authority is exposed to significant risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise
- Borrowings at fixed rates – the fair value of the borrowing liabilities will fall
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- Investments at fixed rates – the fair value of the assets will fall

Investments measured at amortised cost and loans borrowed are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Authority has a number of strategies for managing interest rate risk. The 2024/25 treasury strategy includes a limit on the Authority's exposure to interest rate risk. This limit of 50% applies to the percentage of net variable rate debt to total net debt, where net debt is debt net of investments.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget. In-year analysis allows any adverse changes to be accommodated. The analysis will also advise whether new borrowing taken out is fixed or variable.

The interest payable and interest receivable during 2024/25, on borrowings and investments held at the 31st March 2025, with all other variables held constant, would increase / (decrease), if interest rates were 1% higher. The most significant impact would relate to variable rate and short term loans & investments, with long term instruments not being affected:

31st March 2024	Effect of a 1% increase in interest rates	31st March 2025
£000		£000
51	Increase in interest payable on borrowings	384
29	Increase in interest receivable on investments	30
0	Decrease in fair value of investments held at FVP&L	0
80	Impact on Surplus or Deficit on the Provision of Services	413
(9,587)	Decrease in fair value of fixed rate borrowing *	9,999

* No impact on Comprehensive Income and Expenditure

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

ii) Price risk

The market prices of the bond component in the Council's multi asset pooled funds are governed by prevailing interest rates and the price risk associated with these instruments is managed alongside interest rate risk. The property element of the Council's multi asset pooled funds is subject to the risk of falling commercial property prices. The equity element of the Council's multi asset pooled funds is subject to the risk of falling share prices. These risks were limited by the Council's maximum exposure to strategic pooled funds of £6m. A 5% fall in the value of the property component or equity component held within these funds could result in a charge to Other Comprehensive Income and Expenditure. The due diligence carried out before these investments purchased would indicate that any such loss is expected to be either temporary or compensated for by the dividend income. One advantage of a multi asset pooled funds is that property, equity and bond prices are not fully correlated with each other reducing the risk of losses.

iii) Foreign exchange risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

13.5 Debtors

The nature and value of payments due to the Council for the year but not received as at 31st March 2025, repayable in the short term (within 12 months of the balance sheet date) and long term (after 12 months of the balance sheet date), is summarised below:

31st March 2024					31st March 2025			
Long Term	Short Term	Impairment	Net		Long Term	Short Term	Impairment	Net
£000	£000	£000	£000		£000	£000	£000	£000
				Central Government Bodies:				
	13,291		13,291	Welsh Government		23,489		23,489
	2,964		2,964	HM Customs & Excise		2,430		2,430
	1,945		1,945	NNDR Debtor		3,092		3,092
				Other entities and individuals:				0
	4,462	(3)	4,459	Other Local Authorities		5,910	(4)	5,906
2,240			2,240	Finance Lease	2,133			2,133
	5,060	(85)	4,975	Revenue debtors		5,337	(110)	5,227
	6,210	(2,935)	3,275	Council tax arrears		7,605	(3,842)	3,763
	1,584	(178)	1,406	Corporate sundry debtors		1,392	(161)	1,231
	1,195	(745)	450	Housing benefit overpayments		1,175	(726)	449
	2,567	0	2,567	NHS Bodies		1,903	(4)	1,899

	2,175	(467)	1,708	Social Services debtors		2,142	(885)	1,257
	558	(378)	180	Rent arrears		642	(456)	186
	4,901		4,901	Capital debtors		2,981		2,981
184			184	Housing Advances	177			177
451	457		1,035	Other	481	183		664
2,876	47,369	(4,791)	45,580	Total Debtors	2,791	58,281	(6,188)	54,883

The aged analysis of short term debtors outstanding as at 31st March 2025 is as follows:

	Not Overdu £000	Up to 3 Months £000	3 Months 12 £000	Over 12 Months £000	Over 24 Months £000	Total £000
Central Government Bodies:						
Welsh Government	23,488	1	0	0	0	23,489
HM Customs & Excise	2,430	0	0	0	0	2,430
NNDR Debtor	1,724	0	268	222	878	3,092
Other entities and individuals:						
Other Local Authorities	4,785	903	136	86	0	5,910
Finance Leases	0	0	0	0	0	0
Revenue debtors	5,136	0	64	55	82	5,337
Council tax arrears	0	0	1,535	1,382	4,688	7,605
Corporate sundry debtors	138	987	133	48	86	1,392
Housing benefit overpayments	0	0	330	100	745	1,175
NHS Bodies	927	965	3	31	-23	1,903
Social Services sundry debtors	265	306	766	491	314	2,142
Rent arrears	101	53	88	68	332	642
Capital debtors	2,981	0	0	0	0	2,981
Housing Advances	0	0	0	0	0	0
Other	183	0	0	0	0	183
Total	42,157	3,215	3,322	2,484	7,102	58,281

The associated impairment for potential default and uncollectability for debtors outstanding as at 31st March 2025 is as follows:

	Not Overdu e £000	Up to 3 Months £000	3 to 12 Months £000	Over 12 Months £000	Over 24 Months £000	Total £000
Other Local Authorities	0	0	4	0	0	4
Revenue debtors	0	0	31	27	52	111
Council Tax Arrears	0	0	1,120	632	2,090	3,842
Corporate sundry debtors	0	7	80	24	50	161
Housing benefit overpayments	0	0	67	22	637	726
NHS Bodies	0	0	4	0	0	4
Social Services sundry debtors	30	101	326	210	218	885
Rent arrears	0	11	45	68	332	456
Total	30	119	1,677	983	3,379	6,188

13.6 Creditors

It is the Authority's policy to pay creditors promptly, without undue delay and within mutually agreed terms. 96.71% of payments were paid within a 30 day target settlement date (95.9% in 2023/24).

The nature and value of payments due to be made by the Council in the year but not actually made as at 31st March 2025 is summarised below:

31st March 2024 £000		31st March 2025 £000
6,819	Central Government Bodies	7,402
4,459	Other Local Authorities	7,163
65	NHS Bodies	28
6,951	Capital Creditors	4,776
19,819	Other entities & individuals	21,197
3,562	Accumulating Compensated Absences	3,589
1,562	SEWCJC	1,115
43,236	Total	45,269

13.7 Provisions and Contingent Liabilities

The value of provisions as at 31st March 2025, together with their movement for the year, is summarised below:

	Note	As at 1st April 2024 £000	New or increased Provisions £000	Used or reduced Provisions £000	As at 31st March 2025 £000
Insurance Claims	13.7a	924	328	(583)	668
SEWCJC Consolidation		1,734	0	(622)	1,112
Total		2,658	328	(1,205)	1,780

The analysis of provisions between those that are short-term and long-term where it is expected that the provision will be settled within 12 months or greater than 12 months of the balance sheet date respectively, are summarised below:

Current 31st March 2024 £000	Long Term 31st March 2024 £000		Current 31st March 2025 £000	Long Term 31st March 2025 £000
466	457	Insurance Claims	339	328
0	1,734	SEWCJC Consolidation	3	1,109
466	2,191	Total	342	1,438

a) Insurance Claims

The Authority maintains insurance policies to cover itself against claims made. The effect of these policies is to limit the Council's costs in relation to successful claims made against it. Annual insurance premiums have been recharged to services during the financial year along with costs of claims incurred.

To satisfy IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a full actuarial assessment of open insurance claims was carried out in 2022 by the Authority's insurance brokers. The Authority has used this data to project future potential liabilities on the basis of current claims received, policy excesses and stop losses (the capped loss we can incur in any policy year). This assessment has allowed the Authority to reflect the estimated cost of liabilities at 31 March 2025. Provision has only been made where the Authority's insurers indicate a settlement is likely. The result is that the total provision is at the most likely level to be paid out in the future. Any movement in provisions has been charged against the services to which the claims relate.

The Authority maintains the insurance and risk management reserve to assist in the control of the Authority's insurance risks. The balance in the reserve is reviewed annually as part of the assessment on the adequacy of reserves by the Section 151 Officer. The reserve is required to cover potential claims not yet reported as well as recorded claims, which do not merit a provision, referred to above. It therefore represents additional cover, over and above the provision, to cover all foreseeable claims as at the balance sheet date.

The provision in place at 31st March 2025 was £667,874 (£923,592 at 31st March 2024) and the balance on the insurance and risk management reserve as at 31st March 2025 was £924,997 (£924,997 as at 31st March 2024).

A breakdown of the provision made across policy types is provided below:

31st March 2024 £000		31st March 2025 £000
892	Public Liability	625
0	Property	25
9	Motor Liability	11
22	Employer's Liability	7
924	Total	668

b) Contingent Liabilities

There are no Contingent Liabilities as at the 31st March 2025.

14 POST-EMPLOYMENT BENEFIT NOTES

14.1 Participation in Pension Schemes

The council is required to account for its pension costs in accordance with IAS19 - employee benefits.

The Council makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The Council participates in two separate pension schemes; the Greater Gwent Pension Fund (Local Government Pension Scheme (LGPS)) and the Teachers' Pensions Scheme (TPS), both of which provide defined benefits to members (retirement lump sums and pensions) earned as employees worked for the Council.

Teachers Pension Scheme (TPS) – Unfunded Defined Benefit Scheme Accounted for as a Defined Contribution Scheme

Whilst this is an unfunded multi-employer defined benefit scheme it is required to be accounted for as if it were a defined contribution scheme, because the arrangements are such that the liabilities cannot ordinarily be identified specifically to the Council. A notional fund is used as the basis for calculating the employer's contribution rate paid by local authorities and valuations of the notional fund are undertaken every four years. This scheme is administered by the Teachers' Pensions Agency (TPA). No liability for future payments of these benefits is recognised in the Council's Balance Sheet.

In 2024/25, the Council paid £8,973,235 to the TPA in respect of teachers' retirement benefits, (£7,093,236 in 2023/24) representing 28.6% of pensionable pay (23.6% in 2023/24). In 2025/26 the expected contributions for the plan are £9.7 million.

Under this scheme there are separate arrangements for the award of discretionary post employment benefits upon early retirement – these are unfunded defined benefit arrangements, under which liabilities are recognised when awards are made.

There were £753,501 of contributions remaining payable to the scheme at the year end (£598,688 at 31st March 2024). The Council is not responsible for any other employers' obligations under this pension plan.

Greater Gwent Pension Fund

The Authority participates in two pension schemes administered by Torfaen County Borough Council:

- The Local Government Pension Scheme - This is a funded defined benefit scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets in the long term. Pension benefits accrued up until March 2014, based on pensions being a percentage of final salary. Benefits since that time have accrued on an average salary basis.
- Unfunded Teachers Discretionary Benefits - the Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme above. This is unfunded, meaning that there are no investment assets built up to meet pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The following sections of the notes provide further supporting information covering the Authority's interest in the Greater Gwent Pension Fund.

14.2 Pension Fund Stakeholders

14.3 Entries in the comprehensive income and expenditure statement

14.4 Expected future pension contributions

14.5 Actuarial Assumptions

14.6 Sensitivity analysis

14.7 Investments held by the pension fund

14.8 The movement in the authority's share of the assets and liabilities within the Fund

14.9 Impact of Applying IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

14.10 A summary explanation of the movement in assets and liabilities

14.2 Pension Fund Stakeholders

The total defined benefit obligation for the Authority's share of the Greater Gwent Pension fund (excluding unfunded liabilities) as at the 31st March 2025 is split as follows, along with the weighted average duration of each group:

2023/24			2024/25		Average Age (Years)
£000's	%		£000's	%	
226,322	45%	Active	203,477	45%	52
73,223	14%	Deferred	60,959	14%	52
209,944	41%	Pensioners	184,039	41%	69
509,489	100%	Total	448,475	100%	

A breakdown of the investments held by the Greater Gwent pension fund, quoted and unquoted is given in 14.7 giving an indication of the level of diversification and therefore risk within the Investment Portfolio.

14.3 Entries in the comprehensive income and expenditure statement

The Authority recognises retirement benefits in the net cost of services, as they are earned by employees not when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable to the pension fund in the year, so the real cost of post-employment/ retirement benefits is reversed out of the Council Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Council Fund Balance via the Movement in Reserves Statement during the year.

The McCloud Judgement (public service pensions age discrimination cases) was accounted for in latest valuation results and therefore an allowance is included in the accounting disclosure.

Finance is only required to be raised to cover teachers unfunded discretionary benefits when the pensions are actually paid.

Local Government Pension Scheme	Teachers' Unfunded Discretionary Benefits		Local Government Pension Scheme	Teachers' Unfunded Discretionary Benefits
2023/24 £000's	2023/24 £000's		2024/25 £000's	2024/25 £000's
		Comprehensive Income and Expenditure Account		
		Net Cost of Services:		
15,839	0	current service cost	14,410	0
1,156	0	past service cost / (gain) including curtailments	914	0
0	0	settlement gain	0	0
16,995	0	Total Net Cost of Services	15,324	0
		Financing and Investment Income and Expenditure:		
23,974	122	interest cost on pension liabilities	24,874	126
(21,455)	0	interest income on plan assets	(24,816)	0
0	0	Impact of asset ceiling on net interest	0	0
19,514	122	Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	15,382	126
		Other Comprehensive Income and Expenditure:		

(51,548)	288	(Gains) and losses on remeasurement	(84,994)	(174)
0	0	Effect of business combinations and disposals	0	0
(51,548)	288	Total Other Comprehensive Income and Expenditure	(84,994)	(174)
(32,034)	410	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	(69,612)	(48)
		<i>Movement in Reserves Statement</i>		
(19,514)	(122)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits	(15,382)	(126)
		<i>Actual amount charged against the Council Fund for pensions in the year:</i>		
18,591	381	Employers' contributions payable to scheme	19,362	379

14.4 Expected future pension contributions

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2026 is £18,885,000. Expected contributions for Teachers Unfunded Discretionary Benefits scheme in the year to 31 March 2025 are £392,000.

Statutory arrangements are in place to ensure that the financial position of the fund remains healthy. In the 31 March 2022 Actuarial Valuation, a shortfall of 3% of the fund's liabilities was identified. The Fund's 'funding target' is to achieve and maintain a funding level of 100% of liabilities. The maximum deficit recovery period has been set at 20 years. At each Actuarial Valuation, a contribution rate is set to meet the funding target over the deficit recovery period.

In June 2023, the High Court found in the Virgin Media case that changes to member benefits in contracted out defined benefit pension schemes between 1996 and 2016 required an actuarial certificate in line with section 37 of the Pension Schemes Act 1993 and that changes without this certification are to be considered void.

Where specific actuarial 'section 37' certificates cannot be found, the June 2023 legal ruling has the potential to invalidate historic scheme benefit changes dating all the way back to 1997. Pension practitioners were awaiting the outcome of an appeal, but this has now (July 2024) been dismissed by the Court of Appeal and the original ruling stands.

In June 2025 the Department of Work and Pensions advised that the Government would introduce new legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standard. Scheme obligations will otherwise be unaffected.

LGPS practitioners are not currently making additional liability allowances within funding and accounting valuations, as there is significant uncertainty about whether this ruling will impact the LGPS. We understand HM Treasury are currently looking into whether section 37 certificates exist for prior LGPS benefit changes, and a number of pension bodies have written to DWP to request legislation that would allow retrospective section 37 certificates to be produced now to validate historic changes.

The DWP are being asked by pension bodies to look at pragmatic solutions where schemes are unable to evidence historic section 37 confirmation.

14.5 Actuarial Assumptions

The principal IAS19 assumptions used by the Actuary for these accounts are shown in the following table. Using the projected unit method, the Actuary determines the figures at the Balance Sheet date using the latest scheme valuation as a base, which was 31 March 2022.

The principal assumptions used by the actuary in their calculations have been:

Financial Assumptions	Local Government Pension Scheme & Teachers Unfunded Discretionary Benefits		
	31st March 2025	31st March 2024	31st March 2023

Rate of increase in salaries	3.3%	3.3%	3.5%
Rate of increase in pensions (inline with CPI)	2.8%	2.8%	3.0%
Rate for discounting scheme liabilities	5.8%	4.9%	4.8%
Life Expectancy:			
Current male pensioner aged 65 (years)	20.8	20.9	21.0
Current female pensioner aged 65 (years)	23.8	23.9	24.1
Future male pensioner aged 65 in 20 years' time (years)	21.7	21.8	21.9
Future female pensioner aged 65 in 20 years' time (years)	25.4	25.4	25.7
The discount rate used to value fund liabilities is based on market yields on high quality corporate bonds over appropriate terms. To facilitate this, Hymans Robertson produce a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.			

14.6 Sensitivity Analysis

As noted above, changes to the financial assumptions disclosed in 14.5 will result in movements in the key pension related financial outcomes. An estimation of the results of such movements are given below.

Change in assumption at 31st March 2025	Approximate % increase to Employer	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	8,120
1 Year Increase in Member Life Expectancy	4%	18,136
0.1% increase in the Salary Increase Rate	0%	403
0.1% increase in the Pension Increase Rate	2%	7,942

In addition the actuary estimates that a one year increase in life expectancy would approximately increase the Employers Defined Benefit Obligation by around 3-5%. In practice this is dependent on the age groups predominantly affected.

14.7 Investments held by the pension fund

Teachers unfunded discretionary payments have no assets to cover its liabilities. The Local Government Pension Scheme's assets are valued at fair value, and consist of the following categories, by proportion of the total assets held:

31st March 2024		Category	Quoted in Active markets	31st March 2025	
£000	%			£000	%
0	0.0%	Equities	Yes	0	0.0%
		Investment funds & Unit Trusts			
374,836	73.6%	Equities	No	390,054	72.7%
62,428	12.3%	Bonds	No	61,972	11.5%
45,555	8.9%	Other	No	74,196	13.8%
8,696	1.7%	Property	No	8,573	1.6%
17,738	3.5%	Cash accounts	No	2,036	0.4%
0	0.0%	Alternatives	No	0	0.0%
509,253	100.0%	Total		536,832	100.0%

14.8 The movement in the authority's share of the assets and liabilities within the fund

The Movement in Fund Assets

Local Government Pension Scheme	Teachers Unfunded Discretionary Benefits		Local Government Pension Scheme	Teachers Unfunded Discretionary Benefits
2023/24 £000	2023/24 £000		2024/25 £000	2024/25 £000
449,740	0	As at 1st April	509,253	0
0	0	Settlement costs	0	0
21,455	0	Interest on plan assets	24,816	0
18,591	381	Employers contributions	19,362	379
4,659	0	Contributions by scheme participants	4,740	0
34,137	0	Gains / (losses) on remeasurement of assets	(2,848)	0
0	0	Administration expenses of plan assets	0	0
(19,329)	(381)	Benefits paid	(18,492)	(379)
509,253	0	As at 31st March	536,831	0

The Movement in Fund Liability

(503,557)	(2,759)	As at 1st April	(512,445)	(2,788)
(15,839)	0	Current service cost	(14,410)	0
(1,156)	0	Past service (cost) / gain (including curtailments)	(914)	0
0	0	Settlement gains	0	0
0	0	Curtailment costs	0	0
(23,974)	(122)	Interest on pension liabilities	(24,874)	(126)
(4,659)	0	Contributions by scheme participants	(4,740)	0
17,411	(288)	Gains / (losses) on remeasurement of liabs	87,842	174
19,329	381	Benefits paid	18,492	379
0	0	Effect of business combinations & disposals	0	0
(512,445)	(2,788)	As at 31st March	(451,049)	(2,361)

There were £2,007,000 of contributions remaining payable at the year end for the Local Government Pension Scheme (at 31 March 2024 £1,872,000 was payable) and £18,000 was owed to the Authority for the Teachers unfunded discretionary benefits scheme (£14,000 at 31 March 2024).

Within the £451,049,000 of pension liabilities for the Local Government Pension Scheme at 31 March 2025 (£512,445,000 31 March 2024), there are £2,765,000 of unfunded liabilities (£2,766,000 as at 31st March 2024).

14.9 Impact of Applying IFRIC 14 - IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

In accordance with IFRIC 14 - IAS 19, Hymans Robertson LLP, the Council's actuary has assessed that as of 31 March 2025, the fair value of the Council's pension scheme assets exceeds the present value of its defined benefit obligations. This results in the recognition of a net pension asset.

The standard then requires the position to be further evaluated against the economic benefits available through reductions to future pension contributions to determine whether an additional liability needs to be recognised through an asset ceiling. Committed past service contributions, which have been agreed upon, are included in the net asset position along with any effects of the asset ceiling calculation.

Adjustment Required to Net Asset/Liability	31st March 2025 £000
Net Asset - Unadjusted	88,356
Effect of IAS 19 / IFRIC 14 for the Asset Ceiling Calculation	(141,506)

Net Liability	(53,150)
Adjustment Required to Net Asset/Liability	
Opening Position	88,356
Total Remeasurment	(141,506)
Present Value of unfunded benefits	(4,935)
Amended Closing Balance at 31st March 2025	(58,085)

14.10 Summary of the movement in assets and liabilities

Over the five years ending the 31 March 2025, the fund's actuaries have estimated that the Authority had the following assets and liabilities:

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Local Government Pension Scheme					
Present value of scheme liabilities	(727,091)	(708,219)	(503,557)	(512,445)	(451,049)
Fair value of scheme assets	424,338	452,486	449,740	509,253	395,325
Surplus / (deficit) in the scheme	(302,753)	(255,733)	(53,817)	(3,192)	(55,724)
Teachers Unfunded Discretionary Benefits					
Present value of scheme liabilities	(3,951)	(3,479)	(2,759)	(2,788)	(2,361)
Fair value of scheme assets	0	0	0	0	0
Surplus / (deficit) in the scheme	(3,951)	(3,479)	(2,759)	(2,788)	(2,361)
Total					
Present value of scheme liabilities	(731,042)	(711,698)	(506,316)	(515,233)	(453,410)
Fair value of scheme assets	424,338	452,486	449,740	509,253	395,325
Surplus / (deficit) in the scheme	(306,704)	(259,212)	(56,576)	(5,980)	(58,085)
Year on year increase in net liability (or deficit)		47,492	202,636	50,596	(52,105)

There is a increase in the authorities share of the combined net surplus of the Greater Gwent pension funds of £89,401,000 from 1 April 2024 to 31 March 2025. This has resulted from an increase of £27.6m in the value of scheme assets and a reduction in the value of scheme liabilities of £61.4m. The performance of underlying assets have improved with equities, bonds and infrastructure investments all increasing in value.

The amount recognised in the Comprehensive Income & Expenditure Statement will reflect the adjustment for the asset ceiling calculation as shown in 14.9. This adjustment reduces the fair value of scheme assets by £141,506,000.

15.1 Reconciliation of Comprehensive Income & Expenditure Account to Net Cash Flows from Operating Activities

2023/24 £000		2024/25 £000
(23,358)	Net (surplus) or deficit on the provision of services	(10,850)
	Non-cash transactions:	
(17,656)	Depreciation of non-current assets	(15,852)
(4,220)	Impairment and downward valuations	172
(26)	Amortisation of intangible non-current assets	(4)
(884)	Increase/(decrease) in impairment for provision for bad debts	(1,463)
85	Increase/(decrease) in inventories	(30)
(14,491)	Increase/(decrease) in debtors	11,138
1,595	(Increase)/decrease in creditors	(3,490)
(115)	(Increase)/decrease in provisions	256
(665)	Pension liability	4,233
(659)	SEWCJC	952
(2,366)	Carrying amount of non-current assets, assets held for sale and investment properties which are sold or derecognised	(577)
10,214	Movement in the value of investment properties	(3,703)
(213)	Other non-cash items charged to the net Surplus or Deficit on the Provision of Services	(276)
	Items classified in another classification in the cash flow statement	
3,248	Other payments for investing activities	(2,644)
37,460	Other receipts from investing activities	27,828
(35)	Other payments for financing activities	(35)
0	Other receipts for financing activities	
0	SEWCJC	4,148
4,054	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	371
(8,031)	Net cash flows from Operating Activities	10,176

15.2 Returns on Investments and Servicing of Finance

Returns on Investments received and Servicing of Finance paid during the year are made up of the following elements:

2023/24 £000		2024/25 £000
	Returns on Investments received:	
(1,799)	Interest received	(1,314)
(50)	Other interest and investment income	(7)
	Servicing of Finance paid:	
6,106	Interest paid	8,322
0	Interest element of finance lease rental payments	145
4,257		7,145

15.3 (Increase)/decrease in Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

	At 31st March 2024	In Year Movement	At 31st March 2025
	£000	£000	£000
Current Assets			
Cash held by the Authority	149	(34)	115
Bank current accounts	172	(168)	4
Short-term call account deposits	8,808	553	9,361
Current Liabilities			
Bank current account overdrafts	(1,723)	(430)	(2,153)
Total	7,407	(80)	7,328

16 OTHER NOTES TO THE ACCOUNTS

16.1 Members Allowances

Information on members' allowances is available on request from the Payroll Manager, Payroll Section, Monmouthshire County Council, County Hall, The Rhadyr, Usk NP15 1GA.

The Authority paid the following amounts to Councillors and co-optee members of the council during the year:

2023/24 £000		2024/25 £000
806	Basic allowance	861
244	Special responsibility allowance	241
10	Travel allowance	7
3	Subsistence allowance	4
0	ICT Costs	0
1,063	Total	1,113

The increase in expenditure is mainly due to the 24/25 pay award which was agreed as part of an Independent Remuneration Panel review. There was also a small increase in expenses due to claims from our co-opted members.

16.2 Audit Costs

The Authority has incurred the following costs during 2024/25 in relation to the audit of the Statement of Accounts, certification of grant claims, statutory inspections and to non-audit services provided by the Authority's external auditors:

2023/24 £000		2024/25 £000
223	Fees payable to the appointed auditor with regard to external audit services - financial audit	216
119	Fees payable to the appointed auditor with regard to external audit services - Performance Audit Work	121
52	Fees payable to the appointed auditor for certification of grant claims & returns	43
394	Total	380

16.3 S31 and S33 Pooled Budget Arrangements

Section 31 of the Health Act 1999 and Section 33 of the NHS (Wales) Act 2006 enables the establishment of joint working arrangements between NHS bodies and local authorities. Pooled funds enable bodies to work collaboratively to address specific local health issues. A key feature of the pool is that the use of resources contributed to the pool should be dictated by the need of clients who meet the criteria established for the pool, rather than the respective contributions by the partners. Thus, it is to be expected that health service resources could be used to deliver local authority services and vice versa.

Pooled funds are not legal entities. The partners in the pool will nominate one partner to be the host to the pool. That host has responsibility for the administration of the pool.

a) Mardy Park Rehabilitation Scheme

The Authority had previously entered into a pooled budget arrangement with the Aneurin Bevan University Health Board for the provision of a Rehabilitation Scheme at Mardy Park which came into effect from the 1st April 2004, with the Authority being host for the partnership.

The Purpose of the scheme was to reduce the time spent in hospital for rehabilitation patients who have no need for in-patient care, undertaken through the assessment of individuals needs and on how community based schemes could adapt to manage the risk of non-residential care effectively.

The income and expenditure for the pooled fund arrangements for the financial year ended 31st March 2025 was:

2023/24 £000		2024/25 £000
	Funding	

(367)	Monmouthshire County Council	(368)
(276)	Monmouthshire Local Health Board	(278)
(643)	Total Funding	(646)
	Expenditure	
419	Employee related	422
147	Premises related	92
0	Transport related	6
35	Supplies & Services	32
31	Agency & Contracted	45
632	Total Expenditure	597
(11)	Net (Under)/over spend	(49)

b) Gwent Integrated Community Equipment Store (GWICES)

The Authority has entered into a pooled budget arrangement with the Aneurin Bevan Local Health Board and four other local authorities in the Gwent area, namely Blaenau Gwent, Caerphilly, Newport and Torfaen. Under the arrangement funds are pooled under Section 33 of the NHS (Wales) Act 2006. This agreement came into effect on 1st October 2008.

The Purpose of the scheme is to provide an efficient and effective integrated equipment store to service users who are resident in the partnering localities.

Torfaen County Borough Council is the host for the Partnership, who recorded gross expenditure of £4,787,000 (£4,457,000 for 2023/24) and gross income of £4,787,000 (£4,457,000 for 2023/24) for the financial year ended 31st March 2025. Monmouthshire County Council's contribution for the year was £518,000 (£406,000 for 2023/24).

c) Monmouth Health & Social Care Facility (Monnow Vale)

The Authority has entered into a pooled budget arrangement with the Aneurin Bevan University Health Board. Under the arrangements funds are pooled under Section 33 of the NHS (Wales) Act 2006 to provide health and social care in the form of inpatient, outpatient, clinic and day care facilities to individuals who have medical, social, community or rehabilitation needs. This agreement came into effect from the 1st June 2006.

The Facility is a unique project that replaced a number of out dated or separate facilities scattered throughout the County with a new building that has been financed by a private finance partner over a period of 30 years. Further information is contained in note 12.4 to the accounts.

Aneurin Bevan University Health Board is the host for the Partnership, who recorded gross expenditure of £4,772,000 (£4,667,000 for 2023/24) and gross income of £4,347,000 (£4,172,000 for 2023/24) for the financial year ended 31st March 2025. Monmouthshire County Council's total contribution for the year was £1,501,000 (£1,447,000 for 2023/24).

d) Gwent Frailty Programme

A Section 33 Partnership Agreement exists between five Local Authorities in the former Gwent area and Aneurin Bevan Local Health Board for the provision of Frailty services to service users who are resident within each of the Partner Localities. This service became operational from the 4th April 2011 and the agreement came into effect from this date.

The Gwent Frailty programme has created a Community based integrated model of care through the establishment of Community Resource Teams (CRT's) delivering a range of services to avoid hospital admissions, facilitate early discharge and help individuals remain 'happily independent'. The CRT's provide integrated Urgent Response, Reablement, Falls Services within each Locality in line with agreed Locality Commissioning Plans (LCPs).

The programme has attracted Welsh government Invest to Save funding totalling £7.3m which is being used to pump prime the establishment of CRTs and to fund the IT infrastructure. Partners have also committed recurring budgets to the programme totalling £8.9m per annum and have agreed savings targets to ensure on-going financial stability.

Caerphilly County Borough Council is the host for the Partnership, who recorded gross expenditure of £18,136,000 (£17,166,000 for 2023/24) and gross income of £17,967,000 (£17,232,000 for 2023/24) for the financial year ended 31st March 2025. Monmouthshire County Council's total contribution for the year was £1,628,000 (£1,626,000 for 2023/24).

e) Pooled Fund for Care Home Accommodation Functions for Older People

Under section 169 and Part 9 Statutory Guidance of the Social Services and Wellbeing Act (Wales) 2014, Welsh Government has directed the forming of a pooled arrangement across Wales for Care Home Accommodation Functions for Older People.

The Gwent Regional Partnership Board decided to establish a pooled fund and service, by establishing a 'Gwent' section 33 agreement from the 6 organisations being 5 Local Authorities comprising of Monmouthshire, Newport, Torfaen, Blaenau Gwent and Caerphilly, along with Aneurin Bevan University Health Board.

Torfaen County Borough Council is the host for the Partnership, who recorded gross expenditure of £150,254,591 (£137,951,490 for 2023/24) and funding of £150,254,591 (£137,951,490 for 2023/24) for the financial year ended 31st March 2025. Monmouthshire County Council's total contribution for the year was £15,255,257 (£12,680,547 for 2023/24).

16.4 Related Party Transactions

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allow readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central & Welsh Government

Central & Welsh Government has effective control over the general operations of the Authority - it is responsible for providing the statutory framework within which the Authority operates, provides the majority of its funding in the form of core and specific grants and prescribes the terms of many of the transactions that the Authority has with other parties (e.g. housing benefits). Details of grant income received from Central & Welsh Government and other government departments are set out in note 11.6 to the Accounts and balances owing to/from these parties is outlined in notes 13.5 & 13.6.

Members

Members of the Council have direct control over the Council's financial and operating policies. The total of Members' allowances paid in 2024/25 is shown in note 16.1. Under the Code of Conduct, incorporated in the Council's constitution, Members are required to record in the Register of Members' Interests any financial and other personal interests, together with any gift, hospitality, material benefit or advantage. The Register is open to inspection by the public and is available on an individual Member basis on the Council's website. Members who declare an interest do not take part in any discussion or decision relating to grants made or works or services commissioned. Details of all interests declared are recorded in the minutes of relevant meetings.

Members of the Council are nominated to serve on numerous outside bodies, such as Town & Community Councils. These bodies will either receive funding from the Council or issue levies and precepts to be paid by the Council. When sitting on these bodies Members are expected to act independently and not to represent the views of the County Council. Where works or services have been commissioned or where grants were made during the financial year in which Members had an interest, Members have a duty to declare such an interest. The Council must ensure that contracts entered into were in full compliance with standing orders and that grants were made with proper consideration of declarations of such interests.

Some County Councillors were also active Town or Community Councillors during the Financial Year. All Community Council precepts are included within the Consolidated Income and Expenditure Statement. The Authority made payments of £4,519 and received income of £486,386 for Town & Community councils in addition to precept payments in 2024/25.

The Authority made payments of £3,552,793 and received income of £5,431,188 from other organisations that were identified as a related party to Councillors with significant relationships identified in the table below. There were no debtor or creditor balances outstanding with related parties at the end of 2024/25 (nil in 2023/24)

Related Party, relationship and transaction details	Amounts Paid by Authority £	Amounts Received by Authority £
---	-----------------------------	---------------------------------

Aneurin Bevan University Health Board - One Councillor was a board member of the service during the financial year	2,059,778	(5,402,582)
Education Achievement Service - One Councillor was a board member of the service during the financial year	473,582	(3,214)
Welsh Joint Education Committee - One Councillor was a board member during the financial year	543,044	0
Gateway Credit Union Ltd - One Councillor was a Volunteer director of this credit union	48,557	0
Bridges Community Centre - one Councillor was a Trustee for part of the financial year	239,377	(120)
CSC Foundry - one Councillor was a Board Member during the financial year	0	(19,800)
WLGA Rural Forum - one Councillor was a spokesperson during the financial year	157,635	(5,132)

Companies and Joint Ventures

The Authority has interests in companies and joint ventures and relevant transactions are disclosed in note 16.6 to the Accounts about such interests.

Senior Officers

Section 117 of the Local Government Act 1972 requires officers to declare any pecuniary interests that they may have regarding any transactions being entered into by the Authority in which they have a direct or indirect involvement.

The Chief Executive was the Acting Returning Officer and Electoral Registration Officer for Monmouthshire during 2024/25 and held the following position during the year:

- **Member of the Cardiff Capital Region Investment Committee**
- **Governor (Honorary) - Cardiff Metropolitan University**

The former Chief Officer for Infrastructure & Place held the following position during the year:

- ***Cadwyn Housing Association (Chair)***

The Deputy Chief Executive & Chief Officer for Resources has an indirect involvement with:

- ***South-East Wales Corporate Joint Committee***

Payments of £3,955, and receipts of £10,750 were paid and received from Cardiff Metropolitan University during 2024/25 (£3,850 and £3,290 respectively in 2023/24) in relation to transactions involving goods and services. Contracts were entered into in full compliance with the council's standing orders.

All other Chief Officers in post during the financial year have no pecuniary interests.

Any transactions and balances held with these parties are shown within note 16.6 to the accounts.

16.5 Trust Funds

The Council acts as sole or custodian trustee for a number of trust funds. The funds do not represent assets of the Council and they have not been included in the Consolidated Balance Sheet. The below balances are based upon unaudited figures for the year ended 31st March 2025:

2023/24					2024/25			
Income £000	Expend £000	Assets £000	Liabs £000		Income £000	Expend £000	Assets £000	Liabs £000
(303)	294	5,484	(5,475)	Welsh Church Act Fund	(219)	219	5,400	(5,400)
The primary objective of the Charity is to assist groups and individuals for educational, social, recreational and other charitable purposes. The Trust owns tangible fixed assets comprising eight parcels of land. Five of these are agricultural, two are grazing and one is forestry.								
(6)	6	138	(72)	Llanelly Hill Social Welfare Centre	0	0	138	(138)

The primary objective of the fund is the provision of a Social welfare centre to the residents of Llanelly hill. The Trust's fixed assets comprise the social welfare centre premises and land upon which it is situated.

(1)	0	1	0	Chairman's Charity	0	1	1	0
The Chairman's Charity supports and raises funds for the Chairman's nominated Charity of the year.								
				Funds for which Monmouthshire County Council acts as custodian trustee:				
(30)	18	636	(2)	Monmouthshire Farm School Endowment	(41)	10	667	(636)
(1,560)	1,519	1,368	(1,326)	Appointeeship - Personal Monies	(1,560)	1,519	1,368	(1,326)

16.6 Related Businesses and Operations

The Council has a number of interests in other entities which fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code.

In respect of the South East Wales Corporate Joint Committee (SEWCJC), the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures. Further details of the arrangement are outlined below.

The Council's remaining interests in other entities, in aggregate, are not sufficiently material to warrant producing consolidated financial statements when reviewing both quantitative and qualitative information. For this reason, group accounts are not deemed necessary for these entities within these statements. In order to ensure compliance with the Code, a range of narrative disclosures have been made as follows:

SRS Public

The Authority entered into a public sector collaborative arrangement, known as the Shared Resource Service, with Torfaen County Borough Council (TCBC) and Gwent Police Authority in May 2011, Newport City Council and Blaenau Gwent Borough Council have joined the partnership subsequently. The arrangement has resulted in a Shared Resources Centre (SRC) being set up for the purpose of providing IT services to each member authority.

A memorandum of understanding is in place to provide robust governance arrangements. The arrangement is not a separate legal entity and ownership of the SRS premises resides with TCBC. The arrangement is funded by core contributions from partners, income from desk licences and rack rentals from schools and external income. Monmouthshire's core contribution during 2024/25 included in the Council's Accounts totalled £2.418m (£2.374m in 2023/24).

The Authority owed £22,716 to SRS Public at the 31st March 2025 (£384,362 owed as at 31st March 2024).

Melin Homes & Y Prentis

Y Prentis is a business set up by Monmouthshire County Council and Melin Homes with a 50/50 share to actively promote the provision of technical and vocational secondary education.

The Company's latest available trading results are the financial statements for the period ending 30th September 2024.

The company is exempt from audit under section 477 of the companies act 2006 for the financial year ending September 2024.

On 21st May 2025 Monmouthshire County Council approved the cessation of Y Prentis, with its functions and responsibilities to be transferred to Cyfle Shared Apprenticeship Scheme - a charitable company with a similar mission. This decision follows a strategic review highlighting the financial unsustainability of Y Prentis, declining apprenticeship completion rates, and challenges in securing employer placements. With Melin Homes (now Hedyn) withdrawing from its support and shareholder role, and no other board organisations stepping forward, the transition ensures continuity of apprenticeship opportunities under a more viable delivery model. Monmouthshire will retain oversight through representation on Cyfle's Board. All remaining assets will be transferred in accordance with the company's Articles of Association.

30th Sep 2023 £000		30th Sep 2024 £000
-----------------------	--	-----------------------

Final		Draft
299	Total Assets/(Liabilities)	224
(25)	Profit/(Loss) before Taxation	(75)
(25)	Profit/(Loss) after Taxation	(75)
0	Dividends	0

There were no transactions between Monmouthshire County Council and Y Prentis during 2024/25 (nil in 2023/24).

Education Achievement Service (EAS)

The five local Councils of Monmouthshire, Caerphilly, Blaenau Gwent, Torfaen and Newport have formed an Education Achievement Service (EAS). The integrated service has been designed to raise education standards in South East Wales.

The EAS became operational in September 2012. It is a joint company, limited by guarantee and wholly owned and completely controlled by the five local Councils, but operating at arm's length. It is not a profit making company, and it is a separate legal entity. There is no lead Council with each being represented equally with a 20% interest and having equal voting rights. The company has a Board consisting of the Lead Director and elected member representatives from the partner Councils. The collaboration Agreement commits the Council to participating in the EAS company for a minimum period of four years.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2024.

31st March 2023		31st March 2024
£000 Final		£000 Draft
369	Total Assets/(Liabilities)	473
105	Profit/(Loss) before Taxation	125
105	Profit/(Loss) after Taxation	125
0	Dividends	0

Payments of £473,582 were made to the EAS during 2024/54 (£498,143 during 2023/24). Income received from EAS was £3,214. No outstanding income was owed by the EAS to MCC at 31st March 2025 (£Nil at 31st March 2024).

Gwent Archives

The five local Councils of Monmouthshire, Caerphilly, Blaenau Gwent, Torfaen and Newport are included in the Gwent Archives Service. The integrated service collects, preserves, and makes accessible to the public, documents relating to the area it serves.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2025.

31st March 2024		31st March 2025
£000 Final		£000 Draft
255	Total Assets/(Liabilities)	235
16	Profit/(Loss) before Taxation	8
16	Profit/(Loss) after Taxation	8
0	Dividends	0

Payments of £219,057 were made to Gwent Archives during 2024/25 (£213,302 during 2023/24). There were no balances owing to/from Gwent Archives at 31st March 2025 (nil at 31st March 2024).

Gwent Crematorium

The five local Councils of Monmouthshire, Caerphilly, Blaenau Gwent, Torfaen and Newport are included in the Gwent Crematorium Service. The integrated service provides crematorium services to the public relating to the area it serves.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2024.

31st March 2023		31st March 2024
£000 Final		£000 Draft
2,314	Total Assets/(Liabilities)	2,110
236	Profit/(Loss) before Taxation	(350)
236	Profit/(Loss) after Taxation	(350)
0	Dividends	0

A dividend payment of £48,294 was received from Gwent Crematorium in 2024/25 relating to the 2023/24 financial year (£83,045 during 2022/23). A dividend of £86,929 is outstanding for 2024/25 as at 31st March 2025.

Project Gwyrdd

The five local Councils of Monmouthshire, Caerphilly, Newport, Cardiff and the Vale of Glamorgan are included within the Project Gwyrdd. The integrated service collects, processes, and disposes of household waste that is suitable for recycling.

The Company's latest available trading results are the draft estimates for the period ending 31st March 2025.

31st March 2024		31st March 2025
£000 Final		£000 Draft
237	Total Assets/(Liabilities)	191
(30)	Profit/(Loss) before Taxation	(46)
(30)	Profit/(Loss) after Taxation	(46)
0	Dividends	0

A payment of £27,000 was made to Project Gwyrdd during 2024/25 (£27,000 for 2023/24). There was £Nil owing to Project Gwyrdd at 31st March 2025 (£Nil at 31st March 2024).

South East Wales Corporate Joint Committee (SEWCJC)

As of 18 March 2024, the City Deal transitioned into a Corporate Joint Committee (CJC). The public-facing name of the body is Cardiff Capital Region (CCR), while its legal designation is the South East Wales Corporate Joint Committee (SEWCJC).

Monmouthshire County Council contributes 6.1% to the £120 million investment programme, based on its share of the regional population. The Council is also responsible for funding its share of the annual costs associated with this investment. The development and oversight of the programme are managed by the CJC Regional Cabinet.

The revenue contribution required during the year was £78,568 (£78,568 in 2023/24). The capital contribution to the project was not required during 2024/25, as was the case in 2023/24, due to reprofiling of the investment pipeline.

There were no balances owing to/from the SEWCJC at 31st March 2025 (nil at 31st March 2024).

CSC Foundry

During 2024/25 MCC had 'Significant Influence' over CSC Foundry Ltd which is a subsidiary of SEWCJC. As at 31st March 2025 CSC Foundry had £3.0m invested with the Authority which is classified within Short term borrowing in the Balance sheet (£3.0m in 2023/24).

16.7 Senior Officer Remuneration

The remuneration paid to the Authority's senior employees, where annualised salary is equal to or more than £60,000 per year, is as follows:

Year ended 31st March 2025						
Post Holder	Salary including fees and allowances £	Compensation for loss of employment £	Expense Allowances inc. Benefits in Kind £	Total Remuneration excluding Pension contributions £	Pension Contributions (Based on Common Rate from Actuary) £	Total Remuneration including Pension contributions £
Chief Executive Officer	131,208	0	1,123	132,331	28,952	161,283
Deputy Chief Executive & Strategic Director - Resources (previously Chief Officer - Resources and Deputy Chief Executive)	115,039	0	0	115,039	28,184	143,223
Strategic Director - Learning, Skills & Economy (previously Chief Officer - CYP)	98,665	0	0	98,665	24,173	122,838
Chief Officer - Communities and Place (Apr - Nov)	61,101	0	0	61,101	14,970	76,071
Chief Officer - Law & Governance	95,473	0	0	95,473	23,391	118,864
Strategic Director - Social Care & Health (previously Chief Officer - Social Care, Safeguarding and Health)	97,935	0	0	97,935	23,994	121,929
Chief Officer - Customer, Culture & Wellbeing	88,572	0	0	88,572	21,700	110,272
Chief Officer - People, Performance & Partnerships	82,409	0	0	82,409	20,190	102,599
Chief Officer - Infrastructure (Nov - Mar)	34,340	0	0	34,340	8,413	42,753
Chief Officer - Place (Nov - Mar)	29,959	0	0	29,959	7,340	37,299
Head of Finance - Acting section 151 Officer (Nov - Mar)	38,729	0	0	38,729	9,489	48,218
Total	873,430	0	1,123	874,553	210,796	1,085,349

Year ended 31st March 2024						
Post Holder	Salary including fees and allowances £	Compensation for loss of employment £	Expense Allowances inc. Benefits in Kind £	Total Remuneration excluding Pension contributions £	Pension Contributions (Based on Common Rate from Actuary) £	Total Remuneration including Pension contributions £
Chief Executive Officer	128,008	0	874	128,882	28,493	157,375
Chief Officer - Resources & Deputy Chief Executive	100,965	0	0	100,965	24,333	125,298
Chief Officer - Children and Young People	94,538	0	0	94,538	22,784	117,322
Chief Officer - Communities & Place	94,538	0	0	94,538	22,784	117,322
Chief Officer - People and Governance and Monitoring Officer (April to July)	31,084	0	202	31,286	7,008	38,294
Chief Officer - Law and Governance (November to March) replaced post above	38,320	0	0	38,320	9,235	47,555
Chief Officer - Social Care, Safeguarding & Health	91,967	0	0	91,967	22,164	114,131
Chief Officer - MonLife and Customer, Culture & Wellbeing	82,970	0	0	82,970	19,996	102,966
Chief Officer - People, Performance & Partnerships (previously known as Head of Policy, Performance & Scrutiny)	78,043	0	0	78,043	18,808	96,851
Total	740,433	0	1,076	741,509	175,604	917,113

During a period of absence of the Chief Executive, the Deputy Chief Executive Officer became the Acting Chief Executive Officer, receiving an honorarium payment of £11,550, with associated employer pension contributions of £2,830. The Head of Finance became the Acting Section 151 Officer for Nov - Mar, receiving an Honorarium payment of £3,843, with associated employer pension contributions of £942. These figures are included in the figures above.

Senior Officers are defined for the purposes of this disclosure as the Chief Executive, together with those senior officers that the Chief Executive is either directly responsible for or senior officers who are directly accountable to the Chief Executive. If they meet this definition any time during the year, their salary for the period the officer was acting as a senior officer is reported.

Senior staff can act in an ancillary capacity as Returning Officers overseeing the administration of periodic referenda and elections. Commonly the fee for such work is nationally set. For the avoidance of any doubt, any such costs are not included in this analysis.

Employers' pension contributions were paid at a rate of 24.5% of pensionable pay for staff within the Local Government Pension Scheme (24.1% for 2023/24). Expense allowances are defined as those additional costs that are chargeable to income tax and no such costs are reported in respect of 2024/25 (Nil in 2023/24).

In satisfying the requirement to report the Chief Executive's remuneration as a proportion of the full time equivalent median salary of Monmouthshire County Council employees, the median employee position has been calculated as £30,060. This equates to spinal point 17 and resulting in a median ratio when compared with the Chief Executive Officer salary of 4.4:1.

In 2023/24, the median employee position was calculated as £27,334, equating to spinal point 14 and resulting in a median ratio when compared with the Chief Executive Officer salary of 4.7:1.

For the purposes of reporting remuneration, voluntary aided schools' employees have been included in the remuneration notes 16.7 to 16.9, where appropriate, as if they were employees of the council even though their contract of employment is with their respective governing body.

16.8 Officers' Emoluments

The number of employees whose remuneration was £60,000 or more in bands of £5,000, during the year ended 31st March 2025, was:

2023/24		Remuneration Band	2024/25	
Number of employees	(Of which are teaching staff)		Number of employees	(Of which are teaching staff)
0	0	£135,000 - £139,999	1	1
1	1	£130,000 - £134,999	2	1
1	0	£125,000 - £129,999	2	2
1	0	£120,000 - £124,999	0	0
2	2	£115,000 - £119,999	1	0
4	2	£110,000 - £114,999	1	1
0	0	£105,000 - £109,999	1	1
2	1	£100,000 - £104,999	1	0
1	0	£95,000 - £99,999	4	1
8	5	£90,000 - £94,999	4	2
1	0	£85,000 - £89,999	10	2
11	2	£80,000 - £84,999	17	12
19	13	£75,000 - £79,999	8	6
16	16	£70,000 - £74,999	16	13
20	12	£65,000 - £69,999	22	16
38	21	£60,000 - £64,999	61	36
125	75	Total	151	94

Remuneration is defined as gross salary and expenses and the effect of any severance costs e.g. redundancy, termination and compromise agreements. Remuneration also excludes pension contributions.

Bandings above include the effect of senior officers shown in note 16.7.

Employers' pension contributions were paid at a rate of 24.5% of pensionable pay for staff within the Local Government Pension Scheme (24.1% for 2023/24) and 28.68% of pensionable pay for staff within the Teachers' Pension Scheme (23.68% in 2023/24).

16.9 Termination Benefits

The Code does not set out a precise definition of exit packages and authorities need to consider the relevant departure costs that have been recognised in the financial statements in accordance with the Code's requirements on termination benefits.

Termination benefits are defined as amounts payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Code sets out that the form of the employee benefit does not determine whether it is provided in exchange for service or in exchange for termination of the employee's employment.

Total Cost of Exit packages reflects redundancy payments, settlement agreements to terminate employment, and any strain costs associated with the agreed enhancement of post-employment pension benefits.

2023/24			Exit package Cost band	2024/25		
No. of Compulsory Redundancies agreed	No. of other departure costs agreed	Total Cost of Exit Packages in each pay band £000's		No. of Compulsory Redundancies agreed	No. of other departure costs agreed	Total Cost of Exit Packages in each pay band £000's
31	8	364	£0 - £20,000	23	4	140
10	2	346	£20,001 - £40,000	18	3	601
5	3	389	£40,001 - £60,000	6	5	529
1	2	206	£60,001 - £80,000	1	1	165
1	0	89	£80,001 - £100,000	0	1	97
1	0	136	£100,001 - £150,000	0	0	0
0	0	0	£150,001 - £200,000	1	0	177
49	15	1,530	Total	49	14	1,709

16.10 Events after the Balance Sheet date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. There are two types:

- Those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts are adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period - the Statement of Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

No such unadjusting events have been identified subsequent to the balance sheet date.

17 STATEMENT OF ACCOUNTING POLICIES

17.1 General Principles

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year-end of 31st March 2025.

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2014 (as amended), which those Regulations require to be prepared in accordance with proper accounting practices.

These practices, primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS), and the Service Reporting Code of Practice 2024/25 (SeRCoP).

The Statement of Accounts has been prepared on a 'going concern' basis. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Unless otherwise stated the convention used in these statements is to round to amounts of the nearest thousand pounds. All totals are the rounded totals of unrounded figures and therefore may not be the strict sums of the figures presented in the text or tables. Throughout the statements all credit balances are shown with parentheses e.g. (£1,000).

17.2 Accounting Standards issued not yet adopted

There are no new relevant standards or amendments to existing standards that have been published but not yet adopted by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) that will have an impact on the Statement of Accounts.

However the following details are provided for information purposes:-

Infrastructure Assets - Temporary Relief. CIPFA/LASAAC issued a code update in November 2022 that included specifications for future codes on the disclosure of gross cost and accumulated depreciation for infrastructure assets. The Code has been updated to include a temporary relief from the Code's core requirement to disclose gross cost and accumulated depreciation of infrastructure assets until 31st March 2025.

The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

17.3 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place rather than when cash payments are made or received. In particular:

- Revenue from the sale of goods or services is recognised in accordance with the terms and conditions of the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments and payable on borrowings is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- A discretionary de minimis level of £1,000 is applied to accruals of both income and expenditure with the exception of automatically system generated accruals or those required where it is necessary to ensure accuracy for grant claims or agency work.

17.4 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on the next banking day. Cash equivalents are investments that are readily convertible on the next banking day to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

17.5 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- Amortisation of intangible fixed assets attributable to the service.

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement calculated on a prudent basis as determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the Council Fund Balance with a Minimum Revenue Provision (MRP), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

17.6 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in this note, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The Council is deemed to control the services provided under its PFI arrangements and also to control the residual value of the assets at the end of the contract. The accounting policy for PFIs and similar contracts has been applied to these arrangements and the assets are recognised as Property, Plant and Equipment in the Council's Balance Sheet.
- Council Tax Reduction Scheme (CTRS) – a number of points are considered relevant in determining to present this item of expenditure as gross in the Cost of Services segment of the Comprehensive Income and Expenditure Statement rather than netting it off Council Tax income in the Taxation and Non-Specific Grant Income segment. The most persuasive and significant of these being that, as there is no specific reference to the proper accounting treatment of CTRS in the CIPFA Accounting Code of Practice or Guidance Notes, reliance has been placed on IPSAS 23 - Revenue from Non-Exchange Transactions (taxes and transfers). This standard is relevant to public sector bodies, and states that taxation revenue shall be determined at a gross amount; it shall not be reduced for expenses paid through the tax system.

17.7 Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

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

The items in the Authority's Balance Sheet at 31st March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Consequences if actual results differ from assumption
Revaluation of Property, plant & equipment	Property, plant and equipment (with the exception of infrastructure, community assets, assets under construction and vehicles, plant and equipment) are revalued on a periodic basis and tested annually for indicators of impairment. Traditionally the Council undertakes a rolling five-year valuation schedule to review and update the value of the assets held in the balance sheet. Given the potential extended length of time between valuations and the perceived impact of recent construction inflation changes upon replacement cost figures, this introduces an increased uncertainty as to the values reported. In order to mitigate this, a desk based exercise has been completed to revise property values impacted by construction inflation annually until that asset receives its next formal revaluation.	If the actual results differ from the assumptions, the value of PPE will be over or understated. This would be adjusted when the assets were next revalued.
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.

Pensions Liability	Pensions Liability – Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the expected rate of price inflation, the rate at which salaries and pensions are expected to increase, mortality rates and rate of commutation of pensions. A firm of actuaries are engaged to provide the Council with expert advice about the assumptions to be applied. A sensitivity analysis of these assumptions is provided in Note 14. To account for the McCloud Judgement (public service pensions age discrimination cases) the actuary has made an estimated adjustment to these liabilities from the 2022 valuation data to ensure that it is captured in the 31 March 2024 IAS19 balance sheet figures. The final impact on the pension scheme will not be known until the required changes in legislation have been made.	The assumptions interact in complex ways. Further information is provided in note 14 concerning the risks and sensitivity of changes in the pension assets and liabilities.
Provisions	The Council has included provisions for known insurance claims as at 31st March 2025. The value of these claims is based on information provided by our Insurers on the number of claims outstanding at the end of the financial year, the average settlement amount for each type of claim and the likelihood of each type of claim being settled. However the outcome of these cases is still uncertain as outstanding legal cases and negotiations remain on going.	The Authority maintains the insurance and risk management reserve to assist in the control of the Authority's insurance risks. The provisions in place and the balance on the insurance and risk management reserve at 31st March 2025 are deemed to provide sufficient cover for the Authority's claims exposure. Notes 13.7 provides further information on the types of claims the Authority is exposed to.
Arrears	At 31st March 2025, the Authority had an outstanding balance of short term debtors totalling £58.28m. Against this debtors balance, there is an impairment allowance of £6.19m. It is not absolutely certain that this impairment allowance would be sufficient as the Council cannot assess with certainty which debts will be collected or not. The economic impact of high inflation and cost of living crisis has made the estimation of debt impairment more difficult as there is more uncertainty about the economic viability of debtors and hence their ability to settle their debts.	An understatement of doubtful debts would lead to a future adjustment and impairment to be reflected. The impairment allowances held are based on policies adapted to historic experience and success rates experienced in collection.

17.8 Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. A creditor is held for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The creditor is held at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The charge to Surplus or Deficit on the Provision of Services is reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pensions Scheme, administered by Torfaen County Borough Council

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees when they worked for the Authority and related to final salary, career average earnings, and length of service.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified to the Authority. The scheme is therefore accounted for as if it were a defined contributions scheme and no liability for future payment of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

All other staff, subject to certain qualifying criteria, are entitled to become members of the Local Government Pension Scheme which is administered by Torfaen County Borough Council. The pension costs charged to the Authority's accounts in respect of this group of employees is determined by the fund administrators and represents a fixed proportion of employees' contributions to this funded pension scheme.

The Local Government Scheme is accounted for as a defined benefit scheme:

- The Liabilities of the pension fund attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions such as mortality rates, employee turnover rates, etc., and projections of earning for current employees.

- Liabilities are discounted to their value at current prices, using a single discount rate which is derived from the spot rates on a selection of AA rated corporate bonds of various durations which match the liabilities within the Authority's pension fund. This is known as the yield curve approach.
- The assets of the Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the balance sheet at their fair value as determined by the Fund's actuary.
- The change in the net pensions liability is analysed into seven components:
 - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
 - Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non- Distributed Costs.
 - Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
 - Interest on plan assets – this is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.
 - Gains or losses on settlements and curtailments – the result of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
 - Gains or losses on remeasurement – changes in the net pensions liability (Liabilities less assets) that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve.
 - Contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Further details are given in section 14 of the notes to the Financial Statements.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

17.9 Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

17.10 Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

17.11 Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of a financial instrument. They are classified based on the business model for holding the instruments and their expected cashflow characteristics.

Financial Liabilities

Financial liabilities are initially measured at fair value and subsequently measured at amortised cost. For the Council's borrowing this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest).

Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

Financial Assets

Financial assets are held at amortised cost where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flows. This is the majority of our treasury investments such as term deposits, certificate's of deposit and call accounts and also trade debtors for goods and services provided contractually and also lease receivables. This excludes council tax debtors and grants receivable as they are non-exchange transactions.

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council. For most assets, this is 12 month expected credit losses until the risk increases significantly, then it is lifetime expected losses. For trade debtors expected lifetime losses are always used.

Financial assets are held at fair value through other comprehensive income where cashflows are solely payments of principal and interest and it is the Council's business model to collect these cashflows and sell the instruments before maturity. The authority does not hold any such investments. The standard also allows the authority to elect to account for equity investments through other comprehensive income if they are being held for strategic investment purposes.

All other financial assets are held at fair value through Profit & Loss.

17.12 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Receipts in Advance account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Receipts in Advance account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

17.13 Expenditure & Income where the Council is acting as an agent

Welsh Government or UK Government will periodically use Councils' as an intermediary to distribute resources to the electorate or particular business sectors as an alternative to making their own direct payment arrangements. Such measures are classified as agency arrangements and are noted within Section 11 of these statements.

As the Code requires transactions classified as agency arrangements to be excluded from the income and expenditure of the Council (i.e. amounts debited and credited to the Comprehensive Income and Expenditure Statement), many of the cash flows involved in agency arrangements will be excluded from these statements.

17.14 Heritage Assets

Heritage assets are assets that are held by the authority principally for their contribution to knowledge or culture.

Heritage assets were previously shown in community assets but are now recorded in a separate category on the balance sheet as a non-current asset class. The Authority does not classify any operational assets as heritage assets.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets and as a result the Authority has chosen not to value heritage assets if the cost is deemed to be excessive.

A further condition for expenditure to be capitalised is that it exceeds the relevant de minimus limit in place. A de minimus limit has been put in place of £10,000 for heritage assets.

The Authority considers that the heritage assets held by the Authority will have indeterminate lives and a high residual value, hence the Authority does not consider it appropriate to charge depreciation for the assets.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Authority's general policies on impairment. The trustees of the Authority's Museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

17.14 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority for more than one financial year.

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, for any sale proceeds greater than £10,000, the Capital Receipts Reserve.

17.15 Inventories and Long Term Contracts

Inventories are included in the Balance Sheet at the latest price paid, with an allowance made for obsolescent and slow moving items. This is a departure from the requirements of the Code which require inventories to be shown at the lower of actual cost and net realisable value. However, the amounts concerned are not considered material.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

17.16 Investment Property

Investment properties are measured initially at cost and subsequently at fair value. Investment properties are not depreciated but are revalued annually according to market conditions at the year-end.

Revaluation gains and losses are recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement. However, regulations do not permit unrealised gains and losses to impact the General Fund balance. Therefore, gains and losses are reversed via the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Net rental income together with any revaluation gains and losses or impairments are recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement.

17.17 Fair value measurement

The Council measures its assets held for sale, surplus assets, investment properties and available-for-sale financial instrument at fair value at each reporting date. Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Measurement will be at highest and best use from the perspective of a market participant. The fair value of an investment property held under a lease is the lease interest.

It is assumed that any fair value measurement of an asset or liability uses the same assumptions that market participants acting in their economic best interest would use and that the transaction takes place in the principal market or failing that in the most advantageous market for the asset or liability.

Appropriate valuation techniques are used for which sufficient data is available. Inputs to the techniques are categorised within the fair value hierarchy that consists of three levels as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are accessible by the Council at the measurement date
- Level 2 inputs are quoted prices other than quoted prices within Level 1 that are observable either directly or indirectly
- Level 3 inputs are unobservable inputs for an asset or liability.

The use of relevant observable inputs is maximised and the use of unobservable inputs is minimised.

Any transfers between valuation levels will take place at the valuation date at the end of the reporting period.

17.18 Interests in companies and other entities

The Council has a number of interests in other entities which fall within the group boundary of the Council on the grounds of control and significant influence in line with the Code.

In respect of the South East Wales Corporate Joint Committee (SEWCJC), the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures.

However the Council's remaining interests in other entities, in aggregate, are not sufficiently material to warrant producing consolidated financial statements when reviewing both quantitative and qualitative information. For this reason, group accounts are not deemed necessary for these entities within these statements. In order to ensure compliance with the Code, a range of narrative disclosures have been made in other sections of the accounts (See note 16.6 for further information).

17.19 Leases

The Council applied IFRS 16 (Leases) with effect from 1st April 2024.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Leases in place before IFRS 16 and not aligned with proper practice as of 31 March 2010 are exempt. Under the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010 No. 454, the Council may continue to account for income based on the original lease terms.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Authority as Lessee

The Council assesses contracts based on their substance to determine if they meet the definition of a lease. This includes analysing whether the arrangement—regardless of how it is described—conveys the right to control the use of an identified asset, including rights to obtain most of its economic benefits or service potential and to direct its use. The Code extends IFRS 16 to cover arrangements with nil, nominal, or peppercorn payments

Initial Measurement

Leases are recognised as right-of-use assets with corresponding liabilities from the date the asset becomes available for use (or from the IFRS 16 transition date, if later). Leases typically exceed one year and may include extension options.

Lease liabilities are initially measured at the present value of lease payments, discounted using the Council's incremental borrowing rate (Public Works Loan Board certainty rate used as a proxy if the implicit rate is unknown). Included in the liability are:

- Fixed and in-substance fixed payments
- Variable payments based on an index or rate (measured at the adoption date)
- Expected payments under residual value guarantees
- Purchase options the Council is reasonably certain to exercise
- Extension option payments if likely to be exercised
- Early termination penalties, unless early termination is unlikely

The right-of-use asset is measured at the lease liability amount, adjusted for prepayments, dismantling/restoration costs, and less any lease incentives. For leases with nil, nominal, or peppercorn payments, the asset is measured at fair value.

Subsequent Measurement

Right of Use assets are carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption. The lease liability is subsequently measured at amortised cost, using the effective interest method.

Low value and short lease exemption

As permitted by the Code, the Authority excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

The Authority as Lessor - Finance Leases

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Again, representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the Council Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the Council Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the Council Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

The Authority as Lessor - Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Where material, initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

17.20 Overheads and Support Services

The costs of overheads and support services are no longer charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Code of Practice. The Statement of Accounts are now presented in the same way as the management reporting structure of the Council, so overheads are reported in the budget areas where they are managed.

17.21 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

It is not a requirement for expenditure outside of the capital programme to be capitalised if it does not exceed the de minimus limit of £10,000 for all asset categories.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the Council Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost.
- All other operational assets – Current value based on existing use value (EUV) for operational assets where there is an active market, or if there is no market-based evidence of current value because of the specialist nature of the asset and/or the asset is rarely sold (i.e. EUV cannot be determined), depreciated replacement cost (DRC) using the 'instant build' approach.
- Non-operational assets – Fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Adopted roads built by developers are in many respects seen as donated assets. Whilst donated assets are required to be measured at fair value at recognition, infrastructure assets are measured initially at historical cost and subsequently at depreciated historical cost rather than fair value. The authority have taken the view that the historical cost of such adopted roads is zero.

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value. Vehicles, plant and equipment are categories of asset treated in this manner.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

In addition to the assets individually revalued a program of indexation has been undertaken on the remaining Land & Building assets to uplift values. Significant inflation in recent years increases the risk of that the carrying values of non-revalued assets may be materially different to the current value. This has been addressed by uplifted asset values in line with the relevant movements in the BCIS' All In Tender Price Index.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life including freehold land and Community Assets) and assets that are not yet available for use (assets under construction).

Depreciation is calculated on the following bases:

- **Dwellings and other buildings** – straight-line allocation over the useful life of the property as estimated by the valuer
- **Vehicles, plant, furniture and equipment** – straight-line allocation over the life of the asset as advised by a suitable qualified officer
- **Infrastructure:**
 - Carriageways** – Straight Line over 27 years
 - Street Lighting** – Straight Line over 20 years
 - Principal Rights of Way** – Straight Line over 15 years
 - Green Infrastructure** – Straight Line over 20 years
 - Bridges & Major Retaining Walls** – Straight Line over 30 years
 - Abergavenny & Caldicot Town Centre** – Straight Line over 20 years

Flood Alleviation & Land Slip – Assessed on a case by case basis.

Useful lives of Infrastructure assets are reviewed annually.

No depreciation is charged in the year of acquisition with a full year charge applied in the disposal year.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Components

An asset may consist of several different and significant physical components. If an item of property, plant and equipment comprises two or more significant components with substantially different useful lives, then each component is treated separately for depreciation purposes and depreciated over its individual useful life.

When a component is replaced or restored, the old component is written off to avoid double counting and the new component capitalised. Where a component does not have its own carrying amount because it has not previously been accounted for separately the cost of the new component is used as an indication of the cost of the replaced part. A component is derecognised where no future economic benefits are expected from its use.

The Authority has established thresholds for the separation of significant components. As a result components of an item of property, plant or equipment that make up a significant part of the cost of the item would only need to be separated where the item itself is material individually or when aggregated with like items.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale.

Assets held for Sale Assets are assets where the:

- asset is immediately available for sale
- sale is highly probable
- asset is actively marketed
- sale is expected to be completed within 12 months

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

17.22 Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

17.23 Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Authority is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Authority carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Authority.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- Lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

17.24 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

17.25 Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the Council Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the Council Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority – these reserves are explained in the relevant policies.

17.26 Revenue Expenditure Funded from Capital under Statute

Legislation requires defined items of revenue expenditure charged to services within the Comprehensive Income and Expenditure Statement to be treated as capital expenditure. All such expenditure is transferred from the General Fund balance via the Movement in Reserves Statement to the Capital Adjustment Account.

17.27 VAT

The Comprehensive Income and Expenditure Account excludes amounts relating to VAT and will be included as an expense only if it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income within the Council's Income and Expenditure account.

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SUBJECT: INTERNAL AUDIT SECTION
Compliance with Global Internal Audit Standards – Update

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

1. PURPOSE

To inform members of the Council's Governance & Audit Committee of the outcome of the updated self-assessment completed of the Internal Audit teams compliance with the Global Internal Audit Standards (GIAS) which came into force April 2025.

2. RECOMMENDATION

That the Governance & Audit Committee notes the self-assessment and the action plan to ensure full compliance. That the Governance & Audit Committee receive an update report in 6 months.

3. KEY ISSUES

- 3.1 The Global Internal Audit Standards (GIAS) came into force from January 2025 with an agreement that for the UK Public Sector implementation would be from April 2025. These replace the Public Sector Internal Audit Standards (PSIAS) which have been the Standards followed by Internal Audit teams across the UK Public Sector since April 2013.
- 3.2 The Internal Audit team previously had an External Quality Assessment (EQA) Completed of it's compliance with the PSIAS in March 2024. The outcome was that the team was 'generally compliant' with the standards which was the top rating. An EQA is required under both sets of standards to be completed on a 5 yearly basis. Therefore, the next Assessment is due by March 2029.
- 3.3 The GIAS brought in a number of new and replacement standards which were not previously within the PSIAS. There is also a separate [Application Note: Global Internal Audit Standards in the UK Public Sector](#) and a [Code of Practice for the Governance of Internal Audit in UK Local Government](#) which the Council is required to comply with.

4. REASONS

- 4.1 The Global Institute of Internal Auditors have provided a standardised self-assessment toolkit for Chief Audit Executives (Heads of Internal Audit) to use to review their compliance. The UK Public Sector application notes have been added into this toolkit by the Chartered Institute of Internal Auditors (UK & Ireland) to provide a document fit for the UK public sector.
- 4.2 This toolkit has been used to review Monmouthshire County Councils compliance with the applicable standards. A self-assessment originally took place in March 2025 prior to the standards becoming mandatory and has been updated during September 2025 as a mid-year review. The outcome of this review is included as Appendix 1 to 3.
- 4.3 One of the main requirements under the GIAS was for the Council to review and formally agree the Internal Audit Mandate and Strategy, which were new requirements, along with updating the Internal Audit Charter. These were presented to and approved by the Governance & Audit Committee in June 2025. As part of this review, the Internal Audit team also developed their 'Internal Audit Methodologies' which again were a new requirement to dovetail with the updated Charter.
- 4.4 An updated action plan has been included at Appendix 4 to highlight those areas still determined as needing required action. An action is already well underway to address the areas where full compliance has not yet been achieved such as arranging Route Cause Analysis and Professional Scepticism training for all staff. This training is being arranged by Monmouthshire on behalf of a number of local Internal Audit teams to provide greater value for money. The other actions will be addressed during the remainder of the financial year.

5. RESOURCE IMPLICATIONS

None.

6. CONSULTEES

Deputy Chief Executive & Strategic Director (Resources) – S151 Officer

7. BACKGROUND PAPERS

Global Internal Audit Standards (GIAS)
GIAS Self Assessment September 2025
Internal Audit Charter
Internal Audit Mandate & Strategy
Internal Audit Methodologies

8. AUTHOR AND CONTACT DETAILS

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

Name of the organisation:	Monmouthshire County Council		
Name of the internal audit function:	Internal Audit		
Date of the internal audit evaluation:	26/09/2025	Date of the previous internal audit evaluation:	20/03/25
Title of the designated Chief Audit Executive:	Chief Internal Auditor	Name of the designated Chief Audit Executive:	Jan Furtek
Name of the Board / Committee that is responsible for audit matters and to whom the Chief Audit Executive reports:	Governance & Audit Committee	Reporting line of the Chief Audit Executive:	Deputy Chief Executive & Strategic Director (Resources) S151 Officer
List the roles which make up 'Senior Management' for the organisation	Chief Executive, Deputy Chief Executive & Strategic Director (Resources) S151 Officer, Strategic Director – Learning, Skills and Economy, Strategic Director – Social Care and Safeguarding, Chief Officer – People, Performance and Partnerships, Chief Officer – Law and Governance, Chief Officer – Infrastructure, Chief Officer - Place & Community Wellbeing		
Reviewer(s):	Jan Furtek, Chief Internal Auditor		

Global Internal Audit Standards	Conformance Assessment	Performance Assessment	Notes, including reference to actions to address significant findings
Domain I: Purpose of Internal Auditing	Fully achieved	Fully achieved	This is an overall opinion based on relevant Domains/Principles/Standards assessments below and other assessment activities, such as stakeholder feedback.
Domain II: Ethics and Professionalism	Generally achieved	Not required	This is an overall opinion for Domain II based on the findings from the Principles 1, 2, 3, 4 and 5 below

Global Internal Audit Standards

Appendix 1

Principle 1: Demonstrates Integrity	Assessment of Principle 1: Internal auditors demonstrate integrity in their work and behaviour.		Generally achieved	Not required	This is an overall opinion for Principle 1, using the results from Standards 1.1, 1.2 and 1.3 below.
	Standard 1.1	Honesty and Professional Courage	Generally achieved	Not required	
	Standard 1.2	Organization's Ethical Expectations	Fully achieved	Not required	
	Standard 1.3	Legal and Ethical Behaviour	Fully achieved	Not required	
Principle 2: Maintain Objectivity	Assessment of Principle 2: Internal auditors maintain an impartial and unbiased attitude when performing internal audit services and making decisions.		Fully achieved	Not required	This is an overall opinion for Principle 2, using the results from Standards 2.1, 2.2 and 2.3 below.
	Standard 2.1	Individual Objectivity	Fully achieved	Not required	
	Standard 2.2	Safeguarding Objectivity	Fully achieved	Not required	
	Standard 2.3	Disclosing Impairments to Objectivity	Fully achieved	Not required	
Principle 3: Demonstrate Competency	Assessment of Principle 3: Internal auditors apply the knowledge, skills, and abilities to fulfil their roles and responsibilities successfully.		Fully achieved	Not required	This is an overall opinion for Principle 3, using the results from Standards 3.1 and 3.2 below.
	Standard 3.1	Competency	Fully achieved	Not required	
	Standard 3.2	Continuing Professional	Fully achieved	Not required	

		Development			
Global Internal Audit Standards			Conformance Assessment	Performance Assessment	Notes, including reference to actions to address significant findings
Principle 4: Exercise Due Professional Care	Assessment of Principle 4: Internal auditors apply due professional care in planning and performing internal audit services.		Generally achieved	Not required	This is an overall opinion for Principle 4, using the results from Standards 4.1, 4.2 and 4.3 below.
	Standard 4.1	Conformance with the Global Internal Audit Standards	Fully achieved	Not required	Lack of IA Methodologies which are a new requirement under GIAS
	Standard 4.2	Due Professional Care	Fully achieved	Not required	
	Standard 4.3	Professional Scepticism	Generally achieved	Not required	
Principle 5: Maintain Confidentiality	Assessment of Principle 5: Internal auditors use and protect information appropriately.		Fully achieved	Not required	This is an overall opinion for Principle 5, using the results from Standards 5.1 and 5.2 below.
	Standard 5.1	Use of Information	Fully achieved	Not required	
	Standard 5.2	Protection of Information	Fully achieved	Not required	

Global Internal Audit Standards			Conformance Assessment	Performance Assessment	Notes, including reference to actions to address significant findings
Domain III: Governing the Internal Audit Function			Fully achieved	Fully achieved	This is an overall opinion for Domain II based on the findings from the Principles 6, 7 and 8 below

Principle 6: Authorised by the Board	Assessment of Principle 6: The board establishes, approves, and supports the mandate of the internal audit function.		Fully achieved	Fully achieved	This is an overall opinion for Principle 6, using the results from Standards 6.1, 6.2 and 6.3 below.
	Standard 6.1	Internal Audit Mandate	Fully achieved	Fully achieved	
	Standard 6.2	Internal Audit Charter	Fully achieved	Fully achieved	
	Standard 6.3	Board and Senior Management Support	Fully achieved	Fully achieved	
Principle 7: Positioned Independently	Assessment of Principle 7: The board establishes and protects the internal audit function's independence and qualifications.		Fully achieved	Not required	This is an overall opinion for Principle 7, using the results from Standards 7.1 and 7.2 below.
	Standard 7.1	Organizational Independence	Fully achieved	Not required	
	Standard 7.2	Chief Audit Executive Qualifications	Fully achieved	Not required	
Principle 8: Overseen by the Board	Assessment of Principle 8: The board oversees the internal audit function to ensure the function's effectiveness		Fully achieved	Fully achieved	This is an overall opinion for Principle 8, using the results from Standards 8.1, 8.2, 8.3 and 8.4 below.
	Standard 8.1	Board Interaction	Fully achieved	Fully achieved	
	Standard 8.2	Resources	Fully achieved	Not required	
	Standards 8.3	Quality	Fully achieved	Fully achieved	

	Standard 8.4	External Quality Assessment	Fully achieved	Not required	
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Global Internal Audit Standards			Conformance Assessment	Performance Assessment	Notes, including reference to actions to address significant findings
Domain IV: Managing the Internal Audit Function			Generally achieved	Fully achieved	This is an overall opinion for Domain IV based on the findings from Principles 9, 10, 11 and 12 below
Principle 9: Plan Strategically	Assessment of Principle 9: The chief audit executive plans strategically to position the internal audit function to fulfil its mandate and achieve long-term success.		Generally achieved	Fully achieved	This is an overall opinion for Principle 9, using the results from Standards 9.1, 9.2, 9.3 and 9.4 below.
	Standard 9.1	Understanding Governance, Risk Management and Control Processes	Fully achieved	Not required	
	Standard 9.2	Internal Audit Strategy	Fully achieved	Fully achieved	
	Standard 9.3	Methodologies	Generally achieved	Not required	
	Standard 9.4	Internal Audit Plan	Fully achieved	Not required	
	Standard 9.5	Coordination and Resilience	Fully achieved	Not required	

Principle 10: Manage Resources	Assessment of Principle 10: The chief audit executive manages resources to implement the internal audit function's strategy and achieve its plan and mandate.		Fully achieved	Not required	This is an overall opinion for Principle 10, using the results from Standards 10.1, 10.2 and 10.3 below.
	Standard 10.1	Financial Resource Management	Fully achieved	Not required	
	Standard 10.2	Human Resource Management	Fully achieved	Not required	
	Standard 10.3	Technological Resources	Fully achieved	Not required	
Global Internal Audit Standards			Conformance Assessment	Performance Assessment	Notes, including reference to actions to address significant findings
Principle 11: Communicate Effectively	Assessment of Principle 11: The chief audit executive guides the internal audit function to communicate effectively with its stakeholders.		Fully achieved	Not required	This is an overall opinion for Principle 11, using the results from Standards 11.1, 11.2, 11.3, 11.4 and 11.5 below.
	Standard 11.1	Building Relationships and Communicating with Stakeholders	Fully achieved	Not required	
	Standard 11.2	Effective Communication	Fully achieved	Not required	
	Standard 11.3	Communicating Results	Fully achieved	Not required	
	Standard 11.4	Error and Omissions	Fully achieved	Not required	
	Standard 11.5	Communicating the Acceptance of Risks	Fully achieved	Not required	

Principle 12: Enhance Quality	Assessment of Principle 12: The chief audit executive is responsible for the internal audit function's conformance with the Global Internal Audit Standards and continuous performance improvement.		Fully achieved	Fully achieved	This is an overall opinion for Principle 12, using the results from Standards 12.1, 12.2 and 12.3 below.
	Standard 12.1	Internal Quality Assessment	Fully achieved	Fully achieved	
	Standard 12.2	Performance Measurement	Fully achieved	Fully achieved	
	Standard 12.3	Oversee and Improve Engagement Performance	Fully achieved	Not required	

Global Internal Audit Standards			Conformance Assessment	Performance Assessment	Notes, including reference to actions to address significant findings
Domain V: Performing Internal Audit Services			Fully achieved	Not required	This is an overall opinion for Domain V based on the findings from the Principles 13, 14 and 15 below
Principle 13: Plan Engagements Effectively	Assessment of Principle 13: Internal auditors plan each engagement using a systematic, disciplined approach.		Fully achieved	Not required	This is an overall opinion for Principle 13, using the results from Standards 13.1, 13.2, 13.3, 13.4, 13.5 and 13.6 below.
	Standard 13.1	Engagement Communication	Fully achieved	Not required	
	Standard 13.2	Engagement Risk Assessment	Fully achieved	Not required	

Global Internal Audit Standards

Appendix 1

	Standard 13.3	Engagement Objectives and Scope	Fully achieved	Not required	
	Standard 13.4	Evaluation Criteria	Fully achieved	Not required	
	Standard 13.5	Engagement Resources	Fully achieved	Not required	
	Standard 13.6	Work Program	Fully achieved	Not required	
Principle 14: Conduct Engagement Work	Assessment of Principle 14: Internal auditors implement the engagement work program to achieve the engagement objectives.		Fully achieved	Not required	This is an overall opinion for Principle 14, using the results from Standards 14.1, 14.2, 14.3, 14.4, 14.5 and 14.6 below.
	Standard 14.1	Gathering Information for Analyses and Evaluation	Fully achieved	Not required	
	Standard 14.2	Analyses and Potential Engagement Findings	Fully achieved	Not required	
	Standard 14.3	Evaluation of Findings	Fully achieved	Not required	
	Standard 14.4	Recommendations and Action Plans	Fully achieved	Not required	
	Standard 14.5	Engagement Conclusions	Fully achieved	Not required	
	Standard 14.6	Engagement Documentation	Fully achieved	Not required	
Global Internal Audit Standards			Conformance Assessment	Performance Assessment	Notes, including reference to actions to address significant findings

Principle 15: Communicate Engagement Results and Monitor Action Plans	Assessment of Principle 15: Internal auditors communicate the engagement results to the appropriate parties and monitor management's progress toward the implementation of recommendations or action plans.		Fully achieved	Not required	This is an overall opinion for Principle 15, using the results from Standards 15.1 and 15.2 below.
	Standard 15.1	Final Engagement Communication	Fully achieved	Not required	
	Standard 15.2	Confirming the Implementation of Recommendations or Action Plans	Fully achieved	Not required	

Internal Audit Code of Practice

Appendix 2

Name of the organisation:	Monmouthshire County Council		
Name of the internal audit function:	Internal Audit		
Date of the internal audit evaluation:	26/09/2025	Date of the previous internal audit evaluation:	20/03/25
Title of the designated Chief Audit Executive:	Chief Internal Auditor	Name of the designated Chief Audit Executive:	Jan Furtek
Name of the Board / Committee that is responsible for audit matters and to whom the Chief Audit Executive reports:	Governance & Audit Committee	Reporting line of the Chief Audit Executive:	Deputy Chief Executive & Strategic Director (Resources) S151 Officer
List the roles which make up 'Senior Management' for the organisation	Chief Executive, Deputy Chief Executive & Strategic Director (Resources) S151 Officer, Strategic Director – Learning, Skills and Economy, Strategic Director – Social Care and Safeguarding, Chief Officer – People, Performance and Partnerships, Chief Officer – Law and Governance, Chief Officer – Infrastructure, Chief Officer - Place & Community Wellbeing		
Reviewer(s):	Jan Furtek, Chief Internal Auditor		

Internal Audit Code of Practice

Outcome	Principle	Topic	Assessment #1	Assessment #2	Total Assessment	Notes, including reference to actions
Outcome A: Purpose and Mandate of Internal Audit			Assessment of Outcome A:		Fully achieved	
	Principle 1:	Primary purpose of internal audit	Fully achieved	N/A	Fully achieved	
	Principle 2:	Tone at the top	Fully achieved	N/A	Fully achieved	
	Principle 3:	Reporting on application of the Code	Fully achieved	N/A	Fully achieved	

	Principle 4:	Annual report and accounts	Fully achieved	N/A	Fully achieved	
Outcome B: Scope and priorities of internal audit.			Assessment of Outcome B:		Fully achieved	
	Principle 5:	Internal audit's scope should be unrestricted	Fully achieved	N/A	Fully achieved	
	Principle 6:	Risk assessment and prioritisation of internal audit work	Fully achieved	N/A	Fully achieved	
	Principle 7:	Internal audit coverage and planning	Fully achieved	Fully achieved	Fully achieved	Principle split into two and therefore two assessments need to be combined
	Principle 8:	Scope of internal audit	Fully achieved	Fully achieved	Fully achieved	Principle split into two and therefore two assessments need to be combined
Outcome C: Reporting Results			Assessment of Outcome C:		Fully achieved	
	Principle 9:	Internal audit reporting	Fully achieved	N/A	Fully achieved	
	Principle 10:	Internal audit reporting content	Fully achieved	N/A	Fully achieved	
	Principle 11:	Internal audit overall opinion of governance, risk management and control framework	Fully achieved	N/A	Fully achieved	
Outcome D: Interaction with risk management, compliance, finance and control			Assessment of Outcome D:		Fully achieved	
	Principle 12:	CAE other responsibilities	Not applicable	N/A	Not applicable	
	Principle 13:	Reliance on other assurance providers	Fully achieved	N/A	Fully achieved	

Internal Audit Code of Practice

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functions.	Principle 14:	Coordination with other assurance providers	Fully achieved	N/A	Fully achieved	
Outcome E: Independence and authority of internal audit.			Assessment of Outcome E:		Fully achieved	
	Principle 15:	Position of CAE in the organisation structure	Fully achieved	N/A	Fully achieved	
	Principle 16:	Right to attend and observe executive meetings	Fully achieved	N/A	Fully achieved	
	Principle 17:	Unrestricted and time access to information, personnel and physical locations	Fully achieved	N/A	Fully achieved	
	Principle 18:	CAE reports to Chair of the audit committee	Not applicable	N/A	Not applicable	
	Principle 19:	Chair of audit committee appoints and removes CAE	Not applicable	N/A	Not applicable	
	Principle 20:	Code applies to outsource provision	Not applicable	N/A	Not applicable	
	Principle 21:	Chair of audit committee sets the CAE's objectives and performing annual appraisal	Not applicable	N/A	Not applicable	
	Principle 22:	Chair of audit committee recommends CAE remuneration to remuneration committee.	Not applicable	N/A	Not applicable	
	Principle 23:	Divisional heads of internal audit reporting lines	Not applicable	N/A	Not applicable	

Internal Audit Code of Practice

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	Principle 24:	CAE administrative reporting line	Not applicable	N/A	Not applicable	
Outcome F: Resources			Assessment of Outcome F:		Fully achieved	
	Principle 25:	CAE responsibility for IAF skills, experience and knowledge	Fully achieved	N/A	Fully achieved	
	Principle 26:	CAE reporting of adequacy of IAF skills and budget to Audit Committee	Fully achieved	N/A	Fully achieved	
	Principle 27:	IAF diversity of skills and experience mix.	Fully achieved	N/A	Fully achieved	
	Principle 28:	CAE responsibility for tools and technology	Fully achieved	N/A	Fully achieved	
	Principle 29:	Audit committee approval of internal audit budget	Fully achieved	N/A	Fully achieved	
Outcome G: Quality Assurance and Improvement Programme (QAIP)			Assessment of Outcome G:		Fully achieved	
	Principle 30:	Audit committee approval and evaluation of internal audit's performance objectives.	Fully achieved	N/A	Fully achieved	
	Principle 31:	Internal audit policies, procedures, methodology and performance and effectiveness measures.	Fully achieved	Fully achieved	Fully achieved	Principle split into two and therefore two assessments need to be combined

Internal Audit Code of Practice

Appendix 2

	Principle 32:	Internal audit QAIP, incl self assessment against the Code and Global Standards	Fully achieved	N/A	Fully achieved	
	Principle 33:	QAIP for outsourced and cosourced internal audit work	Fully achieved	N/A	Fully achieved	
	Principle 34:	External Quality Assessment	Fully achieved	N/A	Fully achieved	
Outcome H: Relationship with regulators and external audit.			Assessment of Outcome H:		Fully achieved	
	Principle 35:	Relationship with regulators	Fully achieved	N/A	Fully achieved	
	Principle 36:	Relationship with external audit	Fully achieved	N/A	Fully achieved	
Outcome I: Wider Considerations			Assessment of Outcome I:		Fully achieved	
	Principle 37:	Chartered IIA commission independent review of the Code every 5 years	Fully achieved	N/A	Fully achieved	

UK Public Sector Application Note

Appendix 3

Name of the organisation:	Monmouthshire County Council		
Name of the internal audit function:	Internal Audit		
Date of the internal audit evaluation:	26/09/2025	Date of the previous internal audit evaluation:	20/03/25
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Name of the Board / Committee that is responsible for audit matters and to whom the Chief Audit Executive reports:	Governance & Audit Committee	Reporting line of the Chief Audit Executive:	Deputy Chief Executive & Strategic Director (Resources) S151 Officer
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Reviewer(s):	Jan Furtek, Chief Internal Auditor		

UK Public Sector Application Note

Application Note Topic	Assessment	Notes	GIAS Standard
Ethics and standards in public life	Fully achieved		1.2 - Organisation's ethical expectations
Handling information	Fully achieved		2.5 - Protection of information

UK Public Sector Application Note

Appendix 3

Value for Money	Fully achieved		9.1 - Understanding Governance, risk management and control processes
Value for money	Fully achieved		13.4 - Evaluation criteria
The role of regulators	Fully achieved		9.5 - Coordination and reliance
Resources	Fully achieved		6.3 - Board and senior management support
Resources	Fully achieved		8.2 - Resources
Resources	Fully achieved		10.1 - Financial resource management
Resources	Fully achieved		10.2 - Human resources management
Resources	Fully achieved		10.3 - Technological resources
Overall conclusion and annual reporting	Fully achieved		11.3 - Communicating results
Overall conclusion and annual reporting	Fully achieved		12.1 - Internal quality assessment
Chief audit executive qualifications	Fully achieved		7.2 - Chief audit executive qualifications

UK Public Sector Application Note

Appendix 3

Selecting independent assessors	Fully achieved		8.4 - External Quality Assessment
Determining the essential conditions in relation to governance		Fully achieved	Domain III - Governing Internal Audit
For this part of the Application Note, the comments relate to all Essential Conditions for both the board (audit committee) and senior management. As the comment is in terms of how to address areas of challenge in a generic sense, and not specifically to each essential condition, the assessor will need to consider this across all Principles in Domain III. Therefore the results of the Standards from Domain III have not been copied here, instead the assessor needs to review the statements below and provide an opinion here, along with notes to support the assessment.			
Application Note	Assessment	Notes	GIAS Standard
GIAS Domain III 'Governing the Internal Audit Function' explains that appropriate governance arrangements with boards and senior management are essential to fulfil the Purpose of Internal Audit. The individual standards within Domain III include baseline 'essential conditions' which need to be satisfied in order to achieve conformance. The GIAS allows that in some cases it may be appropriate to determine alternatives to the essential conditions that achieve the same results.	Fully achieved		
The GIAS section Applying the Global Internal Audit Standards in the Public Sector includes non-exhaustive material explaining that public sector governance and organisational structures may require internal audit functions to adjust the application of some standards. This is the case in many UK public sector bodies and in these cases it will be necessary to determine alternatives to the Domain III essential conditions that achieve the same results. These must be agreed with the board/audit committee and, if permanent, must be explained in the Audit Charter.	Fully achieved		

The barriers to achievement of the baseline essential conditions vary in extent and effect across different parts of the UK public sector. The RIASS for individual sectors ¹ may choose to issue specific material for their sector, which internal auditors and quality assessors in the relevant sector must comply with. For this reason no material on alternative conditions is provided in this Application Note.	Fully achieved		

Action Plan

Appendix 4

Domain No.	Principle No.	Standard No.	Action Title	Action Description (Why, What, How)	Location (Where, Software, etc.)	Deadline (When - specific Date)	Action Owner (who - name)	Action Team members (who - name)	Progress
II	1	Standard 1.1 Honesty and Professional Courage	Training Plan	Develop a training plan and programme for the IA team to include coverage of mandatory 40 hours CPD (including minimum of 2 hours Ethics training). Devise a professional training plan for those staff not yet qualified (CIA) – budget dependant.	N/A	31/12/25	Chief Internal Auditor	Internal Audit Team	Yet to commence
II	4	Standard 4.3 Professional Scepticism	Professional Scepticism	Professional Scepticism training to be arranged for the whole Internal Audit team.	External Training	15/10/2025	Chief Internal Auditor	Internal Audit Team	CIA co-ordinating professional training in scepticism and route cause analysis on behalf of 6 Welsh LA's. Due to be held on the 15th October 2025.
IV	9	Standard 9.3 Methodologies	Methodologies	It is required that the IA Methodologies are evaluated for their effectiveness. Given these were only introduced in April 25 for the new standards this review has not yet taken place and will be due at the end of the Financial Year.	N/A	31/03/2026	Chief Internal Auditor	Chief Internal Auditor	Yet to commence

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SUBJECT:	ANNUAL HEALTH AND SAFETY REPORT 2024/25
MEETING:	GOVERNANCE AND AUDIT COMMITTEE
DATE:	30th October 2025
DIVISION/WARDS AFFECTED:	WHOLE AUTHORITY

1. PURPOSE:

- 1.1 To present the Council's first Annual Health and Safety Report (Appendix 1) to the Governance and Audit Committee and afford members the opportunity to i) provide feedback on health and safety performance and progress in 2024/25 and ii) endorse priorities for 2025/26.

2. RECOMMENDATIONS:

- 2.1 That the Governance and Audit Committee considers the Annual Health and Safety Report and provides feedback to inform future reports.
- 2.2 That the Committee acknowledges the health and safety risk register and mitigating actions included as an Appendix to the Annual Health and Safety Report.
- 2.3 That the Committee endorses the health and safety priorities identified for 2025/26 which will strengthen the Council's health and safety management framework.

3. KEY ISSUES

Background

- 3.1 The Council has a statutory duty under the Health and Safety at Work Act etc. 1974 to ensure, so far as is reasonably practicable, the health, safety and welfare of its employees, service users, contractors and members of the public affected by its activities.
- 3.2 Failure to manage health and safety effectively exposes the Council to legal, financial, and reputational risks.
- 3.3 This inaugural Annual Health and Safety Report reflects the Council's commitment to strengthening its health and safety culture and improving transparency and accountability in this critical area.
- 3.4 The report covers a wide range of health and safety topics including accident and incident data, sickness absence trends, occupational health, training, regulatory oversight, and

assurance mechanisms. It also outlines the Council's alignment with national health and safety priorities and sets clear priorities for 2025/26.

Key Messages

- 3.5 **Restructure and Capacity Building:** In 2024/25, the Council undertook a strategic reconfiguration of the Corporate Health and Safety function. This included the appointment of a dedicated Schools Health and Safety Advisor and the realignment of the Senior Health and Safety Advisor from Neighbourhood Services to the Corporate team. These changes have increased capacity and resilience, enabling a more proactive approach to health and safety management.
- 3.6 **Improvement and Assurance:** The report highlights areas of good practice and progress, including improvements in accident reporting, training delivery, and health surveillance. However, it also identifies areas requiring further attention, such as the need for more robust monitoring, better data quality, and improved support for employees affected by violence and aggression.
- 3.7 **Service Maturity:** The Corporate Health and Safety function is not yet a mature service. It is recognised throughout the report that further development work is required to ensure it can provide the necessary level of assurance around health and safety performance and compliance.
- 3.8 **Strategic priorities for 2025/26:** Clear priorities have been identified for 2025/26, including:
- Strengthening health and safety assurance frameworks
 - Enhancing sickness absence management, particularly in relation to that which is work related and psychological illness
 - Improving property-related health and safety compliance and assurance
 - Expanding digital reporting and training platforms
 - Developing an Employee Protection Register

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

- 4.1 Effective management of health and safety has positive impacts across all well-being goals and protected groups. It strengthens the Council's ability to safeguard staff and communities, prevent harm and promote equality, well-being and long- term sustainability.
- 4.2 An Integrated Impact Assessment has been completed and is available at Appendix 2.

5. EVALUATION CRITERIA

- 5.1 The effectiveness of the Council's health and safety management arrangements can be assessed against the following criteria:
- **Statutory Compliance:** Evidence of compliance with relevant legislation and official guidance
 - **Risk Management:** Effectiveness of risk identification, control measures, and assurance processes
 - **Incident Performance:** Trends in reported accidents and near misses, work related sickness and occupational health data
 - **Training and Competence:** Completion rates and impact of health and safety training programmes
 - **Continuous Improvement:** Progress against Corporate Health and Safety Action Plans
 - **Leadership and Culture:** Evidence of senior management commitment, communication and engagement
- 5.2 The Committee is invited to note that one of the key priorities for 2025/26 is to strengthen the Council's health and safety performance framework by developing a dashboard of performance indicators that can be monitored through our Corporate Health and Safety Group and reported annually.

6. REASONS:

- 6.1 The Annual Health and Safety Report 2024/25 provides a comprehensive overview of the Council's current position and future direction. It demonstrates a clear commitment to continuous improvement and acknowledges the need to further develop the Corporate Health and Safety function to meet organisational and regulatory expectations.

7. RESOURCE IMPLICATIONS:

- 7.1 There are no direct financial implications arising from this report. Any actions requiring expenditure will be met from existing service budgets or through separate business cases.

8. CONSULTEES:

Corporate Health and Safety Group
Strategic Leadership Team
Cabinet Member Resources
Head of HR
Resources DMT
Principal Insurance and Risk Management Officer

9. BACKGROUND PAPERS:

Appendix 1 - Health and Safety Annual Report 2024/25

Appendix 2 - Integrated Impact Assessment

10. AUTHOR: Kate Thompson, Corporate Health and Safety Manager

11. CONTACT DETAILS:

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E-mail: katethompson@monmouthshire.gov.uk



Health AND Safety Matters

Health and Safety Annual Report 2024/25



monmouthshire
sir fynwy

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INTRODUCTION

Monmouthshire County Council is committed to fostering a safe, healthy, and supportive environment for its employees, service users, pupils, and all those impacted by its operations. This report highlights the progress made in 2024/25 to strengthen our health and safety culture, reduce risk, and enhance wellbeing across the organisation.

Key achievements include the appointment of a dedicated Health and Safety Advisor for schools and the strategic realignment of the Senior Health and Safety Advisor to the Corporate team, moves that have significantly increased our capacity for proactive support and resilience. These changes were informed by a comprehensive review, and have already begun to address previously identified risks, laying the foundation for a safer and more responsive organisation.

Our Health and Safety Network continues to grow stronger, with regular virtual meetings fostering collaboration and consistency across directorates. In response to feedback from the Health and Safety Executive (HSE), we successfully launched a targeted asbestos management training programme, delivered in partnership with a neighbouring authority. The initiative was well received, with the HSE Inspector commending the depth of knowledge demonstrated by our managers.

The increase in working days lost through sickness absence across our organisation, particularly those attributed to psychological illness is a matter for concern. At present, we are unable to reliably distinguish from our sickness reports that which is work-related and that which is not. Addressing this challenge will be a key focus for 2025/26, as we seek to better understand the underlying causes and implement effective interventions to support our workforce.

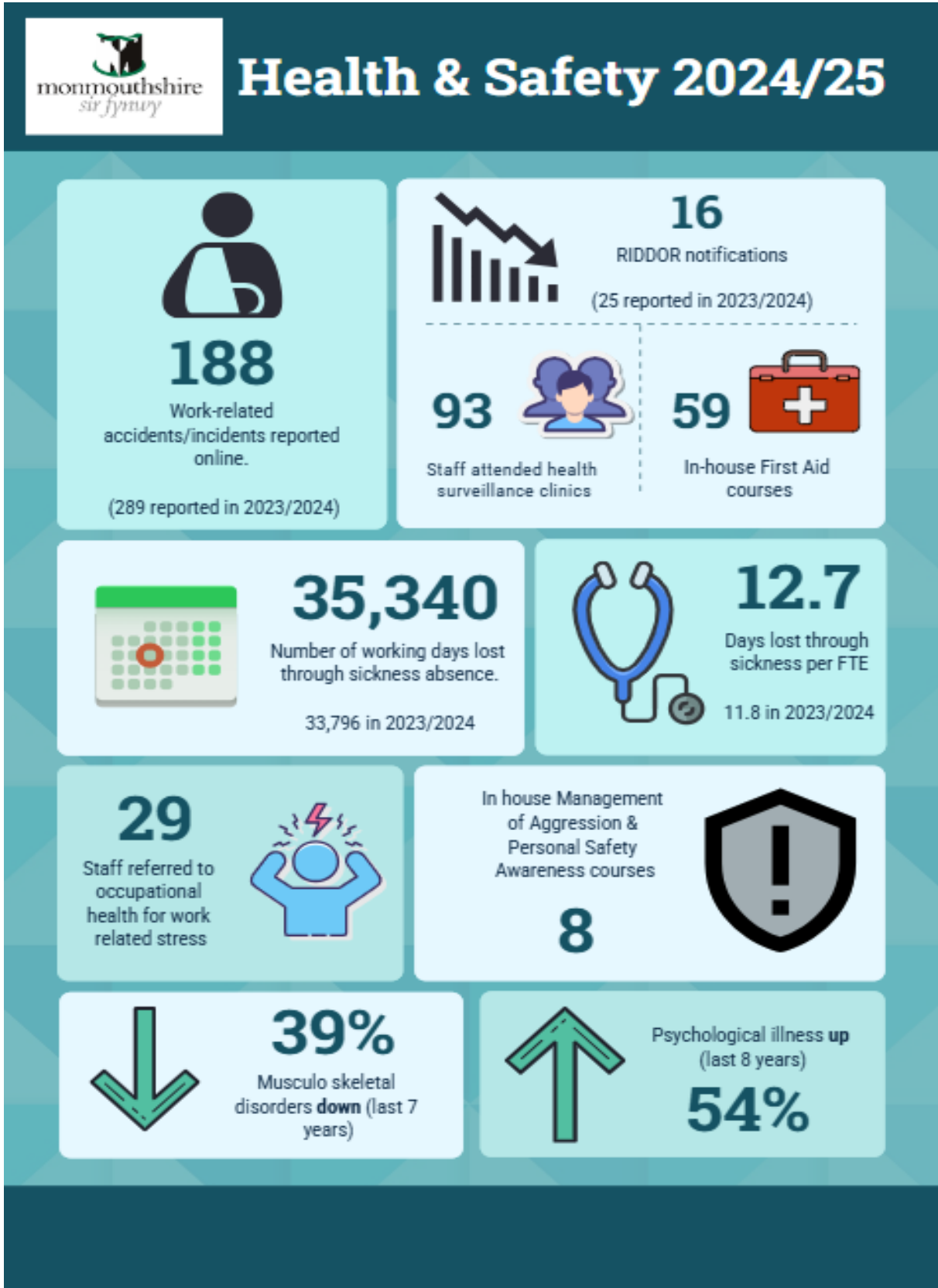
Looking ahead to 2025/26, we are optimistic. With increased capacity and a clear set of priorities, we are well-positioned to embed a robust health and safety culture, raise awareness, and deliver tangible improvements that protect and empower our workforce and communities.

PROGRESS UPDATE

- In 2023/24 we reviewed capacity and capability in our Corporate Health and Safety team and implemented a managed move to provide additional capacity and resilience.
- We further strengthened health and safety support and guidance to our schools, appointing a Schools Health and Safety Advisor.
- We successfully piloted a new e-voucher scheme for DSE user eye tests.
- We developed and piloted the use of a Schools Security Audit Checklist. By identifying and addressing potential threats, we can create a secure and nurturing environment that supports the growth and development of our learners.
- We developed and piloted an audit checklist to assess the effectiveness of arrangements for managing the risks children face from vehicles when walking on and immediately outside their school sites at drop off and pick up times.
- We provided health and safety input to the Corporate Induction programme and Managers Reset programmes
- We developed a health and safety risk register for the Authority - see Appendix 1.
- In collaboration with a neighbouring authority, we commenced the roll out of a comprehensive training programme for managers, including headteachers, with responsibility for buildings which contain asbestos.
- In response to increasing incidents of violence towards our employees we developed and delivered Violence and Aggression training for front line officers across the authority.
- We achieved demonstrable health and safety improvements at some of our depots and work will continue in 2025/26 to secure further improvements.
- We have worked to further reduce the risk to operatives associated with waste collection on potentially hazardous routes.

- The Council's Health Surveillance Programme is back on track after falling slightly behind last year.
- We have refined our approach to accident/incident investigation which means we are better able to identify trends, contributory factors and root causes.

Good progress has been made in strengthening our arrangements for managing health and safety in 2024/25. The new officer structure introduced in January 2025 provides a firm foundation for the future and the capacity to enable the service to develop a more proactive approach.



MANAGING HEALTH AND SAFETY

The Council's arrangements for managing health and safety are set out in our Corporate Health and Safety Policy, with our Chief Executive having ultimate responsibility for the health and safety of employees and others who may be affected by our undertakings.

Strategic management of health and safety has been delegated to our Deputy Chief Executive (who is accountable to Cabinet for the authority's health and safety performance) and to other members of the Strategic Leadership Team in respect of services under their control.

Our Cabinet Member for Resources takes an active interest in health and safety, meeting regularly with the Deputy Chief Executive and Corporate Health and Safety Manager to maintain a consistent focus on emerging priorities. This regular engagement helps ensure timely action and alignment with our strategic goals.

Directorates with nominated health and safety leads have demonstrated strong leadership, establishing effective arrangements and fostering a culture of collaboration. These leads work closely with the Corporate Health and Safety Manager and actively contribute to the Corporate Health and Safety Group, ensuring Directorate-level insights inform Council-wide improvements.

Where these leads are in place, communication is strong and proactive, with regular meetings helping to maintain momentum and drive continuous improvement. The Corporate Health and Safety Group, which meets quarterly and includes Trade Union representation, provides a valuable forum for shared learning, partnership working, and collective problem-solving.

Together, these arrangements are helping to embed a more resilient and responsive health and safety culture across the organisation - one that supports our people, protects our services, and delivers better outcomes for our communities.

We have strengthened our Health and Safety Network providing a firm foundation for the future.

In 2025/26 we will establish Directorate Health and Safety Groups in those Directorates where they do not already exist.

We recognise the need to strengthen our corporate health and safety systems and processes, improve the quality of information and data and establish more effective arrangements for health and safety monitoring, inspection and audit. This will provide our Strategic Leadership Team with the necessary assurances and enable us to demonstrate continual improvement.

ACCIDENTS & INCIDENTS

Monmouthshire County Council remains committed to continuous improvement in health and safety performance, with a strong focus on creating a safer and healthier workplace for all. Our proactive approach to accident and incident management is central to reducing work-related harm and fostering a culture of learning and prevention.

Reporting and Investigation Process

Managers are empowered to report and investigate all work-related accidents and incidents using structured reporting proformas, some of which have been digitalised

This process supports the identification of root causes and contributing factors, enabling the implementation of corrective actions to prevent recurrence and improve working conditions.

Investigations are proportionate to the severity of the incident, with support provided by Directorate Health and Safety Leads and the Corporate Health and Safety Team.

For serious incidents, the Corporate Health & Safety Manager leads the investigation to ensure a thorough and consistent response.

All reports are reviewed by the Corporate Health and Safety Team to:

- Confirm work-related status
- Ensure investigations are completed appropriately
- Meet statutory reporting requirements under RIDDOR

This oversight ensures compliance and supports timely, targeted interventions.

Incident Overview – 2024/25

A total of 263 incidents were reported via the Council's online system. Following review, 188 incidents were confirmed as work-related, a welcome reduction in the 289 reported in 2023/23, and 75 incidents were deemed non-work-related and managed locally with appropriate communication

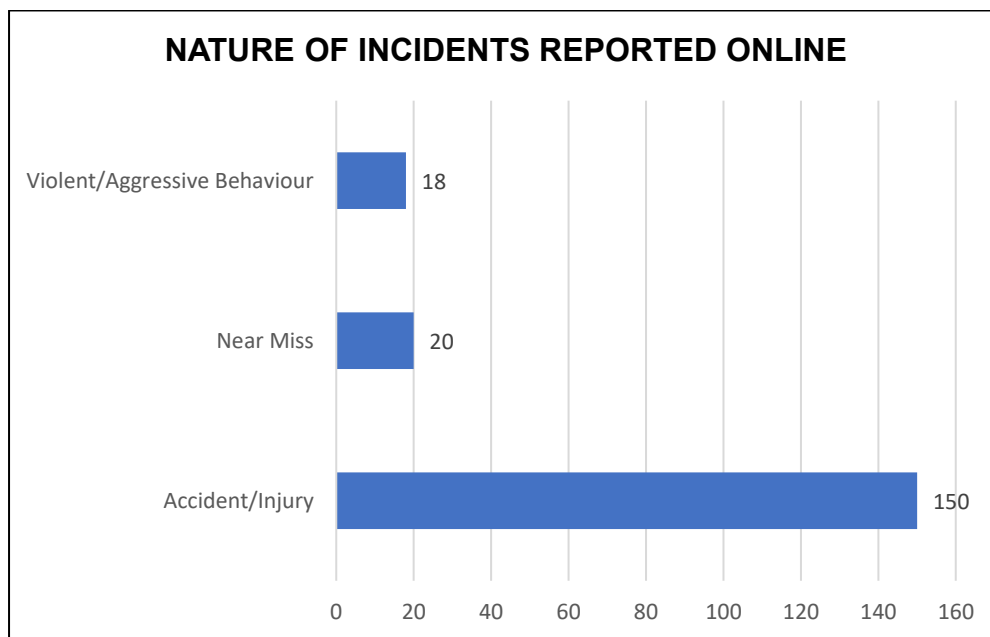
Non-work-related incidents included sports injuries and falls in care settings where environmental or supervisory factors were not involved.

The Communities and Place Directorate reported the highest number of work-related incidents (100), followed by Social Care, Safeguarding and Health (59). These

figures reflect strong engagement with the reporting process and provide valuable insights for future improvements.

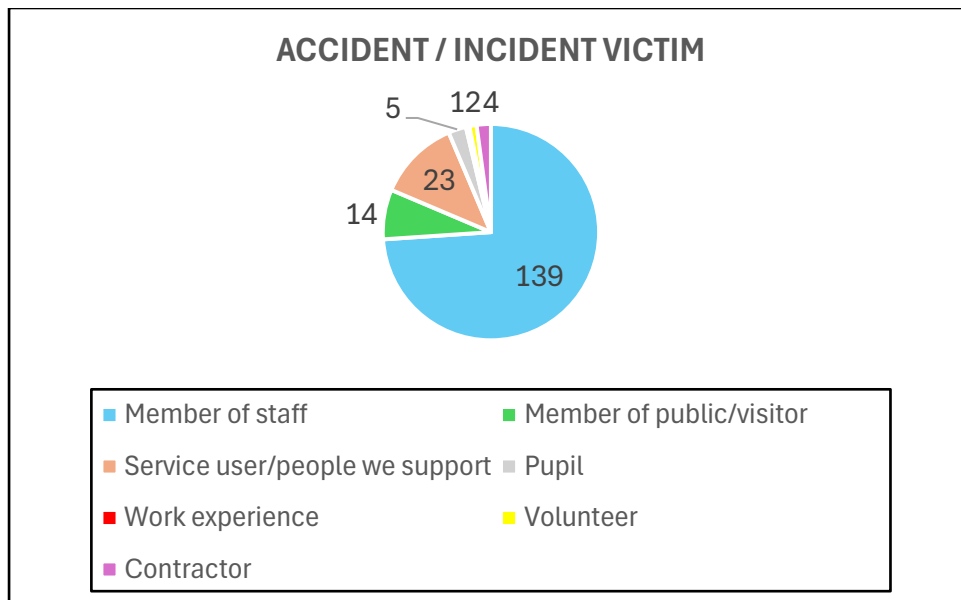
Incident Types

Most of the incidents reported online were accidents/injuries (**150**), although there were **18** cases of violent/aggressive behaviour and **20** near misses.



Victim Profile

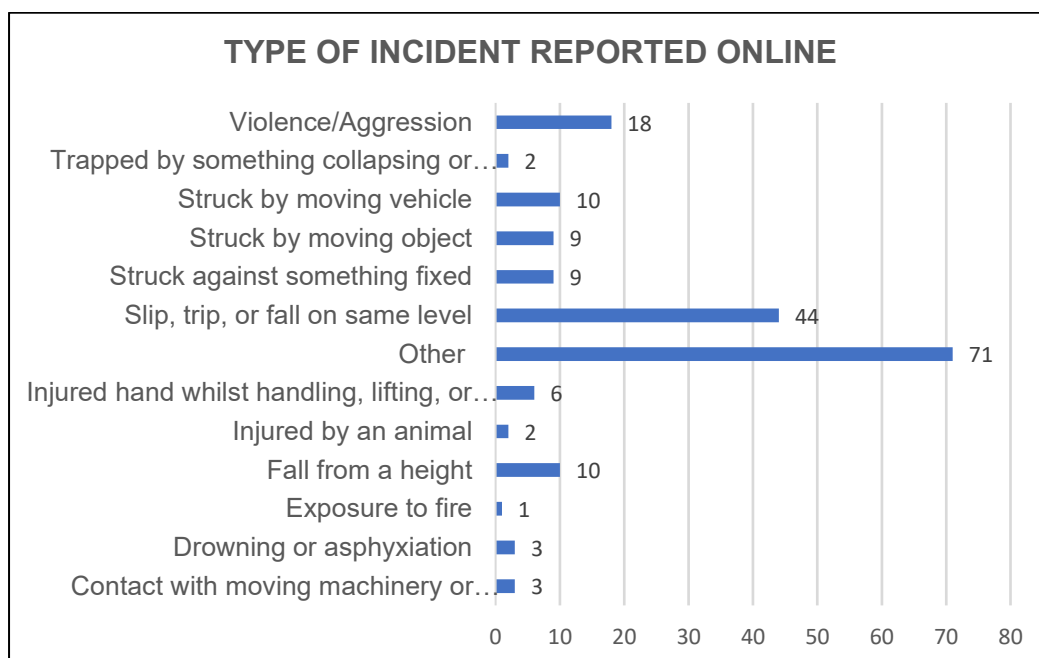
In 74% (139 cases) of work-related accidents/incidents reported online the victim was a member of staff:



Accident categories

There was significant variation in the types of accidents reported. The most common were:

- Slips, trips, or falls on the same level (23%)
- Other (38%) – a broad category capturing diverse incidents



Violence and Aggression in Schools

In addition to incidents reported via the Council's online system, schools reported:

- 145 incidents of violence/aggression toward school employees
- 15 work-related accidents/incidents/near misses

Incidents of violence and aggression in schools are increasing, reflecting a national trend. In March 2025, the NASUWT published [Violence and Aggression in Schools](#), highlighting that:

- Violent incidents in schools have more than doubled in the last three years
- 35.5% of teachers experienced physical abuse or violence from learners in the past year
- 92% experienced verbal abuse
- The crisis may be contributing to increased teacher absences due to poor mental health.

Priorities for 2025/26

While improvements have been made in accident and incident reporting, further work is required to enhance data quality, particularly in relation to violent and aggressive behaviour, where underreporting remains an issue, especially in schools where the reporting process has not yet been digitalised.

In 2025/26, the Council will prioritise:

- Strengthening reporting and investigation processes
- Improving support for employees affected by violence and aggression at work
- Enhancing data capture and analysis to inform targeted interventions

By fostering a culture of accountability, learning, and continuous improvement, we are making meaningful progress toward a safer and more resilient organisation. In 2025/26 we will be working to ensure employees subject to work related violence and aggression are more effectively supported.

RIDDOR NOTIFICATIONS

Some workplace accidents/incidents are notifiable to the HSE under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) and there are strict timescales within which notifications must be made.

The purpose of a RIDDOR is to inform the HSE that a serious work-related accident or incident has taken place. This allows the appropriate enforcing authority to respond and ensure compliance with health and safety law. Employers, the self-employed, and people in control of work premises are responsible for submitting RIDDOR reports.

The following injuries are reportable under the RIDDOR Regulations when they result from a **work-related accident**:

- the death of any person
- specified injuries to workers
- injuries to workers which result in them being incapacitated for more than 7 consecutive days immediately following the day of the accident
- non-fatal injuries to people other than workers (such as customers or volunteers) which result in them being taken directly to hospital for treatment

Occupational diseases

Employers and self-employed people must report the diagnosis of certain occupational diseases, where these are likely to have been caused or made worse by their work.

Dangerous occurrences

A dangerous occurrence is one which 'arises out of or in connection with work' and could risk harm to others. Not all of these events need to be reported.

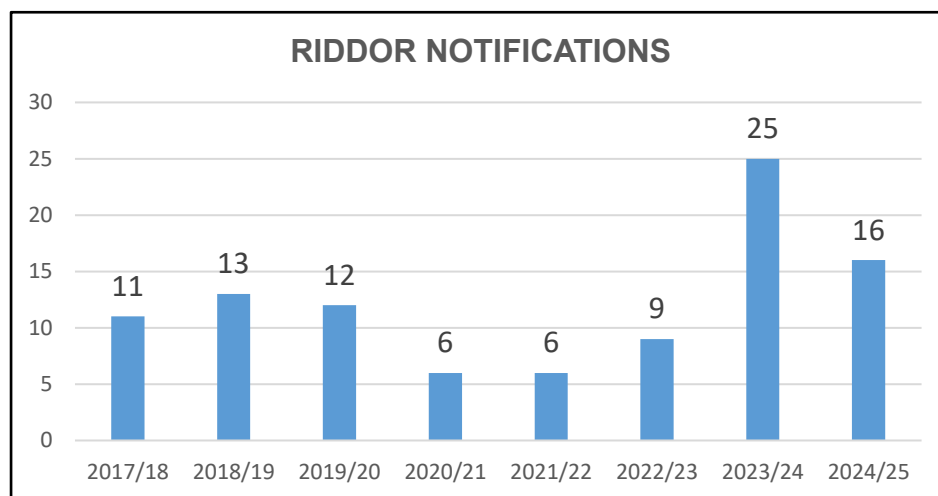
Gas incidents

Distributors, fillers, importers and suppliers of flammable gas must report incidents in connection with that gas, where a serious incident has occurred.

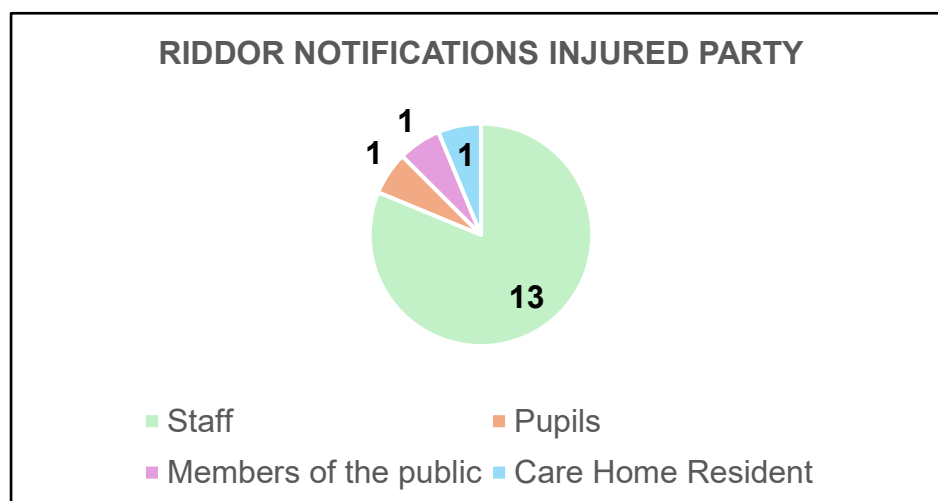
RIDDOR notifications are submitted online by our Corporate Health & Safety Team following discussion with the relevant manager. Further information is available at the link below:

<https://www.hse.gov.uk/riddor/key-definitions.htm>

In 2024/25 the Council reported 16 accidents/incidents to the HSE under RIDDOR compared with 25 in the previous year. Details of these, together with subsequent remedial actions to prevent a recurrence are provided in Appendix 2.

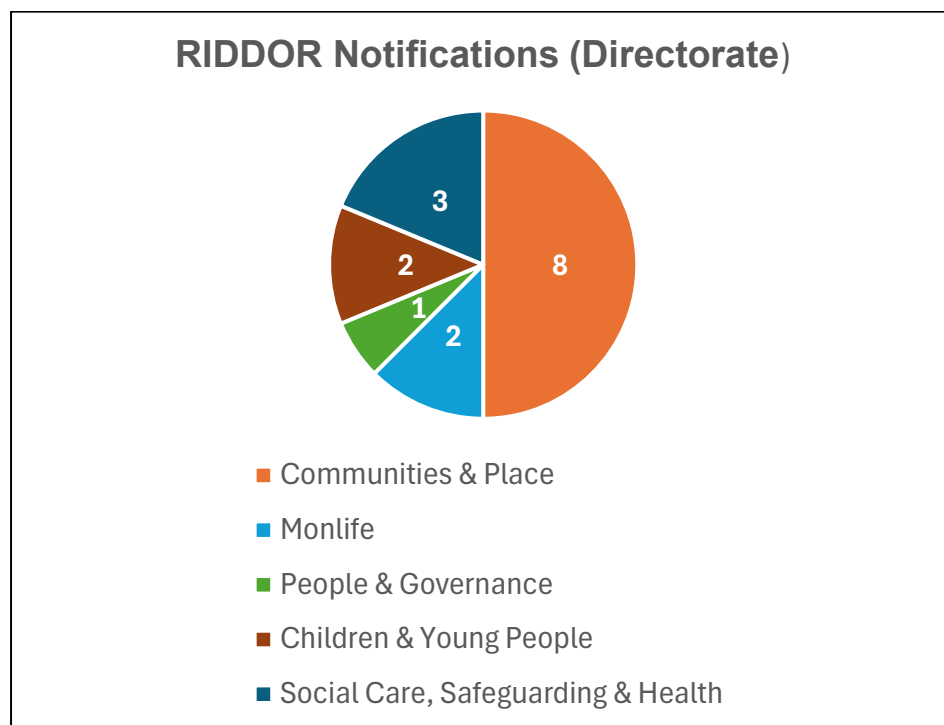


Thirteen of the RIDDOR notifications related to employees, of which three had sustained fractures and a further 10 had reported more than 7 consecutive days off work as a result of their injuries. The remaining three RIDDOR notifications related to injuries to an adult in our care (1), a pupil (1) and a member of the public (1).



Slips, trips and falls were the cause of eight of the RIDDOR notifications relating to employees.

The chart below illustrates RIDDOR notifications by Directorate with Communities and Place (8) reporting the highest number, followed by Social Care, Safeguarding & Health (3).



Whilst none of the notifiable accidents/incidents were subject to further investigation by the HSE, we carried out our own investigations and used the learning to implement changes to prevent recurrences.

Although the number of RIDDOR notifications was down on the previous year, they are still higher than each of the previous six years. This could be the result of increased awareness of the reporting requirements.

As a result of work to digitalise our processes, confidence in the quality of our data and processes relating to RIDDOR notifications is high and timely notifications are made to the HSE.

SICKNESS ABSENCE

Sickness absence is an inevitable aspect of working life, with employees occasionally requiring time off due to physical or mental health issues. It is essential that both aspects of health are treated with equal importance. According to the Office for National Statistics, an estimated 148.9 million working days were lost due to sickness or injury across the UK in 2024, equating to an average of 4.4 days per worker. More working days were lost by workers in the public sector than the private sector, with **5.9** working days lost per worker in local government.

Within our organisation, a total of 35,340 working days were lost to sickness absence during 2024/25. This equates to **12.68** lost working days per full-time equivalent (FTE) employee, compared to 11.76 in 2023/24 and 12.48 in 2022/23. Of these, **66.2%** were attributed to **long-term** absence and **33.8%** to **short-term** absence.

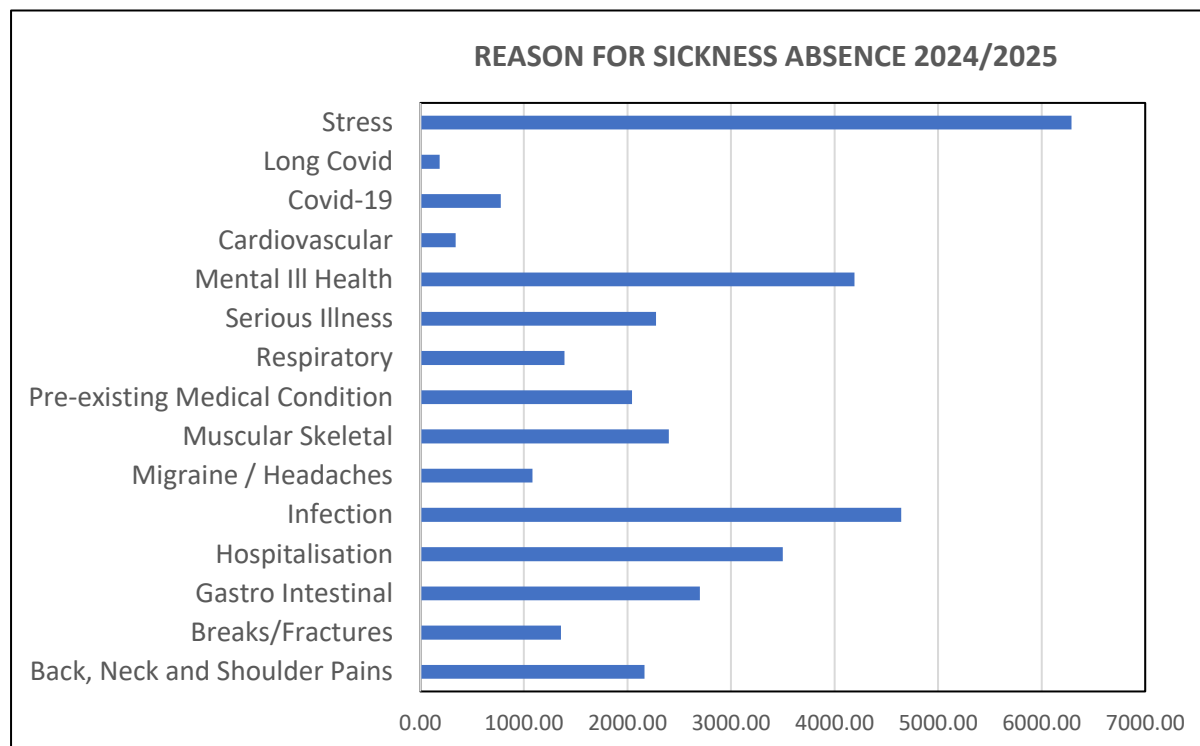
The following table shows the number of lost working days per FTE by Directorate.

NUMBER OF LOST WORKING DAYS PER FTE BY DIRECTORATE	
2024/25	
Chief Executives	6.00
Children & Young People	6.13
Communities & Place	16.16
Law & Governance	2.62
Monlife	9.84
Resources	7.24
Schools	10.21
Social Care, Safeguarding & Health	17.58
Whole Authority	12.68

Directorates with larger headcounts and frontline services tend to report higher levels of sickness absence per FTE.

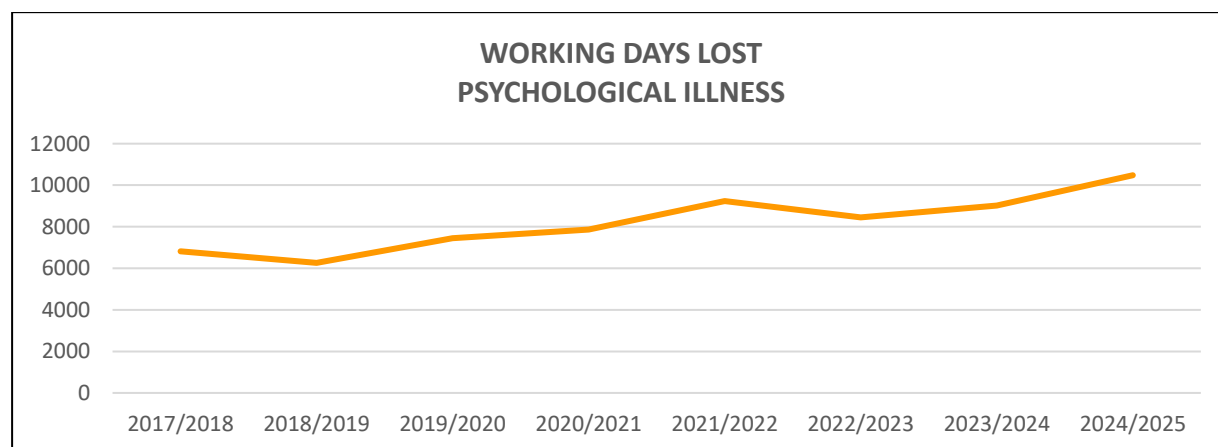
Primary Causes of Sickness Absence

The leading cause of absence in 2024/25 was psychological illness, including mental ill health and stress. This was followed by infection and hospitalisation. The breakdown of sickness absence by category is as follows:



Psychological absence accounted for 10,479 lost working days, an increase from 9,015 in 2023/24 and 8,450 in 2022/23. This category now represents 29.7% of all sickness absence, up from 26.7% and 23.5% in the previous two years respectively.

The overall upward trend in psychological absence is shown below:



Work Related Sickness Absence

Although we record detailed information about sickness absence, our reports do not currently enable us to identify that which is work related with sufficient confidence. We will be prioritising work in 2025/26 to enable us to report work related sickness and target suitable interventions to secure improvements as appropriate.

Financial and Operational Impact

The high level of sickness absence presents a significant concern, not only due to direct costs but also because of indirect impacts, including:

Replacement labour: Temporary staff or agency cover

Overtime payments: Additional hours for existing staff

Administrative burden: HR and managerial time spent managing absences

Training costs: For temporary replacements

Service quality: Potential decline in customer satisfaction

Team morale: Reduced productivity among remaining staff

Planned Actions for 2025/26

To address the increasing burden of sickness absence, the following strategic actions will be prioritised:

- Strengthening absence management processes, including a review of our Sickness Absence Management Policy
- Enhancing mental health support
- Promoting physical health initiatives

We recognise that sickness absence is a significant and increasing financial burden on the authority and in 2025/26 we will work to strengthen our sickness absence management processes.

We will also prioritise efforts to better identify and address work-related sickness absence. Improved collaboration between Corporate Health and Safety, HR, Systems and Data teams will be essential to enable targeted interventions.

The re-launch of Connect 5 Wellbeing Training in 2025 will empower employees to improve their own mental wellbeing and support others through confident, informed conversations. wellbeing.

OCCUPATIONAL HEALTH

In 2024/25, the Council continued its partnership with Insight, our outsourced Occupational Health provider. Insight plays a key role in supporting the management of sickness absence, conducting work-health assessments, and delivering health surveillance programmes.

Health Surveillance Programme

Working collaboratively with Insight, we delivered a proactive health surveillance programme targeted at employees exposed to specific occupational health risks. Health surveillance is a statutory requirement for individuals who may be exposed to hazards such as:

- Noise
- Vibration
- Dust
- Fumes
- Hazardous substances

These checks are essential even when control measures are in place, as such measures may not always be fully reliable despite regular maintenance, training, and monitoring.

Managers are responsible for identifying employees who require health surveillance.

In 2024/25, 93 employees attended health surveillance clinics. Two levels of surveillance were offered:

Basic checks: Audio and Hand Arm Vibration Syndrome (HAVS)

Safety Critical Medicals, which included:

- | | |
|-----------------------------|---------------------------------------|
| • Audiometry | • Musculoskeletal evaluation |
| • Spirometry | • Vision testing |
| • Skin assessments | • Comprehensive medical questionnaire |
| • HAVS screening | |
| • Blood pressure monitoring | |

It is important to note that health surveillance differs from health monitoring, health promotion, or general health screening. It is specifically designed for workers at risk and serves to:

- Identify necessary actions to prevent harm
- Provide a platform for employees to raise health concerns
- Reinforce health and safety training and education

The health surveillance programme was successfully delivered to target in 2024/25.

Occupational Noise Assessment

An occupational noise exposure assessment was commissioned during the year which identified elevated noise levels among employees operating glass collection vehicles. Exposure was found to exceed the lower exposure action value, prompting the implementation of enhanced control measures to mitigate the risk of work-related hearing damage.

Occupational Health Referrals

Insight provides managers with expert occupational health advice and support. In 2024/25, **327** employees were referred to Insight for occupational health assessments. Referral reasons varied, with **29** cases related to work-related stress and **3** cases linked to work-related accidents.



HEALTH & SAFETY TRAINING

Training is a fundamental component of the Council's health and safety management system. In line with our legal obligations, we are committed to providing employees with appropriate information, instruction, and training to safeguard their health and safety, as well as that of others. This duty is embedded in key legislation, including:

- The Management of Health and Safety at Work Regulations 1999
- The Regulatory Reform (Fire Safety) Order 2005
- Control of Substances Hazardous to Health Regulations 2002
- Control of Asbestos Regulations 2012
- Provision and Use of Work Equipment Regulations 1998
- Personal Protective Equipment at Work Regulations 1992
- Health and Safety (Display Screen Equipment) Regulations

Training Delivery Methods

Training is delivered through a variety of formats to suit operational needs and learning preferences:

- Formal face-to-face sessions
- Informal, on-the-job instruction
- Written guidance
- E-learning (self-paced)
- Online learning (real-time instruction)
- Verbal instruction

Key Developments in 2024/25

- The Council focused on improving the capture of training data to identify gaps, share best practice, and promote consistency and efficiency across services.
- Collaboration with a neighbouring authority to deliver Asbestos Awareness and Management of Asbestos training following a review which identified areas for improvement.
- RLSS Trainer Assessor Awards: Three employees were upskilled to deliver lifeguard training and support monthly refresher sessions.

It is anticipated that going forward, more health and safety training will be delivered through e-learning and our Corporate Health and Safety Manager is working closely

with our Corporate Training Team to explore opportunities using *Thingi*, our new digital learning management system. The benefits of e-learning include:

- Flexibility and self-paced learning
- Cost efficiency
- Consistency in delivery
- Improved time management and motivation
- Scalability and personalised learning
- Enhanced analytics and reporting

Corporate Training Team Delivery (2024/25)

The following health and safety courses were delivered centrally, in addition to service-specific training:

Title	Number of courses
First Aid at Work	3
Emergency First Aid at Work	23
Paediatric First Aid	2
Emergency Paediatric First Aid	3
Management of Aggression & Personal Safety Awareness	3
Fire Evac Chair	5
Manual Handling Awareness	10
Fire Safety Awareness (Thingi)	1517 members of staff
Fire Warden	4
L2 Health & Safety in the Workplace (Highfield)	2
Legionella Awareness	2
Risk Assessment Awareness/Dynamic Risk Assessment for Drivers	10
Ladder Safety/Working at Height	5
COSHH	4

Operations related training (Number of courses)

- L1 H&S in a Construction Environment = 5 days (this isn't a course; a group of delegates complete a test paper only)
- Highways Induction = 3
- Reversing Assistant = 5
- Traffic Management = 43
- Vehicle Restraint Systems = 27
- Telehandler = 7
- Abrasive Wheels = 3
- Load Security & Safe Trailer Hitching = 6
- Chainsaw/Strimmer/Brushcutter/Hedgecutter/Woodchipper = 8
- Excavator = 4
- Pesticides = 1
- Pressure Washer (depot wash down bays) = 23
- Winter Service Operations = 11
- Hand Arm Vibration Syndrome (HAVS) = 4
- Forklift Truck = 9



The Mon Workforce Development Team delivers tailored health and safety training to social care and health employees, foster carers, micro carers, third sector organisations, and partners. This training is aligned with Social Care Wales Workforce Development Programme (SCWWDP) priorities and is provided free of charge.

Training is delivered by one full-time and two part-time in-house trainers, supported by subject matter experts from the Council and Aneurin Bevan University Health Board. Sessions are held at Innovation House, across weekdays, evenings, and weekends, with access to specialist equipment including hospital beds, hoists, and first aid kits.

A total of **1,833** individuals received health and safety training through this programme:

Course Title	No. of courses	No. of people trained
Face to Face		
Emergency First Aid	19	218
First Aid at Work	3	33
Paediatric Emergency First Aid	6	24
Personal Safety Awareness	5	113
Fire Evacuation	2	38
Fire Warden	2	16
Manual Handling Foundation	17	192
Manual Handling Refresher	21	135
Key Handler 3 day	3	16
Reablement and positive risk taking	6	121
Manual Handling Sitting, Standing, Walking	4	15
Care of Medications	15	281
Food Safety Level 2	4	40
Food Safety Level 3	1	13
Trainer led foster carer H&S learning (various)	18	186
Virtual		
COSHH Awareness	Self-directed	102
Infection Prevention		92
Health & Safety		93
Food Safety Level 2		105

Changing The Conversation on Mental Well-Being



In 2025/26, the Council will re-launch Connect 5 Wellbeing Training, a free programme for sector providers. Its objectives include:

- Empowering individuals to improve their own mental wellbeing
- Building confidence to engage in open conversations about mental health
- Providing suicide awareness and signposting resources

Looking Ahead to 2025/26

Key priorities for the coming year include:

- Developing a consistent approach to mandatory health and safety training across services
- Expanding the use of the Thinqi learning management system
- Increasing the range of health and safety e-learning modules available

The Council's digital learning platform provides an exciting opportunity to deliver and manage health and safety training. We will be increasing the range of health and safety e-learning available in 2025/26

REGULATORY OVERSIGHT

The health and safety regulator for local authorities in Great Britain, including Monmouthshire County Council is the **Health and Safety Executive (HSE)**. **South Wales Fire and Rescue** is the fire safety regulator.

Regulators carry out both **planned** and **reactive** interventions at workplaces to ensure they are safe and may use their enforcement powers to secure improvements. There are strict penalties for non-compliance with can include **unlimited fines** and/or **imprisonment for up to two years**.

In the case of the HSE, they operate a **fee for intervention scheme** whereby they recharge employers for their time if they identify a **material breach**.

Regulatory Activity in 2024/25

During the reporting period, the Council was subject to further intervention by the HSE following previously identified concerns regarding the management of asbestos risks. Inspections were carried out at:

- **Abergavenny Market**
- **Gilwern Outdoor Centre**
- **Abergavenny Leisure Centre**

The HSE Inspector acknowledged progress since the previous visit but expressed concern regarding the Council's capacity and capability to manage asbestos risks in full compliance with regulatory requirements.

In addition, an unannounced fire safety inspection was conducted by South Wales Fire and Rescue Service at Shire Hall, Monmouth in June 2024. The inspection had a **positive** outcome, with **no areas of non-compliance** identified.

The Council has developed positive working relationships with both health and safety regulators. Our Corporate Health and Safety Team acts as a single point of contact, ensuring consistent communication and appropriate escalation of issues to the Strategic Leadership Team when necessary.

In direct response to HSE feedback, the Council is developing proposals to strengthen the capacity and capability of its Property Services Team, ensuring more effective management of property related health and safety risks going forward.

INSURANCE CLAIMS

Employer's Liability Claims

An **employer's liability claim**, often referred to as a **workplace accident claim**, may arise when an employee or volunteer suffers injury or financial loss due to a work-related incident. To succeed in such a claim, the claimant must demonstrate that the Council was **negligent**, and that this negligence directly caused the incident and resulting harm.

The Council acknowledges its **duty of care** to all employees and volunteers, and takes all reasonable steps to provide a safe working environment. Compliance with health and safety legislation is central to this commitment. Breaches of these regulations can result in serious consequences, including injury and legal liability.

Key employer responsibilities include:

- Providing appropriate and adequate training to ensure safe working practices
- Supplying suitable equipment and personal protective equipment (PPE)
- Maintaining a safe working environment and regularly inspecting equipment
- Implementing and maintaining safe systems of work

Where these duties are not met, the Council may be subject to an employer's liability claim. To mitigate this risk, the Council maintains **comprehensive employer liability insurance** to cover potential compensation costs arising from proven negligence or statutory breaches.

Since 2019, the Council has received **14 employer liability claims**, resulting in **£27,768** in compensation payments. In 2024/25, **one new claim** was received, which remains open. The potential compensation for this case is **£7,250**, subject to change as the case progresses.

Public Liability Claims

A public liability claim may be made when a member of the public suffers injury in a public space due to alleged negligence. Claimants typically have three years to initiate such claims.

In 2024/25, the Council received 28 public liability claims where potential health and safety shortcomings may have contributed to the incident. To date, £4,993 has been paid in compensation. However, 22 cases remain open, with potential further payments of up to £78,974.

Learning from Claims

The Council's Principal Insurance and Risk Manager plays a key role in the Corporate Health and Safety Group, supporting a collaborative approach to learning from insurance claims. Through effective communication and data triangulation, we are strengthening our understanding of incidents and improving future risk management.

We recognise the value of learning from both successful and defended claims. Where compensation has been paid, we examine the circumstances to identify improvements. Conversely, where claims have been successfully defended, we use these cases to reinforce the importance of robust health and safety practices and documentation.

We have effective communication mechanisms in place ensure that lessons learned from insurance claims are shared and acted upon.

PROVIDING ASSURANCE

Under the Management of Health and Safety at Work Regulations, all employers are required to have arrangements in place for the effective planning, organisation, control, monitoring, and review of measures to protect people at work.

The Health and Safety Executive (HSE) promotes the **Plan, Do, Check, Act approach** as a best practice framework:

Plan: Identify what needs to be done

Do: Implement the plan effectively

Check: Monitor and evaluate control measures

Act: Take corrective action where necessary

This cyclical process supports continuous improvement by:

- Identifying areas for development
- Enabling timely interventions to protect staff and others
- Embedding a culture of ongoing review and improvement

Internal and Service-Level Monitoring

The Council's Internal Audit Team plays a key role in providing assurance by reviewing health and safety risk assessments and verifying the implementation of control measures where it is appropriate. Findings are reported to senior managers and the Corporate Health and Safety Manager.

In addition, several service areas have developed their own compliance monitoring arrangements, and some have achieved third-party accreditation. However, we acknowledge that in some areas, there is insufficient evidence of formal, planned monitoring. This limits our ability to provide the Strategic Leadership Team with full assurance that health and safety risks are being effectively managed.

Examples of Assurance in Practice

- **Highways Team:** Maintains exemplary health and safety standards in a high-risk environment. Accredited to ISO 45001, the team is regularly audited by the South Wales Trunk Road Agent (SWTRA) and Welsh Government (WG), and has been commended for its robust systems, site safety practices, and team engagement.
- **Grounds Team:** Achieved SMAS Worksafe accreditation, demonstrating best practice in workplace health and safety.
- **Indoor Playcentre, Monmouth:** Successfully met RoSPA health and safety standards during its annual inspection.
- **Gilwern Outdoor Adventure Centre:** Awarded a licence under the Adventure Activities Licensing Regulations (AALR) 2004.
- **Property Services:** Compliance officers conduct regular inspections of Council properties to verify adherence to health and safety requirements.

It is essential that monitoring activities are not only carried out but also clearly communicated to managers and used to drive improvement. Monitoring must be seen as an input that leads to measurable outcomes, such as improved compliance and a reduction in incidents.

In 2025/26, we will prioritise the development of a risk-based, more consistent and robust approach to health and safety monitoring and assurance across all Directorates. This work will be informed, in part, by an internal audit of the Property Services compliance function scheduled for the year.

NATIONAL PRIORITIES

National health and safety priorities 2025/26

- **Occupational Lung Disease.**
This includes managing risks associated with asbestos
- **Legionella Control**
With a focus on preventing Legionnaires disease particularly in infrequently used water systems or those with a poor history of control
- **Work Related Stress**
Raising awareness and addressing the impact of work related stress on employee wellbeing
- **Violence and Aggression**
Mitigating risks to lone workers and customer facing employees
- **Musculoskeletal Disorders**
Ensuring adequate risk assessments for manual handling activities
- **Noise in the Workplace**
Focusing on the use of hearing protection and health surveillance
- **Planned Preventative Maintenance**
Ensuring work equipment is properly maintained

The Corporate Health and Safety team will work to ensure Council priorities for health and safety are aligned with national priorities where this is appropriate. This will protect the Council's interests and ensure areas of most risk are afforded the highest priority.

LOOKING FORWARD

Our priorities for 2025/26

- Complete the review of the Council's health and safety policies
- Work closer with HR, Systems and Data colleagues to develop a better understanding of the proportion of sickness absence that is work related
- Explore with colleagues across the organisation strategies for tackling lost working days due to psychological illness
- Develop the Council's online health and safety training offering
- Develop health and safety information on the Hub and explore options for improving access to health and safety information for schools
- Further develop online accident and incident reporting focusing particularly on violence in schools and develop and deliver accompanying training
- More effectively support employees who are subject to violence and aggression at work
- Improve health and safety communications
- Further digitalise health and safety systems and processes
- Establish Directorate Health and Safety Groups in those Directorates where they do not already exist
- Further strengthen arrangements for managing asbestos in Council properties
- Review the Council's arrangements for managing fire risks in its buildings
- Develop proposals for a programme of health and safety assurance audits
- Develop proposals for an Employee Protection Register
- Re-launch Connect 5 wellbeing training
- Strengthen our health and safety performance framework, developing a dashboard of performance indicators that can be monitored through our Corporate Health and Safety Group and regularly reported to enable us to track progress

The production of this Annual Health and Safety Report has provided the opportunity to reflect on our achievements in 2024/25 and consider our priorities for the year ahead.

Additional capacity in the team means we can adopt a more proactive approach and consider how we can most effectively obtain the necessary assurances around the Council's health and safety performance.

Health & Safety Risk Register (updated September 2025)

Ref	1	Risk	Potential risk that: The Council's health and safety policies and guidance are not subject to regular review and there are some policy gaps. The risk is that: • they may not be consistent with current legislation and official guidance • respective roles and responsibilities for health and safety may not be sufficiently clear • staff and others impacted by the Council's activities may be exposed to health and safety risks • there will be an inconsistent approach to managing health and safety risks across the Council • the Council may not be able to defend insurance claims • the Council may be at risk of enforcement action for breaches of health and safety/fire safety legislation				
Risk Owner Page 289	Peter Davies	Strategic objective	Ensuring the Council's health and safety policies and guidance is subject to regular review will contribute to ensuring Monmouthshire is a safe place to live	Risk category and appetite level	Risk Categories • Legal and regulatory • People • Reputational • Governance Appetite level • Health & Safety (1) • Reputational (2) • People (1) • Legal & Regulatory (1)	Terminate/treat/transfer/tolerate	Treat
Reason why Identified							
Some of the Council's health and safety policies are out of date and do not sufficiently set out respective roles and responsibilities. This can lead to role ambiguity and lack of ownership of health and safety potentially compromising the health, safety and well-being of staff and others affected by the Council's activities.							

Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					Target Risk Level
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	Low (4)
2024/25	3	4	High	12	2024/25	3	4	High	12	
2025/26	3	4	High	12	2025/26	2	4	Medium	8	
2026/27	2	4	Medium	8	2026/27	1	4	Low	4	
Mitigating Actions										
Mitigating Action		Responsibility Holder & Timescale	Mitigation action progress							RAG
Page 290	i) Review Corporate Health and Safety Policy and communicate revised Policy to staff to ensure roles and responsibilities for H&S across the Council are clear and understood.	KT - Review by June 2024 - Consultation June-September 2024 - Sign off by Chief Executive October 2024 - Communication of revised Policy March 2025	Completed							
	ii) Adopting a risk- based approach, develop and implement a plan for reviewing the Council’s suite of subordinate health and safety policies and guidance.	KT Risk based policy review timetable to be developed and agreed by Corporate H&S	Review timetable in place and good progress being made. Draft policies considered by Corporate Health and Safety Group prior to approval by JAG. Work ongoing.							

Where gaps are identified develop new policy documents.	Group September 2024 Progress in delivering the policy review plan against the timetable to be reported to Corporate H&S Group quarterly		
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Ref	2	Risk	Potential risk that: The Council's arrangements for reporting work- related accidents, incidents (including violence) and near misses are not sufficiently robust which may mean: - missed opportunities to take action to prevent recurrences - unable to learn lessons from accident investigations - health and safety risks not being identified and/or appropriate controls being implemented - unable to provide accurate information in response to requests for information (FOI's) - failure to notify HSE of relevant incidents within statutory timescales				
Risk Owner Page 292	Peter Davies	Strategic objective	Improving arrangements for reporting and investigating work-related accidents and incidents will contribute to ensuring Monmouthshire is a safe place to live	Risk category and appetite level	Risk Categories - Legal and regulatory - People - Reputational - Governance Appetite level - Health & Safety (1) - Reputational (2) - People (1) - Legal & Regulatory (1)	Terminate/treat/transfer/tolerate	Treat
Reason why Identified Online reporting has been rolled out across all Directorates, with the exception of schools. Until the roll out has been completed there is a reliance on emailing accident reports and maintaining records on spreadsheets. There is evidence of both under and over reporting. There is a need to complete the roll out, increase awareness of the online reporting system and develop training for managers and staff.							

Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					Target Risk Level
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	Low (4)
2024/25	3	4	High	12	2024/25	2	4	Medium	8	
2025/26	2	4	Medium	8	2025/26	2	4	Medium	8	
2026/27	2	4	Medium	8	2026/27	1	4	Low	4	
Mitigating Actions										
Mitigating Action		Responsibility Holder & Timescale	Mitigation action progress							RAG
Page 293	i) Work with Digital team to Implement necessary modifications to online accident/incident reporting system to reflect structural changes	KT December 2025 (subject to availability of support from Digital team)	Further modifications required to reflect new structures							
	ii) Complete the roll out of on-line accident and incident reporting to schools (including violence)	KT December 2025	Work continuing with digital team to develop a more robust solution for schools							
	iii) Review and revise Council accident and incident reporting and investigation policy	KT December 2025	Drafted and scheduled for consideration by Corporate Health and Safety Group October 2025							

iv) Develop e-learning on workplace accident, incident and near miss reporting which will be mandatory for all staff	KT December 2024	Development ongoing. Scheduled for completion December 2025	
v) Develop accident/incident investigation training for managers	KT December 2024	Development ongoing. Scheduled for completion September 2025	

Ref	3	Risk	Potential risk that: Arrangements for staff health and safety training are inconsistent and, in some areas, inadequate with the risk of: • non-compliance with legislation, Council health and safety policies and guidance • staff sustaining injuries and/or health conditions at work • insurance claims which the Council cannot defend • enforcement action against the Council							
Risk Owner	Peter Davies	Strategic objective	Adopting a more consistent approach across the Authority to health and safety training will contribute to ensuring Monmouthshire is a safe place to live	Risk category and appetite level	Risk Categories • Legal and regulatory • People • Reputational • Governance	Terminate/treat/transfer/tolerate	Treat			
					Appetite level • Health & Safety (1) • Reputational (2) • People (1) • Legal & Regulatory (1)					
Reason why Identified										
The provision of health and safety training is a legal requirement										
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					Target Risk Level
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	Low (4)
2024/25	3	4	High	12	2024/25	2	4	Medium	8	
2025/26	2	4	Medium	8	2025/26	1	4	Low	4	
2026/27	1	4	Low	4	2026/27	1	4	Low	4	
Mitigating Actions										

Mitigating Action	Responsibility Holder & Timescale	Mitigation action progress	RAG
i) Develop and implement mandatory H&S awareness and Fire Safety awareness training for all staff. ii) Source and roll out health and safety training for leaders and senior managers iii) Carry out a survey to explore current health and safety training provision across the Council, assess adequacy and opportunities for cost savings, highlight good practice, identify any gaps and make appropriate recommendations iv) Having regard to iii) above develop a health and safety training strategy and plan	KT September 2024 KT March 2026 KT December 2025 KT March 2026	Fire safety e learning developed and available on Thingi NEBOSH HSE <i>Certificate in Health and Safety Leadership Excellence</i> has been identified as suitable training. This training is available online. Decision around funding and further options to be explored. Survey completed. Good practice and some significant gaps identified. Report with recommendations to be considered by Corporate Health and Safety group January 2026	

Ref	4	Risk	Potential risk that: The systems and processes in place to gain assurance around health and safety are not sufficiently robust across the Council. The HSE has produced Guidance (HSG65) <i>Managing for Health and Safety</i> which advocates a Plan. Do, Check, Act approach. Monitoring and reporting are important elements of health and safety management and, acknowledging that ‘paperwork’ on its own is not a good performance measure, arrangements should be in place to assess how well risks are being controlled in practice. In some circumstances health and safety inspections or audits are necessary to obtain the evidence necessary to provide this assurance. Failing to manage health and safety in accordance with HSG65 could mean that the Council is unable to demonstrate that it is doing enough to comply with the law, specifically the duty under Regulation 5 of the Management of Health and Safety Regulations 1999 which states: <i>Every employer shall make and give effect to such arrangements as are appropriate, having regard to the nature of his activities and the size of his undertaking, for the effective planning, organisation, control, monitoring and review of the preventive and protective measures.</i>				
Risk Owner Page 297	Peter Davies	Strategic objective	Improving the Council’s arrangements for monitoring its health and safety performance will contribute to ensuring Monmouthshire is a safe place to live	Risk category and appetite level	Risk Categories • Legal and regulatory • People • Reputational • Governance Appetite level • Health & Safety (1) • Reputational (2) • People (1) • Legal & Regulatory (1)	Terminate/treat/transfer/tolerate	Treat
Reason why Identified							
There is a legal requirement (Reg. 5 Management of Health and Safety at Work Regulations 1999) to put in place arrangements to monitor and review health and safety preventive and protective measures.							

Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					Target Risk Level
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	
2025/26	4	4	High	16	2025/26	4	4	High	16	
2026/27	*	*	*	*	2026/27	*	*	*	*	
2027/28	*	*	*	*	2027/28	*	*	*	*	
*The risk levels pre and post mitigation are yet to be determined for future years as the mitigating actions planned for 2024/25 will provide evidence of the adequacy of current arrangements but not in themselves reduce the risk. Implementation of any recommendations will reduce the risk.										
Mitigating Actions										
Mitigating Action		Responsibility Holder & Timescale	Mitigation action progress							RAG
Page 298	i) Undertake a health and safety assurance audit to identify current arrangements in place across the Council to monitor and report health and safety performance.		KT April 2025	High level review completed which identified some good practice but also some significant gaps.						
	ii) Having regard to i) above, assess the adequacy of current arrangements and make recommendations for improvement as necessary, having regard to capacity and capability across the Council		KT December 2025	Work to develop recommendations for improvement ongoing. Capacity in Corporate H&S increased to provide central resource for assurance function. Preliminary discussion with internal audit about proposal for H&S assurance in schools. To be informed by internal audit of Compliance function in Property Services. Revised completion date December 2025.						

Ref	5	Risk	Potential risk that: Controls to protect the health, safety and welfare of lone workers are either not in place or not being effectively implemented across some services which compromises staff safety							
Risk Owner	Peter Davies	Strategic objective	Implementing effective controls to protect the health and safety of lone workers will contribute to ensuring Monmouthshire is a safe place to live	Risk category and appetite level	Risk Categories - Legal and regulatory - People - Reputational - Governance Appetite level - Health & Safety (1) - Reputational (2) - People (1) - Legal & Regulatory (1)		Terminate/treat/transfer/tolerate	Treat		
Reason why Identified										
The risks associated with lone working and the need for improved controls has been raised by staff. The Council has a legal duty to ensure workers are safe.										
Page 299	Risk Level (Pre-mitigation)				Risk Level (Post-mitigation)					Target Risk Level
	Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score
	2025/26	3	4	High	12	2025/26	2	4	Medium	8
	2026/27	2	4	Medium	9	2026/27	1	4	Low	4
	2027/28	1	4	Low	4	2027/28	1	4	Low	4
										Low (4)

Mitigating Actions			
Mitigating Action	Responsibility Holder & Timescale	Mitigation action progress	RAG
i) Review and revise as appropriate the Council's lone working policy.	KT September 2025	Completed and will be considered by JAG September 2025	
ii) Following consultation and sign off, communicate the Council's lone worker policy to staff	KT October 2025	Awaiting sign off	
iii) Identify and roll out suitable lone worker training for staff and managers	KT October 2025	E learning under development. Face to face training currently being rolled out across Directorates.	

Ref	6	Risk	Potential Risk that: Workers are subject to violence and aggression at work which may result in injury, lost working days, anxiety and subsequent insurance claim and the Council’s arrangements for managing these risks are found to be inadequate.							
Risk Owner	Peter Davies	Strategic objective	Improving the Council’s arrangements for managing the risk of violence and aggression to workers will contribute to ensuring Monmouthshire is a safe place to live	Risk category and appetite level	Risk Categories		Terminate/treat/transfer/tolerate		Treat	
					- Legal and regulatory - People - Reputational - Governance					
					Appetite level - Health & Safety (1) - Reputational (2) - People (1) - Legal & Regulatory (1)					
Reason why Identified										
The Council has a legal duty to ensure the health, safety and welfare at work of its employees. The Management of Health and Safety at Work Regulations 1999 requires employers to assess the risks to employees and make arrangements for their health and safety by effective: planning, organisation, control, monitoring and review. The risks covered should include the need to protect employees from exposure to reasonably foreseeable violence. There is evidence of an increase in violence and aggression to workers and it is important that the Council has robust arrangements in place for managing the risks and recording incidents. Trade Unions have requested consideration of a <i>Potentially Violent Persons Register</i> to be available to the Council’s front- line workers.										
Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					Target Risk Level
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	
2024/25	3	4	High	12	2024/25	2	4	Medium	8	

2025/26	2	4	Medium	8	2025/26	*	*	Medium	*	
2026/27	*	*		*	2026/27	*	*		*	
*Further reducing the risk in 2026/27 will be dependent on the development and maintenance of a Potentially Violent Persons Register for the Authority which can be accessed by front line officers.										
Mitigating Actions										
Mitigating Action		Responsibility Holder & Timescale	Mitigation action progress							RAG
Page 302	i) Review and revise as appropriate the Council’s Violence at Work Policy	KT March 2025	New policy drafted and currently subject to consultation							
	ii) Following consultation and sign off, communicate the revised Violence at Work policy to staff	KT December 2025 onwards	See above. New policy to be considered by JAG December 2025							
	iii) Roll out training in managing violence and aggression at work to managers and staff	KT March 2025	Good progress being made with training delivered across Social Care, Monlife, Housing. Training ongoing.							
	iv) Develop proposals for a Employee Protection Register which can be accessed by front line workers for consideration by Corporate Health and Safety Group	KT March 2026	Initial proposals discussed by Corporate Health and Safety group. Work ongoing.							

Ref	7	Risk	Potential risk that: Work-related sickness absence will increase. Nationally, the rate of self-reported, work-related ill health was higher in 2022/23 than the 2018/20 pre-COVID level, driven by a higher rate of self-reported work-related stress, depression or anxiety which had shown signs of increasing in the recent years prior to the coronavirus pandemic having been broadly flat since 1998/99. Across the Authority, psychological ill health absence (includes stress, depression, anxiety, low mood) accounted for 9,014.74 lost working days in 2023/24 of which 4,040.15 were work related. This is an increase on 8,450 reported in 2022/23. Psychological illness represented 26.7% of the Authority's sickness absence (12% was work related), and there has been an overall upward trend over the last seven years.				
Risk Owner Page 303	Peter Davies	Strategic objective	Improving the Council's arrangements for reporting and managing work-related sickness absence will contribute to ensuring Monmouthshire is a safe place to live	Risk category and appetite level	Risk Categories • Legal and regulatory • People • Reputational • Governance Appetite level • Health & Safety (1) • Reputational (2) • People (1) • Legal & Regulatory (1)	Terminate/treat/transfer/tolerate	Treat
Reason why Identified							
Work-related sickness absence is a financial burden on the Authority. Reducing work-related ill-health can help to reduce the burden on healthcare services, as well as the social and economic costs of absenteeism and long-term sickness. Robust systems need to be in place to record and manage work-related ill-health and a key challenge for the Authority is the need to address the underlying causes. This may involve changes to working practices and/or providing more support and training for employees, to help them manage the physical and psychological demands of their work. The national regulator for workplace health and safety, the HSE has identified reducing work-related ill health as its top priority for the next decade. This objective reflects a growing recognition of the significant impact that work-related ill health can have on individuals, families, and society as a whole.							

Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					Target Risk Level
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	
2024/25	3	4	High	12	2024/25	2	4	Medium	8	
2025/26	2	4	Medium	8	2025/26	*	*	Medium	*	
2026/27	*	*		*	2026/27	*	*		*	
Mitigating Actions										
Mitigating Action		Responsibility Holder & Timescale	Mitigation action progress							RAG
Page 304	i) Establish a task and finish group to review the adequacy of the systems in place for recording and reporting work-related sickness absence (both psychological and physical ill- health) and implement improvements as necessary.		PG December 2025	Functionality of system is under review to ensure we are able to provide accurate reports on work related sickness absence going forward.						
	ii) Using data from i) provide quarterly work-related sickness absence reports to Directorate Health & Safety working groups and the Corporate Health & Safety group to identify any trends and hotspots		PG December 2025	See above						

	and inform actions for improvement.			
	iii) Implementing actions in Risk 2 relating to the reporting and investigation of accidents and incidents, Risk 3 Training, Risk 4 Assurance, Risk 5 Lone workers, and Risk 6 on Violence at Work should have a positive impact on work -related sickness absence.	March 2026	See above	
	iv) Promote the Council's Wellbeing and Health offering to employees	LKD March 2026	Information available on The Hub. Further work will be carried out to increase awareness	
	v) Managers to do more timely referrals to Occupational Health	PG March 2026	This has been identified as a priority for HR. Absence management policy currently under review	

Ref	8	Risk	Potential risk that: Arrangements for managing health and safety risks associated with Council properties, may not be sufficiently robust . <i>*Health and safety considerations include fire, asbestos, water hygiene and safety, radon, electrical safety, gas safety, emergency lighting, extraction systems, fuel oil storage, glazing, lifts and hoists, swimming pools, spas, hydrotherapy pools, playground equipment, trees, compulsory display of notices, Construction (Design and Management) Regulations 2007, pedestrian/vehicle segregation, welfare facilities, mobile buildings, slips and trips,</i>				
Risk Owner	Peter Davies	Strategic objective	Managing health and safety risks associated with Council properties will contribute to ensuring Monmouthshire is a safe place to live	Risk category and appetite level	Risk Categories • Legal and regulatory • People • Reputational • Governance Appetite level • Health & Safety (1) • Reputational (2) • People (1) • Legal & Regulatory (1)	Terminate/treat/transfer/tolerate	Treat
Reason why Identified							
The Health & Safety at Work Act 1974 places a general duty on employers to "ensure so far as is reasonably practicable the health, safety and welfare at work of all their employees" and section 3 of the Act, General Duty to Others requires employers to conduct their undertaking in a way that does not pose risk to the health and safety of non-employees Councils have a duty to ensure that properties under their control comply with appropriate statutory standards. This task is becoming increasingly difficult in the context of various potentially competing drivers including:- • The increasing burden of legislative duties on building occupiers and the need to demonstrate competency in identifying and controlling risks • Delegation of relevant budgets and responsibilities to individual establishments, notably schools but with ultimate accountability still resting with the corporate body of the Council • The consequences of increased delegation which has put pressure on resources retained centrally to develop and monitor compliance with relevant standards • Governance arrangements in establishments are becoming increasingly more complex through the move to Shared Services and Partnering arrangements that do not fit easily with traditional landlord and tenant definitions							

The Council is faced with the situation where day to day responsibility and resources are often delegated to premises/service level but with the ultimate accountability remaining at corporate level within the Council. Compliance officers in property services undertake compliance visits to properties and consider some health and safety risks identified. However, the outcome of these visits is not reported in such a way that trends can be identified or conclusions made around levels of compliance, and performance in rectifying non compliances is not reported. Even if all relevant policies and procedures were in place the Council is faced with the situation of simply not knowing the level of compliance across the portfolio for which it has responsibility. The discovery of non-compliance may only be as a result of an incident on a particular site. In addition to the direct consequences of any incident, the Council could be faced with damage to its reputation, financial loss, individual officers could be faced with legal proceedings and in the worst case, lives of building users could be lost.

Risk Level (Pre-mitigation)					Risk Level (Post-mitigation)					Target Risk Level
Year	Likelihood	Impact	Risk Level	Risk Score	Year	Likelihood	Impact	Risk Level	Risk Score	Risk Level 4
2024/25	3	4	High	12	2024/25	2	4	Medium	8	
2025/26	2	4	Medium	8	2025/26	1	4	Low	4	
2026/27	1	4	Low	4	2026/27	1	4	Low	4	

Mitigating Actions				
Mitigating Action		Responsibility Holder & Timescale	Mitigation action progress	RAG
i) Develop and deliver training for staff responsible for properties 'responsible persons' on property related health and safety matters		KT March 2026	On track. Generic <i>Headteachers as Property Managers</i> training completed. Programme of asbestos training completed including <i>Asbestos Awareness, Duty to Manage Asbestos. Health and Safety Handbook for Property Managers</i> developed to be launched October 2025.	Yellow
ii) Internal audit review of compliance function in Property Services scheduled 2025/26		JF September 2025	Audit completed and draft report issued. Awaiting management feedback.	

iv) Implement recommendations arising from ii) above	NK March 2026	Awaiting finalisation of audit report	
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RIDDOR REPORTS 2024 /2025

RIDDOR REFERENCE	RIDDOR DATE	INCIDENT DATE	DIRECTORATE	TYPE OF INCIDENT	BRIEF DESCRIPTION OF INCIDENT	REMEDIAL ACTION
B9BDAA8D17	29/04/2024	20/04/2024	Social Care, Safeguarding & Health	More than 7 day absence.	Injured party accidentally dropped pyrex bowl, instinctively caught it but it had struck worktop and smashed. Deep lacerations to 3 fingers	None
D16D9BF4D	30/04/2024	12/04/2024	Communities & Place	More than 7 day injury,	Slip, trip, fall on same level to waste collection operative due to pot hole in road. Twisted ankle	Pot hole reported to Highways department for repair. PPE in place - non - slip boots. Supervisors advised waste staff not to rush & take extra care.
A6C410A127	30/04/2024	19/04/2024	Communities & Place	More than 7 day injury,	Lifting handling sustained back injury loading waste bags onto vehicle	All grounds staff trained in manual handling. "Toolbox" given via supervisors not to lift / push / pull items which are too heavy and seek assistance.
F516992123	30/04/2024	16/04/2024	Communities & Place	More than 7-day injury,	Slip, trip, fall on same level. Employee tripped over stone on yard floor performing banksman duties Sustained sprained ankle	Depot yard area swept to remove any large debris. PPE in place - non - slip boots in place. Supervisor

						advised all depot staff not to rush & take extra care.
E7D393FF12	20/06/2024	09/06/2024	Communities & Place	More than 7 day injury,	Worker sustained laceration to shin while manoeuvring over some vehicle safety fence	Highways team advised to take extra care and not rush.
16C123FD15	04/07/2024	01/07/2024	Monlife	Child taken directly to hospital for treatment	Finger entrapment in fire door causing laceration. No damage to bones or tendons confirmed. Wound dressed.	Visiting school staff to be briefed on need to maintain supervision and engage pupils with some of the resources available on site and planned activities rather than provide them with free time in the evenings. Exploring provision of fire door retainers and finger guards.
5E8911417	08/07/2024	04/07/2024	People & Governance	Fracture to foot	Employee tripped when foot went into hole in grass while taking down sign outside polling station	Church warden notified of incident so they can take remedial action to prevent a recurrence i.e. fill holes.
C114711A17	11/07/2024	02/07/2024	Communities and Place	More than 7 day injury.	Employee hit by vehicle driven by member of the public during waste collection	Full PPE worn by all operational staff which includes High visibility jackets & trousers, bump caps and gloves. No fault of staff. Member of public who was driving to blame.
C3DDB41231	19/08/2024	06/08/2024	Communities and Place	More than 7 day injury.	Employee fell through rusty manhole cover while strimming	Risk assessment for task updated to include: All areas to be walked & visually

					grass sustaining strained ligament to knee	checked for potential hazards, areas prior to cutting & strimming. Manhole wasn't checked for safety by NHS property services. No fault of MCC staff member.
105B111CE7	29/08/2024	22/08/2025	Social Care, Safeguarding & Health	Fractured wrist	Employee slipped on stairs	Manager reinforced need for flat, enclosed, sensible footwear by staff also to use handrail provided and . walk slowly and steadily, do not rush.
11A1558614	14/10/2024	12/10/2023	Monlife	Member of Public taken directly to hospital for treatment	Asphyxiation leisure centre pool	Internal investigation by Corporate H&S Manager. Report with recommendations to prevent recurrence issued to management. Recommendations accepted and being implemented.
17211F9586	25/10/2024	17/10/2024	Social Care, Safeguarding & Health	Care home resident taken directly to hospital for treatment	Laceration to head sustained during fall	Internal investigation by manager identified shortfall in standard of care by agency worker during night shift. Agency notified of incident and standards expected reinforced. Duty to Report submitted to safeguarding.

F817DD4D08	29/01/2025	22/01/2025	Communities and Place	More than 7 day injury	Fall from height down some stairs, sprain right hamstring and right gluteal	Staff member advised to concentrate on the task when walking downstairs
11D12E15B1	05/02/2025	04/02/2025	Children and Young People	Teaching assistant fracture to arm	Tripped over computer cable	Computer cable unplugged by and staff in SRB reminded of important of cable safety. Wider communication to staff also issued by Headteacher.
12B136DA12	26/02/2025	16/02/2025	Communities and Place	More than 7 day injury	Employee tripped off edge of pavement spraining ankle and wrist	Staff member advised to take extra care and not to rush.
C212F13E12	25/03/2025	17/03/2025	Children and Young People	More than 7 day injury	School caretaker went to hospital, torn ligament sustained lifting black bag into refuse bin	Headteacher reminded staff not to overload black bags. Training need identified for caretaker. Caretaker manual handling training to be delivered 2025



Integrated Impact Assessment Template

(incorporating Equalities, Socio-economic Duty, Future Generations, Welsh Language Measures, Corporate Parenting)

Name of the Officer completing the evaluation Kate Thompson Phone no: 07792 558027 E-mail: Katethompson@monmouthshire.gov.uk	Please give a brief description of the aims of the proposal Health and Safety Annual Report 2024/25 To present the Council's first Annual Health and Safety Report to the Governance and Audit Committee and afford members the opportunity to i) provide feedback on health and safety performance and progress in 2024/25 and ii) endorse priorities for 2025/26.
Name of Service area Corporate Health and Safety	Date 30 October 2025

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Are your proposals going to affect any people or groups of people with protected characteristics? Please explain the impact, the evidence you have used and any action you are taking below.

<u>Protected Characteristics</u>	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Age <i>Consider the impact on our community in relation to age, e.g. how do we engage with older and younger people about our services, access issues etc. Also consider what issues there are for employment and training.</i>	Effective health and safety management promotes safe working environments for all age groups and supports tailored risk management for young workers.	None	

<u>Protected Characteristics</u>	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Disability <i>Consider the impact and what issues there are around each of the disability needs groups e.g. access to buildings/services, how we provide services and the way we do this; producing information in alternative formats, employment issues etc.</i>	Effective health and safety management ensures reasonable adjustments and accessible work environments. Emphasises risk assessments for those with additional needs.	None	
Gender reassignment <i>Consider the provision of inclusive services for transgender people and groups. Also consider what issues there are for employment and training.</i>	Effective health and safety management supports fair treatment and inclusive workplace practices.	None	
Marriage or civil partnership <i>Same-sex couples registered as civil partners have the same rights as married couples and must be provided with the same benefits, such as survivor pensions, flexible working, maternity/paternity pay and healthcare insurance. Consider the impact of your proposal on these rights.</i>	Health and safety policies apply equally to all staff.	None	

<u>Protected Characteristics</u>	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Pregnancy or maternity <i>A woman is protected from discrimination during her pregnancy, maternity leave and 26 weeks from the day she gives birth. Including the provision of services, goods and facilities and recreational or training facilities. Consider the impact of your proposal on these protections.</i>	Ensures risk assessments and appropriate adjustments are in place to protect new and expectant mothers.	None	
Race <i>What will the proposal do to promote race equality with the aim of eliminating unlawful discrimination, promoting equality of opportunity and promoting good relations between different racial groups. Think about the potential to affect racial groups differently. Possible issues include providing translation/interpreting services, cultural issues and customs, access to services, issues relating to Asylum Seeker, Refugee, Gypsy & Traveler, migrant communities and recording of racist incidents etc.</i>	Health and safety information and training are provided inclusively and resources can be sourced in a range of languages	None	
Religion or Belief <i>Consider the impact e.g. dietary issues, religious holidays or days associated with religious observance, cultural issues and customs. Also consider what issues there are for employment and training.</i>	A flexible approach to health and safety management ensures inclusive participation.	None	

<u>Protected Characteristics</u>	Describe any positive impacts your proposal has on the protected characteristic	Describe any negative impacts your proposal has on the protected characteristic	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts?
Sex <i>Consider what issues there are for men and women. Will this impact disproportionately on one group more than another e.g. equal pay, responsibilities for dependents, issues for carers, access to training, employment issues.</i>	Effective health and safety management ensures equal protection for male and female employees in all work environments.	None	
Sexual Orientation <i>Consider the provision of inclusive services for e.g. older and younger people from the Lesbia, Gay and Bi-sexual communities. Also consider what issues there are for employment and training.</i>	Effective health and safety management promotes an inclusive culture with no discrimination in health and safety processes.	None	

2. The Socio-economic Duty

The Socio-economic Duty requires public bodies to have due regard to the need to reduce inequalities of outcome which result from socio-economic disadvantage when taking key decisions.

Socio-economic disadvantage can be defined as living in less favorable social and economic circumstances than others in society. It also includes social justice, which is about reducing inequalities by working towards more equal distribution of wealth and opportunities so everyone can achieve their full potential.

Consider how the proposal could affect the following vulnerable groups:

Armed Forces Community (including veterans)

Single parents

Vulnerable families

Single adult households

Carers

Students

People living in the most deprived areas

Pensioners

Homeless People

People misusing substances

People who have experienced the asylum system

People involved in the criminal justice system

<u>Socio-economic Duty</u>	Describe any positive impacts your proposal has in respect of people suffering socio economic disadvantage	Describe any negative impacts your proposal has in respect of people suffering from socio economic disadvantage.	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts in relation to the Socio-economic disadvantage?
<i>Think of what evidence you have about socio-economic disadvantage and inequalities of outcome in relation to this proposal. Will it impact disproportionately on certain groups? Can the proposals be improved to reduce inequalities of outcome?</i>	Effective health and safety management supports fair treatment and safe conditions for all employees including those on lower incomes, or in higher risk front line roles. This contributes positively to reducing inequality of outcomes associated with socio economic disadvantage.	None	

3. Policy making and the Welsh language

What are the effects that the proposals would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English? How could positive effects be increased, or negative effects be mitigated? Explain how you believe the proposals could be improved so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

How does your proposal impact on the following aspects of the Council's Welsh Language Standards:	Describe the positive impacts of this proposal	Describe the negative impacts of this proposal	What has been/will be done to mitigate any negative impacts or better contribute to positive impacts
Policy Making: <i>Consider what impact this policy decision will have on the Welsh Language. This includes opportunities for people to use the language, opportunities to promote the language and treating the language no less favourably than the English language. Include any data and evidence e.g. WESP, Census Data, Cymraeg 2050, Welsh Language Strategy.</i>	N/A		
Operational: Recruitment & Training of workforce <i>Carefully consider whether vacant posts require Welsh language skills as a desirable or essential skill. This is especially pertinent with front line roles as more than 10 % of the population of Monmouthshire speak Welsh. Also, when assessing the need for Welsh language skills keep in mind the existing Welsh language skills within the workforce. In service areas where there is a current lack of Welsh language skills, posts should be advertised as Welsh language essential. Additionally, consider where further training may be needed to increase the number of staff who can speak Welsh and to enhance the skills of current Welsh speakers.</i>	N/A		
Service Delivery: Use of Welsh language in service delivery <i>When advertising our services you must promote the fact that people can deal with the council in Welsh by</i>	N/A		

phone, email, twitter, Facebook, letters, forms, website transactions etc.			
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4. Does your proposal deliver any of the well-being goals below? Please explain the impact (positive and negative) you expect, together with suggestions of how to mitigate negative impacts or better contribute to the goal. There's no need to put something in every box if it is not relevant!

<u>Well Being Goals</u>	Describe the positive impacts the proposal has on the wellbeing goal.	Describe the negative impacts the proposal has on the wellbeing goal.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A prosperous Wales <i>An innovative, productive and low carbon society which recognises global limits and uses resources efficiently (including acting on climate change); a skilled and well-educated population in an economy which generates wealth and provides jobs.</i>	A safer healthier workforce supports higher productivity and reduced sickness absence. Promotes effective service delivery and sustainable employment.	None	
A resilient Wales <i>Maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</i>	Encourages a culture of prevention and resilience within the workforce, reducing environmental and operational risks. Organisations that manage risks well are better prepared for emergencies or unexpected hazards.	None	
A healthier Wales <i>People's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</i>	Directly contributes by reducing workplace injury and illness, promoting physical and mental health and supporting staff wellbeing initiatives.	None	

<u>Well Being Goals</u>	Describe the positive impacts the proposal has on the wellbeing goal.	Describe the negative impacts the proposal has on the wellbeing goal.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
A Wales of cohesive communities <i>Communities are attractive, viable, safe and well connected</i>	Promotes safe environments in schools, community spaces and public settings enhancing trust in local services and confidence in local services.	None	
A globally responsible Wales <i>Taking account of impact on global well-being when considering local social, economic and environmental wellbeing</i>	Embeds ethical and responsible practices through safe, sustainable and well governed operations.	None	
Page 320 A Wales of vibrant culture and thriving Welsh language <i>Promotes and protects culture, heritage and the Welsh language, and participation in the arts, and sports and recreation</i>	Although health and safety may seem mainly about compliance and accident prevention, it plays a deep supporting role in nurturing culture and language by: Creating safe environments for cultural participation. • Festivals, community events, museums, theatres and heritage sites depend on robust health and safety management to operate safely. • When people feel safe at cultural gatherings they are more likely to participate and engage. • Effective health and safety management ensures these events run smoothly, inclusively and without unnecessary risk, helping cultural expression thrive. Protecting the workforce in cultural and creative sectors	None	

<u>Well Being Goals</u>	Describe the positive impacts the proposal has on the wellbeing goal.	Describe the negative impacts the proposal has on the wellbeing goal.	What actions have been/will be taken to mitigate any negative impacts or better contribute to positive impacts?
	- Many people work in arts, tourism and heritage, sectors that are vital to Wales's cultural identity. - Good health and safety practices protect these workers ensuring sustainable careers and the continuation of Welsh cultural industries.		
A more equal Wales <i>People can fulfil their potential no matter what their background or circumstances. (This includes the protected characteristics listed in Section 1 above. You can add more detail there. Don't forget to think about the impacts on poverty)</i>	Ensures all employees and service users regardless of protected characteristics have equitable access to safe workplaces and services.		

5. How has your proposal embedded and prioritised the sustainable governance principles in its development?

<u>Sustainable Development Principles</u>	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 Long Term Balancing short term need with long term and planning for the future <i>We are required to look beyond the usual short term timescales for financial planning and political cycles and instead plan with the longer term in mind (guidance says at least 10 years, but preferably 25)</i>	Health and safety management supports the long term health and wellbeing of staff, service users and communities by reducing preventable accidents, ill health and associated costs. Encourages sustained improvements in safety culture.	
 Collaboration Working together with other partners to deliver objectives	Annual report developed collaboratively with Directorates, HR, Insurance and our occupational health provider. Promotes shared responsibility for health and safety across all service areas.	

<u>Sustainable Development Principles</u>	Does your proposal demonstrate you have met this principle? If yes, describe how. If not explain why.	Are there any additional actions to be taken to mitigate any negative impacts or better contribute to positive impacts?
 Involvement Involving those with an interest and seeking their views <i>Who are the stakeholders who will be affected by your proposal? Have they been involved? Do those people reflect the diversity of the area which is served?</i>	Effective health and safety management engages employees, managers and service users through training, consultation and feedback mechanisms to shape safer working practices and support a positive safety culture.	
 Prevention Putting resources into preventing problems occurring or getting worse	Effective health and safety management focuses on proactive management of risks through improved monitoring training and early intervention. Helps prevent harm, sickness absence and operational disruption.	
 Integration Considering impact on all wellbeing goals together and on other bodies <i>Focus here on how you will better integrate the Wellbeing Goals impacts on people, economy and environment described above and balance any competing impacts. Think about impacts the proposal may have on other organisations</i>	Effective health and safety management aligns health, safety and wellbeing objectives with the Council's Corporate Plan, Workforce strategy and Wellbeing objectives. Contributing to an effective and resilient organization.	

6. Council has agreed the need to consider the impact its decisions has on the following important responsibilities: Corporate Parenting, Care Leavers, Care Experienced People and Safeguarding. Are your proposals going to affect any of these responsibilities?

	Describe any positive impacts your proposal has	Describe any negative impacts your proposal has	What will you do/ have you done to mitigate any negative impacts or better contribute to positive impacts?
<u>Safeguarding</u> <i>Safeguarding in this context applies to children (not yet reached 18th birthday) and adult at risk (identified as a person over the age of 18 and who (a) is experiencing or is at risk of abuse or neglect, (b) has needs for care and support (whether or not the authority is meeting any of those needs), and (c) as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it.) Safeguarding is about ensuring that everything is in place to promote the well-being of children and adults at risk, preventing them from being harmed and protecting those who are at risk of abuse and neglect.</i>	Effective health and safety management: is a cornerstone of safeguarding in that it: • Creates safe environments • Promotes a culture of care and accountability • Supports staff training and awareness • Ensures safe recruitment and supervision • Promotes wellbeing and inclusion • Promotes effective record keeping and risk assessment	None	

<u>Corporate Parenting, Care Leavers and Care Experienced People</u> <i>This relates to those children who are 'looked after' by the Local Authority either through voluntary arrangements with their parents or through a Court Order. The Council has a corporate duty to consider 'children who are looked after especially and to promote their welfare (in a way, as though those children were their own). It also relates to care experienced people (people who have spent time in care when they were under 18 years old). The Council must consider how to help overcome the disadvantages and discrimination they experience.</i>	Effective health and safety management ensures environments, such as residential homes, schools, workplaces or community spaces are physically and psychologically safe.		
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7. What evidence and data has informed the development of your proposal?

This will include your baseline position, measures and studies that have informed your thinking and the recommendation you are making. It should allow you to identify whether any changes resulting from the implementation of the recommendation have had a positive or negative effect. Key strategies and documents that may help you include: Community and Corporate Plan, Asset Management Strategy, Digital and Data Strategy, Medium Term Financial Strategy, People Strategy, Socially Responsible Procurement Strategy: [Enabling Strategies](#) See Guidance for more examples.

This is only the Council's second Annual Health and Safety Report and the first to be presented to elected members. It provides a baseline position against which future performance can be compared.
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8. SUMMARY: As a result of completing this form, what are the main positive and negative impacts of your proposal, how have they informed/changed the development of the proposal so far and what will you be doing in future?

This section should summarise the key issues arising from the evaluation. This summary must be included in the Committee Report Template

Effective management of health and safety has positive impacts across all well-being goals and protected groups. It strengthens the Council's ability to safeguard staff and communities, prevent harm and promote equality, well-being and long- term sustainability.

9. ACTIONS: As a result of completing this form are there any further actions you will be undertaking? Please detail them below, if applicable.

Page 326	What are you going to do?	When are you going to do it?	Who is responsible?

10. VERSION CONTROL: The Integrated Impact Assessment should be used at the earliest stage, such as informally within your service, and then further developed throughout the decision-making process. It is important to keep a record of this process to demonstrate how you have considered and built in equality and future generations considerations wherever possible.

Version No.	Decision making stage <i>e.g. budget mandate, DMT, SLT, Scrutiny, Cabinet etc</i>	Date considered	Brief description of any amendments made following consideration
1	Governance and Audit Committee	October 2025	

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SUBJECT: INTERNAL AUDIT
Progress Report for Quarter 2 (2025/26)

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

1. PURPOSE

To consider the adequacy of the internal control environment within the Council based on the outcomes of audit reviews and subsequent opinions issued to the 30th September 2025.

To consider the performance of the Internal Audit Section over the first 3 months of the current financial year.

2. RECOMMENDATION(S)

That the Committee note the audit opinions issued.

That the Committee note the progress made by the Section towards meeting the 2025/26 Operational Audit Plan and the Section's performance indicators at the 6 month stage of the financial year which are currently meeting the profiled target.

3. KEY ISSUES

- 3.1 Audit work has started in line with the 2025/26 agreed draft audit plan, considered by the Governance & Audit Committee in June 2025.
- 3.2 This report gives brief details of the work undertaken in the year to date. The report also gives details of the Section's performance indicators for the 6 months to 30th September 2025.
- 3.3 The Global Internal Audit Standards (GIAS) came into force for the UK public sector in April 2025 replacing the Public Sector Internal Audit Standards. A self-assessment and gap analysis of compliance to the new standards has been completed and an action plan is in place to ensure the team fully meet the requirements. A separate report is to be considered by the October 2025 G&AC meeting regarding this.
- 3.4 The year end opinion for 2025/26 will be based on the audit work undertaken during the year, cumulative audit knowledge from previous

years on key financial systems along with any assurance gained from other parties where relevant.

4. REASONS

- 4.1 Since the start of the financial year, the Internal Audit Section has completed 20 audit jobs to draft stage from its 2025/26 draft Operational Audit Plan; 10 of these being opinion related and are shown in the table at Appendix 1.
- 4.2 In relation to audit opinion related reports, the following have been issued during the second quarter;
 1. Education Welfare Service – Substantial Assurance
 2. Digital Projects – Reasonable Assurance
 3. Museum Service – Reasonable Assurance
 4. Housing Support Grant – Unqualified
 5. Health & Safety Building Compliance – Limited Assurance
- 4.3 One audit opinion was subject to an unfavourable opinion which was issued during Quarter 2 – Health & Safety Building Compliance. The findings from this review are included as Appendix 4 to this report.
- 4.4 Other audit work in line with the plan has started and site visits have been undertaken to a number of establishments. At the end of Quarter 2, 52% of the agreed audit plan has been deemed as being started or in progress.
- 4.5 5 special investigations / reactive pieces of work commenced during Quarter 2. At the end of the quarter these all remain under investigation.
 1. Infrastructure – Bribery Allegation
 2. Learning Skills & Economy – Employee investigation
 3. Social Care, Safeguarding & Health – Employee investigation
 4. Infrastructure – Employee investigation
 5. Cross-Cutting – Proactive review of overtime paid across MCC
- 4.6 In addition 1 investigation was open from the 2024/25 financial year. This was within the Social Care, Safeguarding & Health directorate and has now been completed with a disciplinary hearing held.
- 4.7 Appendix 3 of the report gives details of the Section's performance indicators as at the 30th September 2025.
- 4.8 As of 30th September 2025, 30% of the 2025/26 Audit Plan has been completed. This meets the profiled target of 30% for the second quarter.

5. SERVICE MANAGEMENT RESPONSIBILITIES

- 5.1 Heads of Service and service managers are responsible for addressing any weaknesses identified in internal systems and demonstrate this by including their management responses within the audit reports. When management agree the audit action plans, they are accepting responsibility for addressing the issues identified within the agreed timescales.
- 5.2 Ultimately, managers within MCC are responsible for maintaining adequate internal controls within the systems they operate and for ensuring compliance with Council policies and procedures. All reports, once finalised, are sent to the respective Chief Officers and Heads of Service for information and appropriate action where necessary.

6. FOLLOW UP AUDIT REVIEWS

- 6.1 Where 'unfavourable' (Limited Assurance / No Assurance) audit opinions are issued, they are followed up within a twelve month timescale to ensure that the agreed actions have been taken by management and that the internal control systems are improved.
- 6.2 No follow-up reviews have commenced during the first quarter of the financial year. The following reviews were subject to unfavourable audit opinions issued during previous financial years and the table below indicates when the follow-up work will be conducted by the Internal Audit team. The original findings from each of these reviews have already been presented to the Committee.

Year	Assignment	Opinion	Status
2023/24	Mileage	Limited	Fieldwork
	General Expenses	Limited	2025/26 – Q3
	Children Looked After Savings	Limited	2025/26 – Q3
2024/25	Job Evaluation	Limited	Fieldwork
	Procurement Cards	Limited	Fieldwork
	Mardy Park Residential	Limited	2025/26 – Q4
	Facilities & Building Cleaning	Limited	2025/26 – Q4
	Bank Imprest - Severn View Residential	Limited	2025/26 – Q3
	Caldicot School	Limited	2025/26 – Q4
	Supply Staff at Schools	Limited	2026/27

	Contract Management	Limited	2026/27
	Pupil Referral Service	Limited	2026/27
2025/26	My Mates	Limited	2026/27
	H&S Building Compliance	Limited	2026/27

- 6.3 The timing of a follow-up review is based on when the previous final report was issued plus enough time for management to successfully implement their management actions along with sufficient time to pass to ensure the changes are fully embedded within the service. Chief Officers and Senior Managers are given appropriate notice of follow-up audit reviews to so that proactive steps are being taken by management to act on the recommendations issued. As the table details, this is a challenging programme to ensure all these reviews are completed during quarter 3 and especially quarter 4 of the year. The Audit Management team are planning workloads to ensure as much of these can be completed within the year as possible.

7. RESOURCE IMPLICATIONS

None.

8. CONSULTEES

Deputy Chief Executive / Chief Officer Resources
Chair of Governance & Audit Committee

Results of Consultation:

N/A

9. BACKGROUND PAPERS

Draft Operational Audit Plan 2025/26

10. AUTHORS AND CONTACT DETAILS

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

AUDIT COMMITTEE OCTOBER 2025

INTERNAL AUDIT SECTION PROGRESS REPORT 2025/26 – 6 MONTHS

APPENDIX 1

Internal Audit reviews from the 2025/26 Operational Audit Plan where fieldwork has been completed and/or final reports issued since 01/04/25 are listed in the table below.

Internal Control Opinions give the auditor's overall conclusion on the control environment operating in each system/establishment under review. Opinions range from Substantial Assurance through to No Assurance (Appendix 2).

Draft issued indicates that a draft report has been issued and a response is awaited from the client before the report can be finalised.

Status of reports as at 30th September 2025

Internal Audit Services - Management Information for 2025/26 – Quarter 2

Opinion Summary	Number
Substantial Assurance	2
Reasonable Assurance	5
Limited Assurance	2
No Assurance	0
Unqualified (Grant Claim)	1
Qualified (Grant Claim)	0
Total	10

Job number	Directorate	Service	Job Name	Risk Rating / Priority	Final / Draft	Conclusion given (Assurance)
P2526-09	Law & Governance	Legal	Welfare & Family Law	Medium	Draft	Substantial
P2526-13	Learning, Skills & Economy	Achievement & Attainment	Education Welfare Service	Medium	Draft	Substantial
P2526-03	Resources	Digital Design & Innovation	Digital Projects	Medium	Draft	Reasonable
P2526-19	Learning, Skills & Economy	Primary Schools	Thornwell Primary	Medium	Draft	Reasonable
P2526-51	Customer, Culture and Wellbeing - Mon Life	Leisure Services	Monmouth Leisure Centre	Medium	Draft	Reasonable
P2526-52	Customer, Culture and Wellbeing - Mon Life	Visitor Attractions	Museum Service	Medium	Final	Reasonable

Job number	Directorate	Service	Job Name	Risk Rating / Priority	Final / Draft	Conclusion given (Assurance)
P2526-54	Customer, Culture and Wellbeing - Mon Life	Environment & Culture	Markets	High	Final	Reasonable
P2526-04	Resources	Landlord & Commercial Services	Building Compliance	High	Draft	Limited
P2526-27	Social Care, Safeguarding & Health	Adult Services	My Mates	Medium	Final	Limited
P2526-47	Chief Executives – Housing, Rural Development & Strategic Partnerships	Housing Support Grant	Housing Support Grant	Medium	Final	Unqualified

Non – opinion / Added Value Audit Work

Job number	Directorate	Service	Job Name
P2526-07	Resources	Resources General	Audit Advice
P2526-10	Law & Governance	Law & Governance General	Audit Advice
P2526-25	Learning, Skills & Economy	Learning, Skills & Economy General	Audit Advice
P2526-34	Social Care, Safeguarding & Health	Social Care, Safeguarding & Health General	Audit Advice
P2526-40	Infrastructure	Infrastructure General	Audit Advice
P2526-45	Place	Place General	Audit Advice
P2526-49	Chief Executives – Housing, Rural Development & Strategic Partnerships	Chief Executives – Housing, Rural Development & Strategic Partnerships General	Audit Advice
P2526-56	Customer, Culture and Wellbeing - Mon Life	Customer, Culture and Wellbeing - MonLife - General	Audit Advice
P2526-63	People, Performance and Partnerships	People, Performance & Partnerships	Audit Advice

Job number	Directorate	Service	Job Name
		General	
P2526-65	Corporate	Corporate	Annual Governance Statement

Internal Audit Opinions

Each report contains an opinion which is an overall assessment of the control environment reviewed.

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

The table below summarises the risk ratings used during our audits:

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

For grant claim audits:

Unqualified opinion - the terms and conditions of the grant were generally complied with;

Qualified opinion - the terms and conditions of the grant were not fully complied with; the identified breaches of terms and conditions will be reported to the grantor and internally to relevant Head of Service/Chief Officer.

AUDIT COMMITTEE OCTOBER 2025**INTERNAL AUDIT SECTION PROGRESS REPORT
2025/26 – 6 MONTHS****APPENDIX 3****Performance Indicators**

N/A – not available

	2025/25	Q1	Q2	Q3	Q4	Target
1	Percentage of planned audits completed	10%	32%	49%	82%	80% pa
2	Average no. of days from audit closing meeting to issue of a draft report	2.7 days	1.7 days	2.3 days	1.8 days	15 days
3	Average no. of days from receipt of response to draft report to issue of the final report	N/A*	3.3 days	3.0 days	3.8 days	10 days
4	Percentage of recommendations made that were accepted by the clients	N/A*	100%	100%	100%	95%
5	Percentage of clients at least 'satisfied' by audit process	N/A*	100%	100%	100%	95%

	2025/26	Q1	Q2	Q3	Q4	Target
1	Percentage of planned audits completed	9%	30%			30% in Q2 80% pa
2	Average no. of days from audit closing meeting to issue of a draft report	1.5 days	3.2 days			15 days
3	Average no. of days from receipt of response to draft report to issue of the final report	N/A	3.9 days			10 days
4	Percentage of recommendations made that were accepted by the clients	N/A	100%			95%
5	Percentage of clients at least 'satisfied' by audit process	N/A	100%			95%

SUMMARY OF WEAKNESSES – HEALTH & SAFETY BUILDING COMPLIANCE

The audit examined how the Council completed compliance checks on the buildings it operates (the process) and previous to this team being established in 2021 no one was undertaking the regular checks of the respective sites. This review found significant weaknesses, resulting in a 'Limited' assurance rating. It is important to note that this does not imply that the buildings themselves are unsafe or present any major health and safety concerns. Key issues include overdue lift inspections, incomplete documenting of gas safety checks, missing or unclear policies, and inconsistent reporting. Not all buildings had been regularly checked, and there was no clear system for determining inspection frequency. Communication and record-keeping needed improvement, and there was no formal process for managers to respond to the issues raised.

It was noted that for a large portion of the findings below, it was explained to the auditor that appropriate checks had actually been completed, and documents had been viewed on compliance visits, but this had simply not been recorded or included on the visit reports.

RISK RATING	DESCRIPTION	TOTAL IDENTIFIED
CRITICAL	Major or unacceptable risk which requires immediate action.	2
SIGNIFICANT	Important risk that requires attention as soon as possible.	15
MODERATE	Risk partially mitigated but should still be addressed.	7
STRENGTH	No risk. Sound operational controls and processes confirmed.	6

Ref.	CRITICAL
3.04	Some lift inspections were found to be overdue.
3.09	Gas Safety checks were not always evidenced. Where gas leaks were identified, although remedial action was taken, this was not reported to senior management.

Ref.	SIGNIFICANT
1.03	The Council did not have a full suite of Health and Safety Policies to outline how the Authority would comply with statutory requirements around building health and safety.
1.04	The purpose of the Health and Safety Compliance Team, its remit and responsibilities were not formally documented.

Ref.	SIGNIFICANT
1.05	Compliance visits have not been undertaken at all buildings used by the Council. There was no risk-based methodology used to determine the frequency of visits.
3.02	Compliance visits were being performed by two officers.
3.03	There was an absence of detail around the expected level of compliance. Not all key risk areas were being examined on visits.
3.05	Not all Legionella risk assessments were found to be current.
3.06	It was not always recorded that the condition of asbestos-containing materials (ACMs) was reviewed during compliance visits.
3.07	Fire Risk Assessments at sites were sometimes historic and had not been reviewed by a 'competent individual'.
3.08	No checks were being undertaken on glazing across the authority's buildings.
3.10	Health and Safety Compliance Officers did not always evidence the testing undertaken to support the findings contained within the visit reports. Site information folders were not held detailing comprehensive information, reports and advice issued to each establishment.
3.11	Compliance reports were inadequate did not clearly detail the assessment of controls and necessary actions required. There was little evidence that recommendations issued from previous visits were being fully revisited.
3.12	Reports were not always issued to the appropriate management level.
3.13	No process was in place for site managers to accept / dispute the recommendations made and to agree a course of action. Recommendations made were not categorised or prioritised based on risk, nor was the risk of non-compliance highlighted to the reader.
3.14	No quantitative or qualitative performance measures existed to monitor the service.
3.15	There was insufficient communication and collaboration between the Health and Safety Compliance Team and Corporate Health and Safety.

Ref.	MODERATE
1.06	The central record of MCC properties, which contained the status of specific risk assessments, was found to be out of date and had missing information.
1.07	A training needs analysis has not been completed for the Compliance Officer role and therefore the level and type of training required was unknown.
2.04	The site contact list was inaccurate and contained names of employees who had left MCC more than 12 months ago.
3.16	Site management responsibility training had not been provided to all nominated Site Managers.
3.17	No unannounced visits were undertaken.

Ref.	MODERATE
3.18	Checks were flagged on the visit reports as 'no longer required', however, they appeared to still being completed by the site and continued to be reviewed by the Health and Safety Compliance Officers.
3.19	Reports should indicate where checks were not applicable as opposed to simply omitting them, for example radon, asbestos and sprinkler systems.

GOVERNANCE & AUDIT COMMITTEE WORK PROGRAMME 2025-26

1ST MAY 2025

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

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

12TH JUNE 2025

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

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

2024/25 Treasury Outturn report	Jonathan Davies	✓				
Audit Wales Annual Audit Summary 2024	Audit Wales/Richard Jones		✓			✓
Audit Wales Counter Fraud Arrangements Review & Management Response	Audit Wales/Richard Jones		✓			✓
Whistleblowing Annual Report	Philippa Green	✓				✓

24TH JULY 2025

Reports to be with Peter by – 7th July 2025

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

Pre-meeting – 14th July 2025

Finalised reports to Democratic Services – 15th July 2025

Despatch by Democratic Services – 16th July 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Revenue & Capital MTFP update and process	Jon Davies	✓				
2025/6 Q1 - Treasury report	Jon Davies	✓				
Mon CC Draft Statement of Accounts 2024/25	Jon Davies	✓				
Draft Annual Governance Statement 2024/25	Jan Furtek				✓	
Draft Self-Assessment Report 2024/25	Richard Jones		✓			

11TH SEPTEMBER 2025

Reports to be with Peter by – 22nd August 2025

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

Pre-meeting – 1st September 2025

Finalised reports to Democratic Services – 2nd September 2025

Despatch by Democratic Services – 3rd September 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Internal Audit Quarterly progress report (Q1)	Jan Furtek				✓	
Governance & Audit Committee Annual report 2024/5	Chair – Andrew Blackmore		✓			

2024/25 Welsh Church Fund/Monmouthshire Farm School Endowment Trust Draft Statements of Accounts	Jon Davies	✓				
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30TH OCTOBER 2025 (MOVED FROM 16TH OCTOBER 2025)

Reports to be with Peter by – 10th October 2025

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 16th October 2025

Pre-meeting – 20th October 2025

Finalised reports to Democratic Services – 21st October 2025

Despatch by Democratic Services – 22nd October 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
2024/25 MCC Statement of Accounts Final	Jon Davies	✓				
WAO Audit of Accounts Report	Steve Wyndham/Charlotte Owen					
Global Internal Audit Standards – Implementation and Self-Assessment	Jan Furtek				✓	
Health and Safety Annual Report	Kate Thompson		✓			
Anti-Fraud, Corruption & Bribery Policy Update	Jan Furtek				✓	
Call in of the Chief Officer for Social Care, Safeguarding and Accessible Health Services in response to the My Mates Internal Audit Report	Jan Furtek					
Audit Wales Report: National Fraud Initiative 2024/25 - Update for Monmouthshire County Council	Steve Wyndham		✓			✓
Internal Audit quarterly progress report (Q2)	Jan Furtek				✓	

27TH NOVEMBER 2025

Reports to be with Peter by – 10th November 2025

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

Pre-meeting – 17th November 2025

Finalised reports to Democratic Services – 18th November 2025

Despatch by Democratic Services – 19th November 2025

Report Title	Report Author	Terms of reference category				
		Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
25/26 Q2 Treasury report	Jon Davies	✓				

ISA260 audit report of MCC accounts	Rachel Freitag/Jon Davies					✓
Audit Wales Work Programme: Council Progress update	Richard Jones		✓			
Whole Authority Annual Complaints Report	Annette Evans			✓		
The Ombudsmans's Annual Letter	Annette Evans			✓		
Audit Grants report	Audit Wales					✓
Audit Wales Financial Sustainability Review	Audit Wales					✓
Annual Audit Plan 24-25 Welsh Church Funds						✓
CPR Exemptions - 6 monthly update to 30th September 2025	Jan Furtek				✓	
Internal Audit quarterly progress report (Q2)	Jan Furtek				✓	

Audit Wales report - Arrangements for commissioning services and council management response'

Richard Jones

CPR Exemptions - 6 monthly update to 31st March 2025	Jan Furtek				✓	
Panel Performance Assessment: Purpose to provide the committee with an early overview of the arrangements being put in place as part of the council's Panel Performance Assessment	Matthew Gatehouse		✓			

15TH JANUARY 2026

Reports to be with Peter by – 24th December 2025
 Reports to be with Wendy Barnard/Chair prior to pre-meeting – Wednesday 31st December 2025
 Pre-meeting – 5th January 2026
 Finalised reports to Democratic Services – 6th January 2026
 Despatch by Democratic Services – 7th January 2026

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

26TH FEBRUARY 2026

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

		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
ISA260 for trust funds	Rachel Freitag/Jon Davies					✓
25/26 Q3 Treasury report	Jon Davies	✓				
Anti Fraud, Bribery & Corruption Risk Assessment	Jan Furtek				✓	
Internal Audit quarterly progress report (Q3)	Jan Furtek				✓	
Draft Internal Audit Plan 2025/26	Jan Furtek				✓	

16th APRIL 2026

Reports to be with Peter by – 24th March 2026

Reports to be with Wendy Barnard/Chair prior to pre-meeting – 27th March 2025

Pre-meeting – 1st April

Finalised reports to Democratic Services – 4.00pm 8th April 2026

Despatch by Democratic Services – 8th April 2026

		Terms of reference category				
Report Title	Report Author	Financial Affairs	Risk, Internal Control, Performance & Corporate Governance	Complaints	Internal Audit	External Audit
Review of the proposed update to the Council's constitution	James Williams - TBC		✓			.

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Public Document Pack Agenda Item 14

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Governance and Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 11th September, 2025 at 2.00
pm**

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

Lay Members: Siwan Davies, Colin Prosser and Rhodri Guest

County Councillor: John Crook, Tony Easson, Malcolm Lane,
Phil Murphy, Peter Strong and Ann Webb

OFFICERS IN ATTENDANCE:

Peter Davies	Deputy Chief Executive and Chief Officer for Resources
Jan Furtek	Chief Internal Auditor
Wendy Barnard	Democratic Services Officer
Jonathan Davies	Head of Finance/Section 151
Emma Tapper	Governance & Assurance Officer, Strategic Operations
Steve Wyndham	Audit Wales Officer
David Jarrett	Finance Business Partner - Corporate Accountant
Nikki Wellington	Finance and Support Services Manager

APOLOGIES:

County Councillors Sara Burch and David Jones

1. Declarations of Interest

None.

2. Public Open Forum

No members of the public were present.

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

The action list from the previous meeting was noted:

1. Fraud, Corruption and Anti Bribery- Mandatory Training: The Chief Internal Auditor provided an interim update. [OPEN]

<https://youtu.be/0ez2ZKT0uM0?si=QdpWuMSN-1Zxv653&t=77>

4. Internal Audit Quarterly Progress Report (Q1)

The Chief Internal Auditor presented the Internal Audit Quarterly Progress Report (Q1). Following presentation of the report, Committee Members were invited to ask questions.

MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Governance and Audit Committee held at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 11th September, 2025 at 2.00 pm

https://youtu.be/0ez2ZKT0uM0?si=8xf_tO_uinjZ3sCI&t=143

In line with the report recommendations:

- The Committee noted the audit opinions issued; and
- The Committee noted the progress made by the Section towards meeting the 2025/26 Operational Audit Plan and the Section's performance indicators at the 3 month stage of the financial year which are currently ahead of the profiled target.

ACTION 1. In noting that the My Mates Service had been issued with a Limited Assurance opinion, the Committee requested the attendance of a relevant senior officer at the next meeting to discuss how this situation has arisen and what is being done to address the deficiencies with a view to providing the required level of assurance that matters are being dealt with.

ACTION 2. Referring to the global internal audit standards, a Member asked for an update on how local medium sized businesses are being encouraged to bid for procurement contracts. The Deputy Chief Executive will follow this action up and arrange for a response.

5. Governance and Audit Committee Annual Report 2024/25

The Chair presented the draft Governance and Audit Committee Annual Report. Following presentation of the report, Committee Members were invited to comment.

<https://youtu.be/0ez2ZKT0uM0?si=QQig9FvtvTw3f7pe&t=823>

The Committee approved the report which will now be considered by County Council.

6. 2024/25 Welsh Church Fund/Monmouthshire Farm School Endowment Trust Draft Statements of Accounts

The Head of Finance/Section 151 Officer presented the 2024.25 Welsh Church Fund/Monmouthshire Farm School Endowment Trust Draft Statements of Accounts to Committee. Following presentation of the report, Committee Members were invited to ask questions:

<https://youtu.be/0ez2ZKT0uM0?si=mWvg-g7lfw5UE7UI&t=892>

As per the report recommendations, the Governance & Audit Committee reviewed the 2024/25 draft Statement of Accounts for the above bodies and provided comments and proposed amendments to consider alongside the external audit process and prior to the final publication.

The Audit Wales Officer was requested to provide an update on the audit of the Council's annual accounts.

<https://youtu.be/0ez2ZKT0uM0?si=hyZVqo9wfVehSYm&t=2018>

Referring to the fee consultation, it was the view of the Committee that officers should respond if they choose to do so. If so, it was requested that their response is circulated to the Committee for information.

7. Governance and Audit Committee Forward Work Plan

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Governance and Audit Committee held
at County Hall, The Rhadyr, Usk, NP15 1GA on Thursday, 11th September, 2025 at 2.00
pm**

The Governance and Audit Committee Forward Plan was noted.

<https://youtu.be/0ez2ZKT0uM0?si=v6Qj3KxM5sDgMbyP&t=2518>

8. To approve the minutes of the previous meeting

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

<https://youtu.be/0ez2ZKT0uM0?si=n-vBNqfuiMhQiQmE&t=2531>

9. Date of Next Meeting: 30th October 2025 at 2.00pm.

Meeting ended at 2.44 pm

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