

SUBJECT:	INTERNAL AUDIT Annual Report 2023/24
DIRECTORATE:	Resources
MEETING:	Governance and Audit Committee
DATE:	June 2024
DIVISION/WARDS AFFECTED: All	

1. PURPOSE

To receive and consider the Annual Internal Audit Report for 2023/24.

2. RECOMMENDATION(S)

That the Governance and Audit Committee receive, comment on and endorse the Annual Report.

3. KEY ISSUES

- 3.1 The Public Sector Internal Audit Standards require the Chief Internal Auditor 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 opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.
- 3.2 The audit opinions issued reflect the level of assurance obtained; these are shown at Appendix B. **34** audit opinions were issued during 2023/24 ranging from Substantial to Limited assurance (a total of 22 opinions were issued in 2022/23). The overall opinion was **Reasonable assurance**, which indicates *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.*
- 3.3 **8 Limited assurance** opinions were issued.

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- 3.4 The 2023/24 Audit opinion is partially reliant on previous work undertaken by the team where Reasonable Assurance opinions were issued; there have been no significant changes to the organisation's systems or key personnel and no major frauds were identified.
 - 3.5 Internal Audit opinions on the work undertaken at the SRS by Torfaen Internal Audit team were also taken into consideration.
 - 3.6 The Internal Audit team achieved 82% of the agreed 2023/24 audit plan against a target of 80% (72% in 2022/23).

4. REASONS

- 4.1 Monmouthshire County Council, as a local government organisation, is subject to The Accounts and Audit (Wales) Regulations 2014 and therefore has a duty to make provision for internal audit in accordance with the Local Government Act.
- 4.2 Internal Audit is an independent function established by the management of Monmouthshire County Council to provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 4.3 In line with the Public Sector Internal Auditing Standards (PSIAS), the Chief Internal Auditor should present a formal annual report to the Council which gives an opinion on the overall adequacy and effectiveness of the Council's internal control environment, governance arrangements and risk management processes. The Standards require an external review of Internal Audit to be completed at least every five years. An External Quality Assessment (EQA) was completed during the 2023/24 financial year by the Acting Audit Manager of Caerphilly County Borough Council, this found that the Internal Audit team were 'Generally Compliant' with the PSIAS. The results of the EQA was reported to the Governance & Audit Committee at the April 2024 meeting.

5. RESOURCE IMPLICATIONS

None.

6. CONSULTEES

Deputy Chief Executive / Chief Officer (Resources) & S151 Officer

7. BACKGROUND PAPERS

Internal Audit Annual Report
Operational Internal Audit Plan 2023/24
Public Sector Internal Auditing Standards
Shared Resource Service (SRS) – Internal Audit Annual Report
2023/24 (Torfaen IA Team)

8. AUTHOR AND CONTACT DETAILS

Jan Furtek, Acting Chief Internal Auditor
Telephone: 01600 730521
Email: janfurtek@monmouthshire.gov.uk



monmouthshire
sir fynwy

INTERNAL AUDIT ANNUAL REPORT 2023/24



Date of Report Issue

June 2024

Report Author

Jan Furtek, Acting Chief Internal Auditor

1. Introduction

- 1.1 Monmouthshire County Council, as a local government organisation, is subject to The Accounts and Audit (Wales) Regulations 2014 and therefore has a duty to make provision for internal audit in accordance with the Local Government Act.
- 1.2 The Regulations state that the Responsible Finance Officer (S.151) of the organisation shall maintain an adequate and effective internal audit of the accounts of that organisation and its systems of internal control. Internal Audit undertakes this role on behalf of the S.151 Officer. Internal Audit is seen as an independent function established by the management of Monmouthshire County Council for the review of the internal control system as a service to the organisation. It enhances and protects organisational value by providing risk-based and objective assurance, advice and insight.
- 1.3 In line with the Public Sector Internal Audit Standards, the Chief Internal Auditor should present a formal annual report to the Governance and Audit Committee which gives an opinion on the overall adequacy and effectiveness of the Council's internal control environment. The annual report should also:
- a. disclose any qualifications to that opinion, together with reasons for the qualification;
 - b. present a summary of the audit work undertaken to formulate the opinion;
 - c. draw attention to any issues the Chief Internal Auditor judges particularly relevant to the preparation of the annual governance statement (to be reported separately);
 - d. compare the work actually undertaken with that planned and summarise the performance of the internal audit function against its performance measures and criteria;
- 1.4 This report is the Annual Internal Audit Report which meets the requirements of the Standards. It provides the overall audit opinion for Members on the internal controls operating within the County Council and provides a summary of the work completed during the year, identifying key findings and outcomes from the work undertaken. It also outlines the performance of the Internal Audit team during the year against agreed pre-set targets.
- 1.5 The internal controls operating within the Council are of a complex nature, reflecting the organisational arrangements. Internal Audit plans its work to address the major risks that the Authority faces. That work

is not designed to check the work of others but to comment on the controls in place to protect the Council from loss of assets or inefficient operations, whatever the cause.

- 1.6 The objectives of the Section for the year were: -
- (a) To deliver an internal audit service in accordance with the Public Sector Internal Auditing Standards and meeting statutory requirements;
 - (b) To undertake risk-based assessments of the Authority's internal control environment and hence contribute to the Annual Governance Statement;
 - (c) To maintain and enhance the audit involvement in all areas as an aid to good financial stewardship and protection of public funds.

2. Audit Opinion

- 2.1 In 2023/24, based on the planned work undertaken during the year, overall, the systems and procedures in place were adequately controlled, although risks were identified which could compromise the overall control environment; improvements are required. The opinion definitions are noted at Appendix A.
- 2.2 The overall audit opinion for the internal controls operating within the Council in 2023/24 was **Reasonable 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 July 2023. The Plan was designed to ensure adequate coverage over the Council's financial and operational systems using a risk based assessment methodology.

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

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

Internal Audit opinions on the work undertaken at the 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 2024

- 2.3 On undertaking audit reviews in accordance with the Annual Audit Plan, an opinion is given on how well the internal controls of the system or establishment are operating. Internal audit reports provide a balanced view of the controls in place. The opinion is determined by the number of strengths and weaknesses identified during the course of the review and the risk rating and priority given to each. Each audit review undergoes a comprehensive review process by the Chief Internal Auditor and/or Principal Auditor before the draft report is sent out to management. The controls are generally measured against a predetermined matrix of expected internal controls for each system; for fundamental systems these are usually derived from CIPFA.

2.4 The overall opinion has been compiled from individual audit reviews undertaken during the year [see Appendix B] and consideration of the previous years' Internal Audit opinion:

Audit Opinion	2021/22	%	2022/23	%	2023/24	%
Substantial	5	25	7	32	8	23.5
Considerable	6	30	10	45	-	-
Reasonable	7	35	4	18	18	53
Limited	2	10	1	5	8	23.5
No Assurance	-	-	-	-	0	0
	20	100	22	100	34	100

Qualified	-	-	-	-	1	-
Unqualified	3	-	3	-	2	-
	3	-	3	-	3	-

Overall Opinion	Reasonable	Reasonable	Reasonable
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2.5 The Annual Internal Audit Report for the Shared Resource Service (Torfaen CBC Internal Audit Team) will be presented to the July 2024 meeting of the Governance & Audit Committee following it's approved by the SRS Finance & Governance Board.

2.6 The Internal Audit opinions on the work undertaken at the SRS by Torfaen Internal Audit team were taken into consideration within this annual report. The SRS are the Council's IT providers, so assurances have been provided on the adequacy of controls in place within that organisation to demonstrate effective governance, risk management and internal control processes.

2.7 Extract from the Draft Annual Internal Audit Report 2023/24 of the Shared Resource Service - "The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control. The overall opinion is **Satisfactory**.

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

2.8 Managers within directorates need to ensure that robust internal controls are in place and adhered to in order to ensure that the systems in operation run efficiently and effectively and the scope for misappropriation, theft or error is minimised. Chief Officers and Heads of Service have a responsibility to ensure that the Council's Financial Procedure Rules and Contract Procedure Rules are complied with at an operational level. Staff should be made aware of these and the requirements therein and the consequences of non-compliance.

3. Extent of Coverage

3.1 The Internal Team started the 2023/24 year with an establishment of 5.5 FTE with an Audit Manager and Senior Auditor vacancy (2 FTE). Shortly after the start of the year, the Chief Internal Auditor (0.5 FTE) left the Authority. The Audit Manager commenced in role in late April 2023 and immediately fulfilled the Head of Internal Audit responsibilities for the remainder of the year. No back-fill arrangements were put in place. The collaboration agreement between Monmouthshire County Council and Newport City Council for the shared Chief Internal Auditor service was put on hold while both Councils considered the future operating model for their Internal Audit service.

3.2 During the 2023/24 year, the Deputy Chief Executive / Chief Officer – Resources along with the Chair of the Governance & Audit Committee and the Acting Chief Internal Auditor considered the future delivery model for Internal Audit services within Monmouthshire. A report regarding this was considered by the Governance & Audit Committee in April 2024.

3.3 Over the course of the year, the Senior Auditor post was successfully recruited to with the post holder commencing work in August 2024.

3.4 When completing the Internal Audit plan for 2023/24 provision was included for vacancy periods arising from the full year 0.5 FTE Chief Internal Auditor vacancy and a vacancy period for the Senior Auditor.

3.5 Due to the above vacancies, additional resource was planned to be procured from an outside agency. Originally, an agreement was reached for 40 days (4 reviews) of support, however, due to the budget situation of the Council, only 20 days (2 reviews) was actually provided.

3.6 There have been no significant changes in systems or personnel in key positions and no major frauds have been uncovered.

3.7 Overall, whilst not all planned audits were carried out, the actual number achieved is considered acceptable in view of the relative risk and priorities of other audit needs. Planned audit work not undertaken during the year is shown at Appendix C.

4. Audit Coverage

- 4.1 The full list of audit reviews completed by the Section during the year is shown in the attached Appendix B, together with the relevant internal control opinion issued for each audit.
- 4.2 Control opinions range from Substantial to No Assurance in accordance with the definitions shown in Appendix A. In June 2023 it was agreed with the Governance & Audit Committee that the audit opinions used by the Internal Audit team would be revised to bring them in line with those recommended by CIPFA for use across the UK public sector.
- 4.3 During the course of the year, the audit team revised the report format to ensure that the reports provide clear findings and recommendations. The new report format has been positively received across the organisation.
- 4.4 Audit reviews concluding with a control opinion of Limited assurance are routinely reported (in summary form) to the Governance and Audit Committee. For 2023/24, 8 **Limited assurance** opinions were issued; further details are included within Section 5 of this report. The significant increase of the number of reviews where a negative assurance rating was provided is of concern and will need to be closely monitored to see if any pattern emerges.
- Chepstow School
 - Till Float Reconciliations
 - Commissioning & Contracts
 - Employee General Expenses
 - Employee Travel Claims
 - Children Looked After (CLA) Savings
 - Private Sector Leasing
 - Democratic Services & Governance
- 4.5 The added value, non-opinion work undertaken by Internal Audit is shown at Appendix D; this is mainly financial advice and monitoring the implementation of the agreed recommendations along with the completion of the Annual Governance Statement.
- 4.6 During the course of the year, the team has completed 5 unplanned (reactive) pieces of work in addition to the completion of the audit plan.
- Till Float Reconciliations
 - Employee General Expenses
 - Employee Travel Claims
 - National Fraud Initiative - CTRS/Elec Reg December deadline
 - Internal Audit migration to the Sharepoint system – although this was not ‘audit work’ it did take up an unplanned amount of time.

5. Update on Unfavourable Audit Opinions issued

- 5.1 During the 2023/24 financial year, the Internal Audit team have continued to follow-up reviews where a previous 'Limited' audit opinion had been issued. It is pleasing to confirm that where the most recent follow-up review has been conducted, the area examined has received a more favourable audit opinion.
- 5.2 The tables below detail the unfavourable opinions issued by the Internal Audit Team which had not been followed up prior to the 2022/23 financial year. All those previously followed up had received a more favourable audit opinion and this has been reported to the Committee.
- 5.3 During 2019/20, 8 reports were issued with a **Limited** opinion. 6 of these had already been followed-up with more favourable opinions being issued. The remaining 2 reviews were followed up / finalised during 2023/24. These were as follows:

Year	Assignment	Original Opinion	Revised Opinion
2019/20	Castle Park Primary School	Limited	Substantial
2019/20	Tintern Old Station	Limited	Reasonable

Both of the reviews have been issued with improved audit opinions. This has already been reported to the Committee during the Internal Audit Quarterly update reports.

- 5.4 During 2022/23, 1 **Limited** opinion was issued which required to be followed up during 2023/24 year.

Year	Assignment	Original Opinion	Revised Opinion
2022/23	Our Lady and St Michael's R.C. School	Limited	Reasonable (Draft - March 2024)

It was pleasing to note that the follow-up review of Our Lady and St Michaels RC Primary School has obtained an improved 'Reasonable Assurance' opinion. This report is currently at draft stage and the team are in the process of agreeing management actions with the School to address any areas not yet fully implemented.

- 5.5 During the 2023/24 financial year **8 Limited** audit opinions were issued. It is intended that each of these will be followed up during the 2024/25 year.

The reasons as to why these reviews were considered to be of limited assurance was presented to the Committee over the course of the year via the Chief Internal Auditors quarterly reports, with the exception of those issued during Quarter 4. Extracts from those reports issued during quarter 4 detailing the reasons why the opinion was issued can be found within Appendix G to I of this report. Links are included within the table below to the Committee reports where the other reviews were discussed.

Year	Assignment	Opinion	Date Issued	Details
2022/23	Chepstow School	Limited	August 2023	G&AC - October 2023
2022/23	Till Float Reconciliations	Limited	October 2023	G&AC - February 2024
2022/23	Commissioning & Contracts	Limited	November 2023	G&AC - February 2024
2022/23	Employee General Expenses	Limited	November 2023	G&AC - February 2024
2022/23	Employee Travel Claims	Limited	November 2023	G&AC - February 2024
2022/23	Children Looked After (CLA) Savings	Limited	February 2024	Appendix F
2022/23	Private Sector Leasing	Limited	February 2024	Appendix G
2022/23	Democratic Services & Governance	Limited	March 2024	Appendix H

6. Non-Audit Duties

6.1 The team now has a minimal involvement with controlled stationery, although still administers the imprest account process. The audit team have worked over the year to close down the remaining imprest accounts with now only a small number of approved accounts remaining for operational reasons. Internal Audit involvement with this process is now minimal.

7. Fraud, Irregularity and Special Work/Investigations

7.1 No major frauds were identified during the year in relation to Monmouthshire's normal business operations.

7.2 The Internal Audit team have been involved with 5 special investigations during the course of the year;

S01 – the matter was dealt with in accordance with the Council's Disciplinary Policy, whereby there was an investigation into the facts undertaken by a Investigating Officer. In this instance it was an externally nominated Investigating Officer. In consideration of the findings of the independent investigation report, the evidence and statements within, the nominated officer held a meeting under the Council's disciplinary procedure. The outcome is confidential.

S02 – Work was completed by the Internal Audit team relating to a planned audit where specific concerns and findings needed to be investigated further. No further action was necessary.

S03 – At the request of the Chief Executive, further samples were reviewed in relation to the Unplanned Employee Mileage review which was subject to an unfavourable opinion as detailed above. The findings from this were shared with the Deputy Chief Executive and the Chief Officer – People, Performance & Partnerships.

S04 – Following a request from Gwent Police a concern was investigated. The allegation could not be substantiated and this was reported back to the Police.

S05 – The Chief Officer – Communities & Place requested that the Internal Audit team complete a review into the Wyebridge Car Park project. The findings from this have been reported to the appropriate officers for future improvements.

7.2 The Internal Audit Team is responsible for co-ordinating the National Fraud Initiative (NFI) process for the Council, an initiative run by the Cabinet Office. This is a biennial data matching exercise that matches electronic data within and between participating bodies to detect and prevent fraud and overpayments from the public purse across the UK. On an annual basis Council Tax and Electoral Roll data is collated and matched.

8. Training

8.1 During the year a number of staff attended external courses / webinars on a variety of topics to ensure continued professional development.

8.2 The Section also participates in a number of local audit groups including the Welsh Chief Auditors' Group and the national Chief Auditors Network.

8.3 Management fully support the development and training of the audit staff and will continue to send staff to appropriate seminars/courses

etc., to maintain an awareness of technical and legislative developments and to support user groups within the area in order to provide a more effective service. This will be beneficial on a personal and professional level.

9. Audit Team Performance

- 9.1 To ensure a quality Internal Audit service is provided, the Section uses a range of performance indicators which it compares with other Welsh authorities via the Welsh Chief Auditors' Group.
- 9.2 As shown at Appendix G, 82% of the agreed plan was completed against a target of 80%.
- 9.3 Excluding finalisation work from 2022/23, 62 audit jobs were included in the audit plan for 2023/24; 51 jobs were completed to at least draft report stage. [Not all jobs in the plan would warrant an audit opinion e.g. audit advice, Annual Governance Statement, external work etc.].
- 9.4 As a measure of the quality of the work produced, the Team was able to report that 100% of its recommendations were accepted by the service managers. [This does not take into account reports that were in draft at year end]. The percentage of previously agreed recommendations which had been implemented or partially implemented will be reported later in the year.
- 9.5 Getting audit reports out to clients in a timely manner is a key aspect of maintaining relationships and ensuring control weakness are addressed at an early stage.
- a. Final reports were sent out 1.4 days following receipt of management comments, against a target of 5 days.
 - b. Draft reports were sent out to clients 1.8 days after the completion of the audit work against a target of 10 days.
- 9.6 Of the audit evaluation questionnaires which were returned by operational managers, 100% were 'satisfied' or 'very satisfied' with the audit service they had received. Where managers have highlighted any areas for improvement, these will be considered and acted upon by the Chief Internal Auditor. All clients have the opportunity to discuss any concerns with the audit process directly with the Chief Internal Auditor.

10. Conclusions

- 10.1 It is considered that, over the course of the financial year, the objectives of the Team (as stated in paragraph 1.6) have been met.

- 10.2 The reporting procedures for all areas of the Team are now well established. Working practices are updated as a matter of course to underpin the quality of work undertaken. Team meetings are held on a regular basis to ensure all staff are kept aware of new developments and management can monitor progress of work against the plan.
- 10.3 The Team's management maintained a continuous review process throughout the year to ensure, where possible, that the highest risk areas were targeted and the Operational Plan for 2024/25 was also designed to ensure that any priority areas outstanding would be covered in the next financial year.
- 10.4 The objective of the Internal Audit Team is to provide assurance to Management and Members of the adequacy of the internal control environment, governance arrangements and risk management processes within Monmouthshire. Reduced audit staff resources leads to less coverage across the services provided by the Council which limits the assurance that can be given. In addition the team becomes less flexible in its ability to undertake special investigations in response to allegations of fraud, theft or non-compliance.
- 10.5 The Chief Internal Auditor will have to monitor the situation closely and use a range of options to ensure appropriate audit coverage is provided. Although demands on the resources are increasing, the Chief Internal Auditor is confident that adequate and appropriate coverage will be provided throughout the Council; prioritisation may be required.
- 10.6 Finally, the support of all audit staff as well as senior management must be acknowledged in helping to continue to provide a comprehensive and valuable service to the Authority.

Definitions of Internal Audit Opinions Used

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.

Unqualified – the terms and conditions of the grant were complied with.

Qualified - the terms and conditions of the grant were not complied with.

Audit Opinions

Overall Opinion	2023/24	Reasonable
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Summary

	21/22	22/23	23/24
Substantial	5	7	8
Considerable	6	10	-
Reasonable	7	4	18
Limited	2	1	8
No Assurance	-	-	0
	20	22	34
Unqualified	3	3	2
Qualified	0	0	1
Total Opinions	23	25	37

Job Number	Directorate	Service	Job Name	Risk Rating / Priority	Final (31/03/24)	Opinion Given
P2324-01	Resources	Finance - Corporate Accountancy	Insurances	High	Yes	Substantial
P2324-03	Resources	Finance - Revenues, Systems & Exchequer	Creditor Payments (2022/23)	Medium	Yes	Substantial
P2324-05	Resources	Finance - Revenues, Systems & Exchequer	Benefits	Medium	Yes	Substantial
P2324-23	Children & Young People	Primary Schools	Pembroke Primary	Medium	Yes	Substantial
P2324-34	Social Care, Health & Safeguarding	Social Services Finance	Appointeeships & Deputyships (2022/23)	Medium	Yes	Substantial
P2324-40	Communities & Place	Placemaking, Housing, Highways and Flood	Planning Applications (2022/23)	Medium	Yes	Substantial
P2324-43	Communities & Place	Neighbourhood Services	Winter Maintenance (2022/23)	Medium	Yes	Substantial
P2324-49	Mon Life	Outdoor	Countryside (2022/23)	Medium	Yes	Substantial

Job Number	Directorate	Service	Job Name	Risk Rating / Priority	Final (31/03/24)	Opinion Given
P2324-07	Resources	Finance - Revenues, Systems & Exchequer	Revenues Shared Service (2022/23)	Medium	Yes	Reasonable
P2324-08	Resources	Commercial, Property, Fleet, Facilities	Cemeteries	Medium	Yes	Reasonable
P2324-12	People & Governance	Electoral Registration	Electoral Registration	High	Yes	Reasonable
P2324-19	Children & Young People	Primary Schools	Archbishop Rowan Williams Church in Wales Primary	Medium	Yes	Reasonable
P2324-20	Children & Young People	Primary Schools	Durand Primary	Medium	Draft	Reasonable
P2324-21	Children & Young People	Primary Schools	Llantilio Pertholey Primary	Medium	Yes	Reasonable
P2324-22	Children & Young People	Primary Schools	Our Lady & St Michaels RC (Follow-up)	High	Draft	Reasonable
P2324-24	Children & Young People	Primary Schools	The Dell Primary	Medium	Draft	Reasonable
P2324-26	Children & Young People	CYP General	Schools Control Risk Self Assessments	Medium	Yes	Reasonable
P2324-35	Social Care, Health & Safeguarding	Public Protection	Trading Standards	Medium	Yes	Reasonable
P2324-47	Mon Life	Active	Point of Sale System	High	Yes	Reasonable
P2324-48	Mon Life	Heritage	Old Station, Tintern (Follow-up)	High	Yes	Reasonable
P2324-53	Chief Executive's	Policy, Performance & Scrutiny	Risk Management	High	Yes	Reasonable
P2324-57	Corporate	Corporate	National Fraud Initiative (NFI)	Medium	Yes	Reasonable
P2324-58	Corporate	Corporate	Climate Change	High	Draft	Reasonable
P2324-59	Corporate	Corporate	Partnership Assurance (2022/23)	Medium	Yes	Reasonable
P2324-62	Communities & Place	Commercial, Property, Fleet, Facilities	Passenger Transport Unit	Medium	Draft	Reasonable
P2324-63	Mon Life	Mon Life General	CRSAs (Leisure Centres)	Medium	Yes	Reasonable

Job Number	Directorate	Service	Job Name	Risk Rating / Priority	Final (31/03/24)	Opinion Given
P2324-11	People & Governance	Democratic Services & Communications	Democratic Services & Governance	High	Draft	Limited
P2324-25	Children & Young People	Secondary Schools	Chepstow School	Medium	Yes	Limited
P2324-29	Social Care, Health & Safeguarding	Commissioning & Disability Service	Commissioning & Contracts	High	Yes	Limited
P2324-30	Social Care, Health & Safeguarding	Safeguarding, Quality Assurance & Child Protection	CLA Savings	High	Draft	Limited
P2324-41	Communities & Place	Placemaking, Housing, Highways and Flood	Private Sector Leasing	High	Yes	Limited
U2324-01	Resources	Finance - Revenues, Systems & Exchequer	Till Float Reconciliations	Unplanned	Draft	Limited
U2324-02	People & Governance	Payroll & Systems	Employee General Expenses	Unplanned	Draft	Limited
U2324-03	People & Governance	Payroll & Systems	Employee Travel Claims	Unplanned	Draft	Limited
P2324-17	Children & Young People	Finance & Support Services	School Improvement Grant	Medium	Yes	Unqualified
P2324-42	Communities & Place	Enterprise and Community Animation	Housing Support Grant	Medium	Yes	Unqualified
P2324-18	Children & Young People	Finance & Support Services	Pupil Development Grant	Medium	Yes	Qualified

Appendix C

2023/24 Planned jobs not undertaken

Job number	Directorate	Service	Job Name	Reason
P2324-02	Resources	Finance - Revenues, Systems & Exchequer	Council Tax	Council Tax Reduction Scheme covered within Housing Benefits Audit Review
P2324-04	Resources	Finance - Revenues, Systems & Exchequer	Procurement Cards	Work in progress at year end
P2324-15	Children & Young People	Additional Learning Needs	ALN (previously SEN)	Unable to commence the review due to the impact of 'Action Short of Strike' at Schools
P2324-16	Children & Young People	Achievement & Extended Services	Flying Start	Work in progress at year end
P2324-31	Social Care, Health & Safeguarding	Youth Offending Service	Youth Offending Service	Work in progress at year end
P2324-32	Social Care, Health & Safeguarding	Managed Care/Looked After Children	Long Term Support Team	No resource available
P2324-33	Social Care, Health & Safeguarding	Wellbeing	Therapeutic Practice	No resource available – originally planned to be completed by an External Resource
P2324-44	Communities & Place	Neighbourhood Services	Waste Collections	Head of Service requested a delay into the 2024/25 year
P2324-50	Mon Life	Connect	Active Travel	Work in progress at year end
P2324-55	Chief Executive's	Chief Executives General	Monitoring Implementation of Previous Recommendations	Not required – no audit reviews in the area to follow-up
P2324-60	Corporate	Corporate General	Implementation of new Follow-up of Agreed Actions / Recommendations system	Delays with system build and reduced resources within the Digital Design & Innovation Team has delayed the implementation

Appendix D

Non opinion related audit work 2023/24 Internal Audit Added Value

Job number	Directorate	Service	Job Name
P2324-06	Resources	Finance - Revenues, Systems & Exchequer	Imprest Accounts Closure
P2324-09	Resources	Resources General	Audit Advice
P2324-10	Resources	Resources General	Monitoring Implementation of Previous Recommendations
P2324-13	People & Governance	People & Governance General	Audit Advice
P2324-14	People & Governance	People & Governance General	Monitoring Implementation of Previous Recommendations
P2324-27	Children & Young People	CYP General	Audit Advice
P2324-28	Children & Young People	CYP General	Monitoring Implementation of Previous Recommendations
P2324-37	Social Care, Health & Safeguarding	SCH & Safeguarding General	Audit Advice
P2324-38	Social Care, Health & Safeguarding	SCH & Safeguarding General	Financial Assessments
P2324-39	Social Care, Health & Safeguarding	SCH & Safeguarding General	Monitoring Implementation of Previous Recommendations
P2324-45	Communities & Place	Communities & Place General	Audit Advice
P2324-46	Communities & Place	Communities & Place General	Monitoring Implementation of Previous Recommendations
P2324-51	Mon Life	Mon Life General	Audit Advice
P2324-52	Mon Life	Mon Life General	Monitoring Implementation of Previous Recommendations
P2324-54	Chief Executive's	Chief Executives General	Audit Advice
P2324-56	Corporate	Corporate	Annual Governance Statement
P2324-61	Corporate	Corporate General	Audit Advice

Performance of the Internal Audit Section

Performance Indicator	2019/20	2020/21	2021/22	2022/23	Annual Target	2022/23
Percentage of planned audits completed	77%	57%	64%	72%	80%	82%
Average no. of days from end of fieldwork to issue of a draft report	26 days	16 days	6 days	4.4 days	17 days	1.8 days
Average no. of days from receipt of agreement to draft report to issue of the final report	20 days	38 days	5 days	8.5 days	5 days	1.4 days
Percentage of recommendations made that were accepted by the clients	98%	99%	99%	100%	95%	100%
Percentage of clients at least 'satisfied' by audit process	100%	100%	100%	100%	95%	100%

Children Looked After (CLA) Savings – Limited Assurance

The audit's objective was to evaluate the financial and administrative controls and the effectiveness of the governance framework for safeguarding children's monies at Monmouthshire County Council. The audit covered several areas, including the Council's financial policies and procedures for monies held on behalf of Children Looked After and Young People, the management of Criminal Injuries Compensation Authority Payments, Junior Individual Savings Accounts (ISA's), and Duty of Care Settlements.

The report identified several weaknesses, including the absence of a financial policy or procedures to provide a control framework for safeguarding children's monies, issues with record keeping and administration, and a lack of awareness among social workers regarding financial settlements held by the Court Funds Office on behalf of the children.

The report includes an action plan with recommendations for addressing the identified weaknesses, such as establishing a financial policy that covers the requirements of the Social Services and Well-being (Wales) Act 2014, advising young people to seek independent financial advice ahead of their 18th birthday, and ensuring that social workers are aware of any financial monies held by the Authority or an independent third party.

RISK RATING	DESCRIPTION	TOTAL IDENTIFIED
CRITICAL	Major or unacceptable risk which requires immediate action.	0
SIGNIFICANT	Important risk that requires attention as soon as possible.	8
MODERATE	Risk partially mitigated but should still be addressed.	3
STRENGTH	No risk. Sound operational controls and processes confirmed.	2

Ref.	SIGNIFICANT
1.02	The Authority did not have a financial policy for Children Looked After.
1.03	There was no evidence available to demonstrate that Young People were advised to seek independent financial advice ahead of their 18th Birthday.
3.02	Although statements were received from the Share Foundation, these were not reviewed, and appropriate action taken promptly.
3.03	The Authority was still administering 103 Junior ISA's totalling £27,972.89 for Young People who were no longer under local authority care or had turned 18 years of age. Young People had not been paid money they were entitled to.
3.04	There was no evidence available to confirm that Young People, Parents/Guardians or Carers were made aware of the existence of a Junior ISA account at the appropriate time.

Ref.	SIGNIFICANT
3.05	The Pathway Planning process was not fit for purpose. Sample testing of Young People could not identify the existence of Pathway Plans.
4.01	A record was not maintained of all Young People who have Duty of Care Settlements where a Monmouthshire County Council employee was acting as the Litigation Friend.
4.02	Social Workers were not aware of the financial settlements held by the Court Funds Office on behalf of the Children Looked After or Young People.

Ref.	MODERATE
1.04	The Corporate Parenting Strategy was not readily available on the Authority's website.
3.06	Sample testing did not identify any file notes or flags on Plant in relation to Children or Young Peoples' JISA.
3.07	The Authority does not provide savings for Children Looked After or Young People under local authority care.

Private Sector Leasing – Limited Assurance

The audit report for Private Sector Leasing (2023-24) at Monmouthshire County Council, led by SWAP Internal Audit Services, highlights the need for improvement in governance and control systems. Key issues include ineffective documentation of objectives and risks, an expired housing repairs contract leading to budget overspend, and risks associated with third-party data security and manual rental processes.

RISK RATING	DESCRIPTION	TOTAL IDENTIFIED
CRITICAL	Major or unacceptable risk which requires immediate action.	0
SIGNIFICANT	Important risk that requires attention as soon as possible.	3
MODERATE	Risk partially mitigated but should still be addressed.	6
STRENGTH	No risk. Sound operational controls and processes confirmed.	4

Ref.	SIGNIFICANT
1.05	The Housing & Communities Service Plan 2023-26 requires completion of key elements such as risk, action and performance detail. It could also be further enhanced through the introduction of measures to assess the value for money obtained by the implementation of Private Sector Leasing in Monmouthshire.
1.06	The Housing Service's maintenance and repair contract is overdue for renewal.
1.07	The Housing Service have not yet progressed an existing project to implement a rental system to replace their manual processes. And there are no formal agreements in place to ensure the security of their data which is still held by a third party following their exit from a previously shared rental management system.

Ref.	MODERATE
1.08	Although the issue has since been rectified, approval of leases which were entered into pre-May 2021 cannot be evidenced.
1.09	Improvements could be made to how the Housing Service collaborate with other service areas to deliver their strategic and operational priorities.
2.01	The needs of the county's vulnerable individuals and households are not considered at the point of evaluating new lease agreements and the value for money obtained by the Housing Service's implementation of PSL.
1.10	The Property Details form captures unnecessary sensitive data.
1.11	Landlord's consent to share their personal data with tenants is not always recorded.

Ref.	MODERATE
1.12	There exists an opportunity to improve how the Housing Options team store and dispose of personal data.

Democratic Services & Governance – Limited Assurance

The audit's objective was to evaluate the governance framework's effectiveness using a risk-based approach. It reviewed the arrangement, management, and reporting of meetings, support and training for members, and the Democratic Services team's operational activity.

Key findings include two critical weaknesses: sensitive and confidential information from the Communities and Place Directorate Management Team was accessible to members of the public via the council's website, and there were significant IT control issues surrounding the Council Chamber recording system. These issues have also been reported to the Councils Senior Information Risk Officer (SIRO) for awareness and action where necessary.

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.	6
MODERATE	Risk partially mitigated but should still be addressed.	5
STRENGTH	No risk. Sound operational controls and processes confirmed.	22

Ref.	CRITICAL
1.15	A data incident was identified where internal decisions made by the Communities and Place Directorate Management Team were shown on the Monmouthshire County Council website. This has not been formally reported by the service area to the Information Security & Governance Team.
1.16	Weaknesses in IT controls were identified by the Council's Chief Information Security Officer as part of an assessment of the Usk Council Chamber recording system.

Ref.	SIGNIFICANT
1.17	Monmouthshire Council did not publish a 'Guide to the Constitution'.
1.18	Physically signed minutes for Full Council were not held.
1.19	The Council has no agreed protocol for the live streaming and recording of council meetings.
1.20	The access arrangements for the Councils YouTube account were inappropriate.

Ref.	SIGNIFICANT
1.21	The minutes of Council meetings did not always detail the discussion which had taken place. The change to the format of minutes was not included within the Councils Constitution.
2.04	There was no record of attendance to evidence that all Members had attended induction or other training appropriate to their role since joining the council.

Ref.	MODERATE
1.22	The website grouped Full Council with other committees on the "Committee Structure" area of the website. The 'Sevenside Forum' was classed as a committee of the Council on the website.
1.23	Agendas, minutes and reports held on the website exceeded the recommended timeframe for data retention, set out in the Constitution and "LA Retention Schedule". Both the Constitution and LA Retention schedule did not specify any details regarding data retention periods for YouTube and internally held copies of meeting recordings.
1.24	In one case, the template used to record a Cabinet decision was incorrect.
2.05	A training needs analysis, part of the Personal Development Review (PDR) process, had not yet been completed for all Members. Annual reviews of this process had not taken place as at the time of the audit.
2.06	No records were held to show that all staff within Democratic Services had completed Data Protection / GDPR or Safeguarding training.