

SUBJECT	Audit Wales Work Programme: Council Progress Update
MEETING:	Governance and Audit Committee
DATE:	17th October 2024
DIVISION/WARDS AFFECTED:	All

1. PURPOSE

- 1.1 To provide the committee with an update on the council’s progress against the Audit Wales Work Programme up to October 2024 so that the committee can assure itself of the progress of the council’s response.

2. RECOMMENDATIONS

- 2.1 That members scrutinise the council’s response to the Audit Wales work programme, seeking assurance that adequate progress is being made.
- 2.2 That members refer any issues contained within Audit Wales national studies to other committees for consideration where they identify there are findings of particular relevance to the council that need further scrutiny.

3. KEY ISSUES

- 3.1 Each year, Audit Wales produces an Audit Plan, which sets out the work they intend to undertake to discharge their duties, and this is presented to Governance and Audit Committee upon publication. The performance audit work programme set by Audit Wales focusses on discharging duties in relation to value for money and sustainable development:
- Value for money - The Council has to put in place arrangements to get value for money for the resources it uses.
 - Sustainable development principle - The Council needs to comply with the sustainable development principle when setting and taking steps to meet its well-being objectives.
- 3.2 This report provides an update on the progress being made by the council in implementing the findings of Audit Wales reviews. This includes an update on progress against existing proposals for improvement/recommendations, followed by the latest local audit work carried out since the last review, with an accompanying management response. Recommendations that require further attention are marked as ‘open’ – these can be found in appendix 1. Where a recommendation has been assessed as being adequately addressed, it is ‘closed’ and explanation why included – these can be found in appendix 2. Some of the forward-looking actions committed to by the authority are likely to be reflected within other council strategic documents such as the Community and Corporate Plan, enabling strategies, the Whole Authority Strategic Risk Assessment and the Medium-Term Financial Plan.
- 3.3 As well as local work at each council, Audit Wales carries out national studies across the local government sector to make recommendations for improving value for money, and all of these reports are published on www.audit.wales/publications. Audit Wales has published two national studies since this update was last brought to the committee: an assessment of the use of performance information; and digital strategies. Whilst these are national studies carried out across all local authorities in Wales, the recommendations provided are a result of local work, and so specific reports have already been produced for the Council. For this reason, these reviews are included alongside local studies in appendix 1.

- 3.4 Governance and Audit Committee has a role in ensuring the council is responding to the findings from national studies and can also refer them to another scrutiny committee if they feel the report requires further in-depth consideration beyond the response already provided by the service area. The committee may also refer issues to Democratic Services Committee.
- 3.5 The council works closely with regulators and inspectors to quality-assure activities as this is vital to ensuring improvement. Their feedback is valued, and their assessments are used to help us focus on the things we need to improve. Their findings have informed the council's own self-assessment of its performance in 2023/24. The Audit Wales work programme and timetable update from June 2024, shared with the committee, provides an update on the work of Audit Wales, Estyn and Care Inspectorate Wales. Findings from Estyn and Care Inspectorate Wales have their own monitoring arrangements in place. Consideration will be given to incorporating further oversight of these, where they relate to the council's performance arrangements, in future updates of this progress report to Governance & Audit Committee.
- 3.6 Audit Wales, as part of their ongoing annual audit work programme, may follow up progress in any of the open or recently closed proposal areas.

4. REASONS

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

5. RESOURCE IMPLICATIONS

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

6. CONSULTEES

Individual audit report recommendation responsible officers
Deputy Chief Executive

7. BACKGROUND PAPERS

Audit Wales Audit Plan 2023/24
Audit Wales Audit Plan 2024/25
Audit Wales work programme and timetable update – quarter 1, June 2024

8. AUTHORS

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Appendix 1

Open Audit Wales Proposals for Improvement

Capital Programme Management Proposals

Report	Audit Wales Capital Programme Management – April 2024				
Summary of findings	As part of this review, Audit Wales sought to answer the question: Does the Council have proper arrangements in place to secure value for money in the design and delivery of its capital programme? Overall, they found that the capital programme management arrangements demonstrate some strengths but lack focus on outcomes and impact. They found that planning arrangements are generally robust, but the capital programme lacks clear outcomes, and that monitoring arrangements focus on budget and timescales with limited consideration of impact or learning.			Status	Open
Audit Wales Recommendations	<p>The Council should clearly articulate in its Capital Strategy:</p> <ul style="list-style-type: none"> the outcomes it is seeking to achieve from its capital programme and how individual projects can contribute towards these; what success will look like; and how it will measure this. <p>This will provide a clearer structure for monitoring and help the Council to demonstrate if its capital programme provides value for money.</p>				
	The Council should report on progress against the capital programme’s planned outcomes so that members can scrutinise and gain assurance.				
Planned actions	Desired Result	Action	Responsible Officer & Timescale	Progress so far	
	Clearly defined desired outcomes along with arrangements in place to monitor these.	To develop an updated Capital Strategy for 25/26 which includes more detailed information on the outcomes the strategy is seeking to achieve and how the delivery of these outcomes will be monitored.	Head of Finance February 2025	The Capital Strategy identifies the key objectives and the main governance and approval process for capital investments. This includes the process for approving capital investments and the agreed priority investment matrix which plays a key role in ensuring investment is properly aligned with the overall Community and Corporate Plan and wider strategic principles of the Council.	

			In developing the 25/26 strategy, we will incorporate in these sections, further information on the outcomes the strategy is seeking to achieve and how the delivery of these outcomes will be monitored.
	Strengthened reporting of progress against planned outcomes.	Reinforce monitoring arrangements of planned outcomes as part of updated Capital Strategy 25/26.	<p>Head of Finance February 2025</p> <p>The Capital Strategy identifies the current governance arrangements that are in place to monitor capital expenditure and strategy development and implementation. Monitoring outcomes is a role for responsibility holders of capital projects.</p> <p>In developing the 25/26 strategy, we will reinforce and reiterate these arrangements. We will also include an overview of the outcomes evaluated for the capital programme for significant capital projects (those decisions taken through Cabinet or Council) following their completion in the next update of the capital strategy that is reported annually to full Council.</p>
		Complete an annual report on the performance of the Asset Management Plan (as set out in the Asset Management Strategy).	<p>Acting Head of Landlord Services February 2025</p> <p>The Capital Strategy identifies the current governance arrangements that are in place to monitor capital expenditure and strategy development and implementation.</p> <p>Strengthening alignment with the recently agreed revised Asset Management Strategy, that sets out the strategic objectives for our land and property and management of their</p>

				strategic performance, is important to enable delivery of both strategies. An annual report on the performance of the Asset Management Plan will be prepared and reported to Performance and Overview Scrutiny Committee for review.
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Performance Data Proposals

Report	Audit Wales Use of Performance Information: Service User Perspective and Outcomes – March 2024				
Summary of findings	<p>Audit Wales sought to answer the question: Does the Council’s performance data enable senior leaders to understand the service user perspective and the outcomes of its activities to effectively manage its performance? Overall, Audit Wales found that the council provides some performance information to enable senior leaders to understand the perspective of service users, but information on outcomes is limited restricting their ability to manage performance effectively.</p> <p>The Audit Wales national report ‘Use of performance information: service user perspective and outcomes A summary of findings from our review at Welsh councils’ is available here Councils use of performance information: service user perspective and outcomes Audit Wales</p>			Status	Open
Audit Wales Recommendations	The Council should strengthen the information it provides to its senior leaders to enable them to gain a more comprehensive understanding of how well services and policies are meeting the needs of service users.				
	The Council should strengthen the information provided to senior leaders to help them understand the impact of its services and evaluate whether it is delivering its long-term objectives and intended outcomes.				
	The Council needs to assure itself that it has robust arrangements to check the quality and accuracy of the service user and outcomes data it provides to senior leaders				
Planned actions	Desired Result	Action	Responsible Officer & Timescale	Progress so far	
	Further develop arrangements to focus on outcome and impact	Set out revised measures, including where possible developing the use of outcome measures, in the Community and Corporate Plan.	Chief Officer People, Performance & Partnerships	A revised Community and Corporate Plan measurement framework was approved by Cabinet in September. The framework was revised to ensure increased focus on	

	measures and embed an evaluative mindset.		September 2024 – Completed	<p>outcome rather than output measures, where possible.</p> <p>The framework will be used in the six monthly progress and annual self-assessment report on the Community and Corporate plan. Quarterly reporting of measures contained within with framework will continue to be available to members and officers within the Community and Corporate Plan dashboard.</p>
	Support service managers to strengthen the use of evidence, including impact measures and those from the service user perspective, in their self-assessment of service performance within service business plans.		Performance & Data Insight Manager April 2025	<p>An assessment of the performance measures contained within service business plans will be carried out as part of quality assurance of service business plans in Quarter 3.</p> <p>Those identified as needing to develop performance measures further will be supported by the performance team to do so. This assessment will also ensure alignment of performance measures with the Community and Corporate Plan measurement framework.</p>
	Strengthen the use of evidence, including on the impact made and those from the service user perspective, in our annual self-assessment of our progress in meeting our wellbeing objectives. This will clearly identify how well are we doing, how do we know (the evidence we have used) and what and how can we do better.		Performance & Data Insight Manager June 2025	<p>A revised Community and Corporate Plan measurement framework, that has an increased focus on outcome rather than output measures, was approved by Cabinet in September. This change will facilitate an increased focus of our assessment on the impact of our actions. Data and evidence on the impact from the service user perspective will continue</p>

				to be developed, where available, for use in the assessment.
	Strengthened arrangements to ensure quality and accuracy of data.	Implement a process with clear guidance to collate 2023/24 performance measure data used in the community and corporate plan.	Performance & Data Insight Manager May 2024 - complete	A clearer, more robust data collation process has been established, with clear guidance for officers. This process was used in collating data for the organisation's self-assessment report 2023/24. It will be used moving forward in the collation of community and corporate plan data.
		Conduct a data maturity assessment and use the findings to inform any further development of arrangements or targeted action we need to take to improve data accuracy, in coordination with internal audit.	Performance & Data Insight Manager December 2024	The Digital and Data Strategy was approved by Cabinet in July 2024. A commitment within this strategy is to undertake a data maturity assessment to gain a greater understanding of data knowledge and capability within the organisation. The findings of this assessment will inform targeted improvements in data arrangements, where needed.

Digital Strategy proposals

Report	Audit Wales Digital Strategy Review – June 2024		
Summary of findings	Audit Wales found that the Council does not have a digital strategy. The absence of a costed strategy with clear objectives and measures also makes it difficult for the council to monitor and assess the value for money of its strategic approach. They also found that the council has not drawn on a wide range of evidence sources or mapped out the stakeholders it needs to involve, in developing and delivering its strategic approach to digital.	Status	Open

	<p>The Audit Wales national report ‘Digital by design? Lessons from our digital strategy review across councils in Wales’ is available here Digital by design? Audit Wales</p>					
<p>Audit Wales Recommendations</p>	<p>To ensure the Council makes the best use of digital technology to secure value for money in the use of its resources the Council should develop and clearly articulate a strategic approach to digital. In developing its approach, it should act in accordance with the sustainable development principle.</p>					
	<p>To ensure it better understand the impact of its digital strategy and progress in delivering it over the short, medium, and long-term the Council should strengthen its arrangements for monitoring and reviewing the delivery of the strategy.</p>					
	<p>To help ensure that its resources are effectively targeted the Council should strengthen engagement with the full diversity of those with an interest in the delivery of its strategic approach to digital.</p>					
	<p>To help ensure that the Council identifies all opportunities to improve value for money in its strategic approach to digital strategy the Council should map out all potential collaborative opportunities to deliver its next digital strategy.</p>					
<p>Planned actions</p>	<p>Desired Result</p>	<p>Action</p>	<p>Responsible Officer & Timescale</p>	<p>Progress so far</p>		
	<p>A digital and data strategy that acts to secure value for money for the council, in accordance with the sustainable development principle.</p>	<p>To develop an updated Digital and Data Strategy for the Council.</p>	<p>Deputy Chief Executive July 2024 - Complete</p>	<p>A revised Digital and Data Strategy was approved by Cabinet in July 2024. This strategy sets the direction for the organisation over the next three years and includes three overarching digital and data aims of the council, along with the action it will take to achieve them.</p>		
<p>Strengthened monitoring arrangements for the delivery of a revised strategy.</p>	<p>To implement the arrangements for monitoring and review agreed in the Digital and Data Strategy.</p>	<p>Deputy Chief Executive July 2025</p>	<p>A revised Digital and Data Strategy was approved by Cabinet in July 2024. This strategy sets out implementation and governance arrangements, which include the establishment of a Digital, Data and Technology Board to oversee progress and outcomes. These arrangements are being established to monitor delivery, including embedding within the council’s performance management framework</p>			

				and producing an annual assessment of progress.
	Strengthened engagement with stakeholders as part of development of a revised strategy.	Complete engagement with key stakeholders to inform the development of the Digital and Data Strategy.	Deputy Chief Executive July 2024 - Complete	<p>A revised Digital and Data Strategy was approved by Cabinet in July 2024. A range of key stakeholders were involved in the development of this strategy.</p> <p>The continued involvement and engagement of stakeholders will be key moving forward as we look to implement and develop this strategy.</p>
	Understand where collaborative working in the digital space will deliver value for money for the organisation.	To develop a Digital and Data Strategy that considers opportunity for collaborative development.	Deputy Chief Executive July 2025	<p>A revised Digital and Data strategy was approved by Cabinet in July 2024. This strategy sets out the three overarching digital and data aims of the council, one of which is to 'work with partners to develop and maintain strong foundations to support delivery of the strategic vision'.</p> <p>The strategy has a clear commitment to further strengthen and build on existing collaborative and partnership arrangements. This will be regularly reviewed by the Digital, Data and Technology Board, particularly during the initial implementation of the strategy.</p>

Appendix 2

Closed Audit Wales Proposals for Improvement

Report	Financial Sustainability Assessment – June 2021		
Audit Wales Recommendations	To ensure its Medium-Term Financial Plan predicts future funding requirements as accurately as possible, the Council should regularly review its future cost pressure estimates to ensure they are reasonable and reflect recent levels of cost pressures.		Status Closed
	To bridge its estimated future funding gap and contribute to strengthening its financial sustainability, the Council should develop and deliver a programme of sustainable planned savings over the medium-term.		
Planned actions	Desired Result	Action	Progress so far
	A medium-term financial plan which is based on realistic evidence and planned scenarios to allow a structured and planned approach to service delivery in the medium term in line with community and corporate plan priorities.	Develop a Medium-Term Financial Plan that is based on realistic evidence and planned scenarios, to guide budget setting in line with agreed strategic objectives	A Medium-Term Financial Strategy, which aligns with the commitments set out in the Community and Corporate Plan, was approved by Council in July 2024. This strategy provides the strategic framework for the Medium-Term Financial Plan that will be developed throughout coming months to inform the 2025/26 budget setting process and medium-term financial planning.
	In parallel with the above, to develop and deliver a programme of sustainable planned savings over the medium-term to allow a balanced budget to be set that delivers on agreed community and corporate plan priorities.	A robust and detailed review of planned savings brought forward that ensure that the impact on service delivery is mitigated where possible and that contributes to an overall sustainable budget position in the medium term.	The 2024/25 budget was approved by Council in February 2024. These proposals were developed in alignment with the development of a more robust Financial Strategy, which was approved by Council in July 2024. Progress with planned savings is monitored as part of periodic budget monitoring reports. A further Audit Wales Financial Sustainability Review has been completed over the summer of 2024. An action plan to respond to the recommendations from the recent review is being established.

Report	Audit Wales Springing Forward – August 2022		
Audit Wales Recommendations	<p>In developing its new asset management and workforce strategies, the Council should build on its experience of the pandemic and place the sustainable development principle at the heart of its considerations, and specifically ensure it:</p> <ul style="list-style-type: none"> • takes account of longer-term trends that may affect service provision and the efficient use of assets and workforce. • sets out its intended outcomes over the short, medium and longer term. • takes account of how the strategies impact on the objectives of other organisations in the county and regionally. • takes account of the views and needs of staff, service users and partners. In doing so the Council should seek to understand how, where and when users want to access services post-COVID-19 and how that might influence future asset needs and workforce planning. • collaborates with public sector partners across Gwent to evaluate the potential benefits of developing a strategic long-term approach to a single public estate 		Status Closed
	<p>As the Council begins to implement its new strategies, it should seek to build on existing examples of working with partners by developing a more systematic approach to considering opportunities for collaboration.</p>		
	<p>To support regular scrutiny and decision-making by elected members and help provide assurance over value for money, the Council should ensure that the outcomes set out in its workforce and asset management strategies are supported by SMART performance measures, and that benchmarking is used where appropriate.</p>		
Planned actions	Desired Result	Action	Progress so far
	<p>To place the sustainable development principle at the heart of considerations.</p>	<p>To develop a new set of enabling strategies that will facilitate the delivery of the Community and Corporate Plan.</p>	<p>The Community and Corporate Plan 2022-28 was approved by Council in April 2023. This sets out the six Well-being Objectives of the Council. The enabling strategies that align with and facilitate the delivery of the plan have also now been approved. These include: Asset Management Strategy, People Strategy, Digital and Data Strategy, Medium-Term Financial Strategy and the Socially Responsible Procurement Strategy.</p> <p>An Audit Wales review into the well-being objective setting process at Monmouthshire found that the council set its Well-being Objectives in accordance with the sustainable development principles and that we are aligning our key strategies and business</p>

		plans to support the delivery of these objectives. We will ensure that the sustainable development principles continue to be embedded in the delivery of the enabling strategies.
<p>To build on existing examples of working with partners by developing a more systematic approach to considering opportunities for collaboration.</p> <p>To support regular scrutiny and decision-making by elected members and help provide assurance over value for money.</p>	<p>To review the Asset Management Plan, including considering opportunities for collaboration and establishing mechanisms to evaluate delivery.</p>	<p>The Asset Management Strategy was approved by Council in January 2024. The Asset Management Strategy is supported by an Asset Management Plan which outlines the actions to be undertaken in accordance with the strategy, and is subject to annual review.</p> <p>Both the strategy and plan consider any further opportunities for collaboration or partnership working. They establish the assessment criteria under which property performance will be assessed. The Asset Management Plan includes the agreed actions and objectives relating to the land and property functions and portfolios, including the governance arrangements under which the Investment Portfolio will continue to be monitored and evaluated. The Asset Management Plan will be reviewed annually to ensure it continues to provide the appropriate assurance that value for money and best consideration is being achieved.</p>
	<p>To review the People Strategy, including considering opportunities for collaboration and establishing mechanisms to evaluate delivery.</p>	<p>A refreshed People Strategy that aligns with the commitments set out in the Community and Corporate Plan was approved by Cabinet in June 2024. This strategy sets out the six key objectives along with an action plan to facilitate delivery. This strategy considers opportunities for collaboration, in particular working with colleagues to implement change, and establishes clear milestones and measures to track progress of delivery.</p>
<p>Clarity over the Council's approach to the use of its assets to support robust decision making.</p>	<p>Replace the current asset management IT system with a system that incorporates the Financial Asset Register as well as providing a comprehensive solution for the effective management of property data</p>	<p>Work is ongoing to replace the current asset management IT system. A project team has been created, specification finalised and fee proposals are being invited. The new system will incorporate the Financial Asset Register, and will also provide efficiencies and improvements in health and safety compliance monitoring. Procurement and implementation of the new system has been delayed as a consequence of long-term staff sickness and capacity pressures, but recruitment to vacant support posts is ongoing to</p>

			accelerate the implementation of the system. Progress on the implementation of this system is monitored quarterly within relevant Service Business Plans, available to members on the Hub.
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