

<b>SUBJECT</b>	<b>Audit Wales Work Programme: Council Progress Update</b>
<b>MEETING:</b>	<b>Governance and Audit Committee</b>
<b>DATE:</b>	<b>1<sup>st</sup> May 2025</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>All</b>

## **1. PURPOSE**

- 1.1 To provide the committee with an update on the council's progress against the Audit Wales Work Programme up to May 2025 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. 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](http://www.audit.wales/publications). Whilst the findings of these studies are not necessarily specific to Monmouthshire County Council, those of greatest relevance are shared with the most appropriate service area to consider their findings and recommendations and to respond accordingly. Appendix 2 identifies the studies most applicable to the council since the last iteration of this report, along with a management response outlining service area's actions in response to the study.

- 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 informed the council's own self-assessment of its performance in 2023/24. The Audit Wales work programme and timetable update from Q4 2024/25, that will be shared with the committee, provides the latest 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.
- 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

#### **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
	The full report can be found here: <a href="#">Monmouthshire County Council – Capital Programme Management</a> .				
Audit Wales Recommendations	The Council should clearly articulate in its Capital Strategy: <ul style="list-style-type: none"><li>the outcomes it is seeking to achieve from its capital programme and how individual projects can contribute towards these;</li><li>what success will look like; and</li><li>how it will measure this.</li></ul> This will provide a clearer structure for monitoring and help the Council to demonstrate if its capital programme provides value for money.				
	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 – completed	The updated Capital Strategy was approved by Council in March 2025. The 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	

				<p>with the overall Community and Corporate Plan and wider strategic principles of the Council.</p> <p>The success of the strategy will ultimately be measured by demonstrating that capital investment has furthered Community &amp; Corporate Plan aspirations.</p>
	Strengthened reporting of progress against planned outcomes.	Reinforce monitoring arrangements of planned outcomes as part of updated Capital Strategy 25/26.	Head of Finance February 2025 – completed	<p>The updated Capital Strategy was approved by Council in March 2025. This strategy identifies the 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. An overview of the outcomes evaluated for the capital programme for significant capital projects (those decisions taken through Cabinet or Council) was also provided to full Council as part of their annual update.</p>
		Complete an annual report on the performance of the Asset Management Plan (as set out in the Asset Management Strategy).	Acting Head of Landlord Services July 2025	<p>The Capital Strategy identifies the current governance arrangements that are in place to monitor capital expenditure and strategy development and implementation. Alignment with the Asset Management Strategy has been strengthened as part of the updated Capital Strategy to enable delivery of the strategies' objectives and outcomes.</p> <p>An annual report on the performance of the Asset Management Plan will be prepared and reported to Performance</p>

				and Overview Scrutiny Committee for review, as part of a wider review of all enabling strategies.
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### Performance Data Proposals

Report	Audit Wales Use of Performance Information: Service User Perspective and Outcomes – March 2024				
Summary of findings	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.			Status	Open
	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 <a href="#">Councils use of performance information: service user perspective and outcomes   Audit Wales</a> .				
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 measures and embed an evaluative mindset.	Set out revised measures, including where possible developing the use of outcome measures, in the Community and Corporate Plan.	Chief Officer People, Performance & Partnerships  September 2024 – Completed	A revised Community and Corporate Plan measurement framework was approved by Cabinet in September. The framework was revised to ensure increased focus on outcome rather than output measures, where possible.  The framework was used in the six-monthly report 2024/25 on the progress	

				<p>with the council's community and corporate plan and will be used in the annual self-assessment report. 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> <p>The Audit Wales review of the council's performance management arrangements in December 2024 stated 'The Council has a maturing performance management culture and is responding to recommendations made in Audit Wales's review of performance information'.</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.	<p>Performance &amp; Data Insight Manager</p> <p>June 2025</p>	<p>Quality assurance was carried out on all service business plans in Q2 of 2024/25. This assessed whether plans were meeting service business planning principles, including using relevant and robust performance data measures. Feedback was provided to managers, where required, on the need to improve and expand on the use of performance data within their plans.</p> <p>Guidance on identifying and using performance data within service business plans is available to all staff on the Hub. The potential for making further performance management training available via the Council's online Learning Management System is being explored to facilitate this training.</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  July 2025	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 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 2025	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.  A full data maturity assessment has not yet been completed. Data standards for the council have been developed to improve how the Council manages data, ultimately aimed at improving data maturity. Support has been provided through the council's system and data

				administrators network on ensuring the standards are consistently applied. Further specific assessment of data maturity will be undertaken through the year. The findings of this will inform targeted improvements in data arrangements, where needed.
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### 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
	The Audit Wales national report ‘Digital by design? Lessons from our digital strategy review across councils in Wales’ is available here <a href="#">Digital by design?   Audit Wales</a>				
Audit Wales Recommendations	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.				
	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.				
	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.				
	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.				
Planned actions	Desired Result	Action	Responsible Officer & Timescale	Progress so far	



	A digital and data strategy that acts to secure value for money for the council, in accordance with the sustainable development principle.	To develop an updated Digital and Data Strategy for the Council.	Deputy Chief Executive  July 2024 - Complete	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.
	Strengthened monitoring arrangements for the delivery of a revised strategy.	To implement the arrangements for monitoring and review agreed in the Digital and Data Strategy.	Deputy Chief Executive  July 2025	<p>A revised Digital and Data Strategy was approved by Cabinet in July 2024. This strategy sets out implementation and governance arrangements.</p> <p>In order to deliver the strategy and strengthen stakeholder engagement a Strategic Digital, Data and Technology Board and a Digital Steering Group have been established and will be operational in May 2025.</p> <p>An annual review of performance, aligned with the council's existing performance management framework, is being developed and will be presented to Performance and Overview Scrutiny Committee in July 2025.</p>
	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  May 2025	<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 representing internal service areas, our local authority partners and elected members is key to implement and develop this strategy. In order to deliver the strategy and</p>

				strengthen stakeholder engagement a Strategic Digital, Data and Technology Board and a Digital Steering Group have been established and will be operational in May 2025.
	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>In order to effectively deliver the Digital and Data Strategy officers have developed proposals for increased collaboration on digital and data functions alongside Torfaen and Blaenau Gwent councils. Following discussion at SRS board a proposal for these services to be hosted within the SRS will be presented to Cabinet in May 2025.</p>

#### Financial Sustainability Proposals

Report	Audit Wales Financial Sustainability Review – October 2024		
Summary of findings	Audit Wales found that the council has a clear understanding of its financial position and recognises the need to strengthen its use of data to better understand and mitigate longer-term cost pressures. It also found that the council's reporting arrangements support clear and regular oversight of its current financial position, but reporting on the long-term impact of financial decisions is less well-developed.	Status	Open

	Overall they found that although the Council is developing a longer-term approach to financial planning, it is yet to identify how it will close its future funding gap. Given its low reserves levels, the Council will need to work at pace to implement its financial strategy and strengthen its financial resilience. The full report can be found here: <a href="#">Financial Sustainability Review – Monmouthshire County Council</a> .					
Audit Wales Recommendations	<p>To address its medium to long-term financial sustainability, the Council should urgently implement the delivery plan for its new financial strategy. Specifically, it should:</p> <ul style="list-style-type: none"> <li>• develop its Change and Improvement Plan to identify sustainable ways to deliver services whilst addressing its forecast funding gap;</li> <li>• utilise effective modelling and data to support its long-term approach to financial sustainability; and</li> <li>• ensure it has appropriate arrangements to monitor and report the impact of its financial strategy, in particular the Change and Improvement Plan, on service users and delivery of well-being objectives.</li> </ul>					
Planned actions	Desired Result	Action	Responsible Officer & Timescale	Progress so far		
	A Change and Improvement Plan which identifies sustainable ways to deliver services whilst addressing the forecast funding gap.	To develop a Change and Improvement plan to enable delivery of required savings over the medium term.	Cabinet/Strategic Leadership Team September 2025	The 2025/26 budget was approved by Council in March 2025. This outlined the ongoing financial challenges and risks that are facing the authority. Work continues to shape the wider programme of service change that will include an ongoing assessment of key service pressures, the risks and modelling assumptions that sit alongside this, with the aim to establish a clear plan and approach to address the medium-term budget shortfalls forecast.		
	A Medium-Term Financial Plan which outlines how the objectives of the Medium-Term Financial Strategy will be delivered, with a view to supporting a long-term	To use the Medium-Term Financial Strategy to develop the Medium-Term Financial Plan to inform the 2025/26 budget setting process.	Head of Finance March 2025 - Completed	The Medium-Term Financial Plan was updated to inform the 2025/26 budget setting process. The next iteration of the plan will be considered early in 2025/26 and post the UK Government Spring budget.		

	approach to financial sustainability.			
	Regular and appropriate monitoring of progress in delivering the Medium-Term Financial Strategy and delivery plan.	To produce six-monthly updates on the council's medium term financial planning, including latest modelling and data used.	Head of Finance Six-monthly – next update July 2025	The latest medium term financial planning update was presented to Cabinet in October. This provided Cabinet with the latest progress in implementing the medium-term financial strategies' delivery plan, which translates the strategy into deliverable action. The next update will be presented to Cabinet in July 2025.
	Regular and appropriate monitoring of progress in achieving community and corporate plan objectives.	To produce a six-monthly update on progress against the council's well-being objectives set in the community and corporate plan.	Chief Officer People, Performance & Partnerships Six monthly – next update July 2025	Six-monthly reporting has been undertaken on the progress with the council's community and corporate plan objectives. The last update covered the first six months of 2024/25.  A revised Community and Corporate Plan measurement framework was approved by Cabinet in September. The framework was revised to ensure increased focus on outcome rather than output measures, where possible. This framework was used in the progress report on the first six months of 2024/25.

#### Performance Management Proposals

Report	Audit Wales Performance Management Arrangements Review – December 2024		
Summary of findings	Overall, Audit Wales found that the council has proper arrangements in place to manage its performance and is proactive in identifying areas for improvement. They found that the council has a maturing performance management system that support delivery of its corporate objectives, and that it has reviewed the effectiveness of its performance management arrangements and identified areas of	Status	Open

	<p>improvement. However, whilst performance reporting is moving towards being more balanced, there are examples where underperformance is not presented in as much detail as positive performance.</p> <p>The full report can be found here: <a href="#">Monmouthshire County Council – Review of Performance Management Arrangements</a>.</p>					
Audit Wales Recommendations	<p>The Council should ensure that its performance management arrangements continue to support transparent and robust scrutiny of performance. In order to continue the progress already made, it should:</p> <ul style="list-style-type: none"> <li>• increase the consistency of service planning;</li> <li>• promote the training resources and support available; and</li> <li>• ensure that areas of underperformance are consistently and adequately mitigated with robust explanation.</li> </ul>					
Planned actions	Desired Result	Action	Responsible Officer & Timescale	Progress so far		
	Service business plans are consistently completed, applying the service business planning principles.	Complete annual quality assurance of Service Business Plans and support managers to implement the findings.	Cabinet/Strategic Leadership Team September 2025	<p>The most recent quality assurance was completed during Q2 of 2024/25. This has found that there has continued to be improvement in the quality of plans, though many plans still require improvement in parts of their completion. Some common areas for development remain the completion of risk registers, use of performance indicators and robust assessment of progress and impact. Feedback was provided to all managers, Heads of Service and Chief Officers.</p> <p>The next quality assurance will be completed in Q2 of 2025/26.</p>		

	Performance management training that is accessible to all staff.	Review and update, where necessary, using feedback gathered, the service business plan principles and guidance and further develop training and support available for plans.  Identify the potential for making performance management training available via the Council's online Learning Management System (Thingi).	Performance & Data Insight Manager  June 2025	The service business plan principles and guidance have been updated for 2025/26, where necessary, using feedback gathered. The potential for making further performance management training available via the Council's online Learning Management System is being explored to facilitate this training.
	A balanced and honest self-assessment reports which provides a fair evaluation of areas of strength and weakness.	Review and update, using feedback gathered, the self-assessment process, including aiming to strengthen the application of a self-evaluative mindset when assessing performance and arrangements to explain areas of underperformance or improvement.	Performance & Data Insight Manager  September 2025	A self-assessment process and template for 2024/25 has been developed, based on feedback on the previous year's report, including importantly strengthening the application of a self-evaluative mindset when assessing performance. In developing the 2024/25 report, structured tiers of challenge have been built into the process with aim of ensuring the findings provide a fair and balanced conclusion of the performance of the council, including both progress and explaining under performance or improvement.

## Appendix 2

### Audit Wales national studies published since last update

Report	Urgent and Emergency Care: Flow out of Hospital – Gwent Region
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<p>Outline of the Review</p>	<p>Once a patient is considered medically or clinically well enough to leave hospital (also referred to as medically fit or clinically optimised) the timely discharge of that patient to the right setting for their ongoing needs is vital. When the discharge process takes longer than it should there can be significant implications for the patient in terms of their recovery, rehabilitation, and independence. Delayed discharges will also have implications for other patients coming into the urgent and emergency care system who need a hospital bed, resulting in bottlenecks in the system. Audit Wales sought to examine whether health boards and local authorities have effective arrangements in place to ensure the timely discharge of patients out of hospital.</p> <p>This report sets out the findings from the Auditor General’s review of the arrangements to support effective flow out of hospital in the Gwent Region. The region encompasses: Aneurin Bevan University Health Board (the Health Board); Blaenau Gwent County Borough Council; Caerphilly County Borough Council; Monmouthshire County Council; Newport City Council; and Torfaen County Borough Council. The full report will be published here: <a href="#">Publication   Audit Wales</a>.</p>
<p>Management Response</p>	<p>The report includes a combined management response from the statutory bodies included in the review to the recommendations made. This includes actions that are the responsibility of local authorities.</p> <p>It is recommended the report and management response is scrutinised in detail by the Council’s People Scrutiny committee as its findings fall largely within the remit of the committee. The report, along with a specific update from the council related to the findings, has been added to the forward work programme of the committee for the 17<sup>th</sup> June meeting. If the committee has any specific questions they would like to raise on the report, these can be referred to People Scrutiny committee to consider as part of their scrutiny of the report.</p>