

SUBJECT:	INTERNAL AUDIT Annual Report 2024/25
DIRECTORATE:	Resources
MEETING:	Governance and Audit Committee
DATE:	June 2025
DIVISION/WARDS AFFECTED: All	

1. PURPOSE

To receive and consider the Annual Internal Audit Report for 2024/25.

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 and from April 2025 the Global 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. **35** audit opinions were issued during 2024/25 ranging from Substantial to Limited assurance (a total of 37 opinions were issued in 2023/24). 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 **9 Limited assurance** opinions were issued.

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- 3.4 The 2024/25 Audit opinion is partially reliant on previous work undertaken by the team where Reasonable Assurance opinions were issued; there have been no significant changes to the organisation's systems or key personnel and no major frauds were identified.
 - 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 81% of the agreed 2024/25 audit plan against a target of 80%.

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 provides an independent, objective assurance and consulting activity and is designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to 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.
- 4.4 The PSIAS were replaced by the Global Internal Audit Standards with effect from the 1st April 2025 and therefore this will be the last annual report written under those auditing standards.

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 2024/25
Public Sector Internal Auditing Standards
Shared Resource Service (SRS) – Internal Audit Annual Report
2024/25 (Torfaen IA Team)

8. AUTHOR AND CONTACT DETAILS

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INTERNAL AUDIT ANNUAL REPORT 2024/25

Date of Report Issue

June 2025

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:
- disclose any qualifications to that opinion, together with reasons for the qualification;
 - present a summary of the audit work undertaken to formulate the opinion;
 - draw attention to any issues the Chief Internal Auditor judges particularly relevant to the preparation of the annual governance statement (to be reported separately);
 - 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 2024/25, 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 2024/25 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 April 2024. The Plan was designed to ensure adequate coverage over the Council's financial and operational systems using a risk based assessment methodology.

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

The 2024/25 Audit opinion is partially reliant on previous work undertaken by the team where Reasonable Assurance opinions were issued; there have been no significant changes to the organisation's systems or key personnel and no major frauds were identified.

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

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

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

Jan Furtek
Acting Chief Internal Auditor
June 2025

- 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], consideration of the previous years' Internal Audit opinion and how management have responded to recommendations previously issued:

Audit Opinion	2022/23	%	2023/24	%	2024/25	%
Substantial	7	32	8	23.5	3	9
Considerable*	10	45	-	-	-	-
Reasonable	4	18	18	53	21	64
Limited	1	5	8	23.5	9	27
No Assurance	-	-	0	0	0	0
	22	100	34	100	33	100

Qualified	-	-	1	-	2	-
Unqualified	3	-	2	-	0	-
	3	-	3	-	2	-

Total Opinions	25	-	37	-	35	-
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Overall Opinion	Reasonable Assurance	Reasonable Assurance	Reasonable Assurance
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* The 'Considerable' audit opinion ceased to be used with effect from 01st April 2023.

- 2.5 The Annual Internal Audit Report for the Shared Resource Service (Torfaen CBC Internal Audit Team) will be presented to the June 2025 meeting of the Governance & Audit Committee.
- 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 Annual Internal Audit Report 2024/25 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 **Generally Satisfactory**.
- A Medium risk rated weaknesses identified in individual assignments that are not significant in aggregate to the system of internal control; and/or

- High risk rated weaknesses identified in individual assignments that are isolated to specific systems or processes; and
 - None of the individual assignment reports have an overall classification of critical risk.
- 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 During 2023/24 and into the 2024/25 financial year, the Deputy Chief Executive / Strategic Director – 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 The Internal Team started the 2024/25 year with a full establishment of 5 FTE auditors. Within the April 2024 restructure it was agreed to add a post into the structure, a Counter Fraud Officer, this position was recruited to in October 2024 with the Officer commencing work for Monmouthshire in January 2025.
- 3.4 For the whole year, the Chief Internal Auditor continued to be employed on an acting basis following the departure of the previous post holder in April 2023. The recruitment process for this position is currently underway.
- 3.5 There have been no significant changes in systems or personnel in key position over the course of the year.
- 3.6 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 Audit reviews concluding with a control opinion of Limited assurance are routinely reported (in summary form) to the Governance and Audit Committee. For 2024/25, 9 **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.
- 4.4 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.
- 4.5 During the course of the year, the team has completed 3 unplanned (reactive) pieces of work in addition to the completion of the audit plan.
- Bank Imprest - Severn View Residential
 - Anti-Fraud, Corruption & Bribery Risk Assessment
 - Financial Assessment of Domiciliary Care Tenders

5. Update on Unfavourable Audit Opinions issued

- 5.1 During the 2024/25 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.

Year	Assignment	Original Opinion	Revised Opinion
2023/24	Chepstow School	Limited	Reasonable
	Till Floats	Limited	Reasonable
	Commissioning & Contracts	Limited	Reasonable
	Mileage	Limited	Follow-up delayed – see Appendix C
	General Expenses	Limited	Follow-up delayed – see Appendix C
	Children Looked After Savings	Limited	Follow-up delayed – see Appendix C

Year	Assignment	Original Opinion	Revised Opinion
	Private Sector Leasing	Limited	Reasonable
	Democratic Services & Governance	Limited	Reasonable

- 5.2 During the 2024/25 financial year **9 Limited** audit opinions were issued. It is intended that each of these will be followed up during the 2025/26 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 (final report)	Details
2024/25	Job Evaluation	Limited	September 2024	G&AC - Sept 2024
2024/25	Procurement Cards	Limited	December 2024	G&AC - Nov 2024
2024/25	Mardy Park Residential	Limited	March 2025	G&AC - Nov 2024
2024/25	Facilities & Building Cleaning	Limited	February 2025	G&AC - Nov 2024
2024/25	Bank Imprest - Severn View Residential	Limited	October 2024	G&AC - Nov 2024
2024/25	Caldicot School	Limited	April 2025	G&AC - Feb 2025
2024/25	Supply Staff at Schools	Limited	May 2025	Appendix F
2024/25	Contract Management	Limited	March 2025 (draft)	Appendix G
2024/25	Pupil Referral Service	Limited	March 2025 (draft)	Appendix H

6. Follow-up of Recommendations and Agreed Management Actions

- 6.1 A requirement of the Public Sector Internal Audit Standards (PSIAS) is to monitor and ensure that management actions (recommendations)

have been effectively implemented or that senior management have accepted the risk of not taking action (2500.A1).

- 6.2 The Internal Audit team issued 141 recommendations during the 2023/24 financial year. The table below provides an overall summary of results of this exercise. Overall, 96% of recommendations had either been fully or partially implemented. This was an improvement from 84% in the previous year.

Measure	Number	Percentage
Recommendations fully implemented	93	66%
Recommendations partially implemented	42	30%
Recommendations fully or partially implemented	135	96%
Recommendations not implemented	3	2%
Recommendations considered no longer relevant	3	2%
Responses not received	0	0%
Total number of recommendations	141	100%

- 6.3 The completion of this exercise has shown that senior management have actively looked to address the recommendations made by Internal Audit to improve the overall control environment of their areas. The intelligence from this exercise has been used to inform the 2025/26 Internal Audit Plan and also used to provide assurance for the overall Chief Internal Auditors annual opinion (ref 2.2).

7. Non-Audit Duties

- 7.1 The team now has a minimal involvement with controlled stationery, although the team 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.

8. Fraud, Irregularity and Special Work/Investigations

- 8.1 The Internal Audit team have been involved with 9 special investigations during the course of the year;

S01 – A concern was raised by management within an area of Communities & Place. An informal fact find was completed and the concern was not substantiated.

S02 – The Chief Executive requested the Chief Internal Auditor to complete a formal review of a complaint resolution process within Adult

Services due to concerns that agreed actions had not been undertaken. A memo was issued to the Chief Executive highlighting areas for further improvement in the area.

S03 – A member concern regarding a 3rd party who conducted business with MCC was informally investigated and no further action was deemed necessary.

S04 – Following the internal audit review at Caldicot School a formal investigation took place under the Schools Disciplinary Policy regarding a number of specific concerns. The outcome of that process is confidential.

S05 – Concerns were raised by management regarding the Amenity Fund at Mardy Park Residential Home where money was unaccounted for. A full audit review of Mardy Park was subsequently completed which resulted in a Limited Assurance opinion.

S06 – The Chief Internal Auditor was requested to sit as part of the Safeguarding Practitioner Concerns panel for a concern within Adult Services where several employees were being investigated under the Councils Disciplinary Policy. These concerns related to the overclaiming of mileage and working hours and has been dealt with by management under the disciplinary policy.

S07 – A concern was raised by a Headteacher regarding their School Private Fund following the resignation of their Admin Support Officer. A review was completed and advice provided to move the School forward with appropriate controls being implemented.

S08 – A number of concerns were raised against an employee within the Infrastructure directorate and the Chief Internal Auditor was appointed as the investigating officer under the MCC Disciplinary Policy. This case was ongoing at year end and related to incorrect tender processes, misuse of Council equipment and safeguarding.

S09 – The Chief Internal Auditor was requested to investigate a concern under the Disciplinary Policy for an ex-employee of Adult Services. This case related to fraudulent mileage claims and had safeguarding implications. The investigation was ongoing at year end.

- 8.2 Where necessary, the above cases have been discussed with the Police either through Safeguarding Practitioner Concerns or through separate referrals to Action Fraud and the Gwent Police Financial Investigation Unit.
- 8.3 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.

- 8.4 The Council's first Fraud Risk Assessment was completed by the Chief Internal Auditor and presented to the Governance & Audit Committee in January 2025. This will be reviewed during the 2025/26 financial year and an updated version brought back to committee for review.
- 8.5 Over the course of the year, the Internal Audit team developed a training module on the Thingji e-Learning system covering Fraud, Corruption & Bribery. This was deemed to be mandatory training for all staff and members of the Council. It is pleasing to report that all members of the Strategic Leadership Team and their respective Directorate Management Teams have completed the module. As of the 20th May, the overall completion rate was 56.3% and has been broken down by service areas below.

Directorate	Completion Rate
Chief Executives	84%
Resources	81%
Law & Governance	76%
Customer, Culture and Wellbeing (MonLife)	54%
Learning, Skills and Economy	52%
Communities & Place	41%
Social Care & Health	33%
Members	29%

It was noted that the completion rates above would be affected by staff who are on long term absence from work either through sickness, extended leave or maternity leave.

Consideration also needs to be made by the training team and Chief Officers as to how the training can be provided to the 'harder to reach' areas of the Council including those without IT access and those at Schools.

- 8.6 In March 2025, Audit Wales completed a review of Monmouthshire County Council's Counter Fraud Arrangements. It was found that **the Council has recently strengthened its counter-fraud arrangements but recognises there are further steps it can take**. The management response to this report is currently being prepared with the report due to be presented to a future meeting of the Governance & Audit Committee.

9. Training

- 9.1 During the year a number of staff attended external courses / webinars on a variety of topics to ensure continued professional development.
- 9.2 The Section also participates in a number of local audit groups including the Welsh Chief Auditors' Group and the national Chief Auditors Network.
- 9.3 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.

10. Audit Team Performance

- 10.1 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.
- 10.2 As shown at Appendix G, 81% of the agreed plan was completed against a target of 80%.
- 10.3 Excluding finalisation work from 2023/24, 72 audit jobs were included in the audit plan for 2024/25; 58 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.].
- 10.4 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.
- 10.5 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 3.8 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.
- 10.6 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.

11. Conclusions

- 11.1 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.
- 11.2 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.
- 11.3 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 2025/26 was also designed to ensure that any priority areas outstanding would be covered in the next financial year.
- 11.4 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.
- 11.5 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.
- 11.6 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 2024/25 - Reasonable Assurance

Summary

	22/23	23/24	23/24
Substantial	7	8	3
Considerable	10	-	-
Reasonable	4	18	21
Limited	1	8	9
No Assurance	-	0	0
	22	34	33
Unqualified	3	2	2
Qualified	0	1	0
Total Opinions	25	37	35

Job Number	Directorate	Service	Job Name	Risk Rating / Priority	Final (31/03/24)	Opinion Given
P2425-15	Children & Young People	Primary Schools	Cross Ash Primary	Medium	Yes	Substantial
P2425-43	Communities & Place	Enterprise and Community Animation	Homelessness Assessment & Prevention	High	Yes	Substantial
P2425-52	Customer, Culture and Wellbeing - Mon Life	Environment & Culture	Active Travel	High	Yes	Substantial
P2425-01	Resources	Finance - Revenues, Systems & Exchequer	Till Floats (Follow-up)	Medium	No	Reasonable
P2425-02	Resources	Finance - Revenues, Systems & Exchequer	Corporate Sundry Debtors	Medium	Yes	Reasonable
P2425-04	Resources	Landlord & Commercial Services	Property Services Helpdesk/ Reactive Maintenance	Medium	No	Reasonable

Job Number	Directorate	Service	Job Name	Risk Rating / Priority	Final (31/03/24)	Opinion Given
P2425-07	Law & Governance	Local Democracy	Democratic Services & Governance (Follow-up)	High	Yes	Reasonable
P2425-12	Children & Young People	Achievement & Attainment	Flying Start (2023/24)	Medium	Yes	Reasonable
P2425-16	Children & Young People	Primary Schools	Rogiet Primary	Medium	Yes	Reasonable
P2425-19	Children & Young People	Primary Schools	Trellech Primary	Medium	No	Reasonable
P2425-21	Children & Young People	Secondary Schools	Chepstow School (Follow-up)	High	Yes	Reasonable
P2425-22	Children & Young People	Schools General	Schools Control Risk Self Assessments	Medium	Yes	Reasonable
P2425-27	Social Care, Safeguarding & Health	Adult Services	Commissioning & Contracts (Follow-up)	High	Yes	Reasonable
P2425-31	Social Care, Safeguarding & Health	Childrens Services	St. David's Day Fund	Medium	No	Reasonable
P2425-32	Social Care, Safeguarding & Health	Childrens Services	Youth Offending Service (2023/24)	Medium	Yes	Reasonable
P2425-34	Social Care, Safeguarding & Health	Public Protection	Registration Services	High	Yes	Reasonable
P2425-39	Communities & Place	Placemaking, Housing, Highways and Floods	Traffic & Safety	High	Yes	Reasonable
P2425-40	Communities & Place	Placemaking, Housing, Highways and Floods	Car Parks	Medium	Yes	Reasonable
P2425-44	Communities & Place	Enterprise and Community Animation	Private Sector Leasing (Follow-up)	High	Yes	Reasonable
P2425-45	Communities & Place	Neighbourhood Services	Waste Collections	Medium	Yes	Reasonable
P2425-50	Customer, Culture and Wellbeing - Mon Life	Community Hubs, Community Education & Libraries	Usk Post Office	Medium	Yes	Reasonable

Job Number	Directorate	Service	Job Name	Risk Rating / Priority	Final (31/03/24)	Opinion Given
P2425-51	Customer, Culture and Wellbeing - Mon Life	Community Hubs, Community Education & Libraries	Contact Centre	Medium	Yes	Reasonable
P2425-54	Customer, Culture and Wellbeing - Mon Life	Customer, Culture and Wellbeing - Mon Life General	Control Risk Self-Assessments	Medium	Yes	Reasonable
P2425-60	People, Performance and Partnerships	Performance & Data Insight	Service Business Plans	Medium	Yes	Reasonable
P2425-03	Resources	Finance - Revenues, Systems & Exchequer	Procurement Cards (2023/24)	Medium	Yes	Limited
P2425-10	Children & Young People	Inclusion	Pupil Referral Unit	Medium	No	Limited
P2425-20	Children & Young People	Secondary Schools	Caldicot School	Medium	Yes	Limited
P2425-24	Children & Young People	Schools General	Supply Staff at Schools	High	No	Limited
P2425-29	Social Care, Safeguarding & Health	Adult Services	Mardy Park Residential	Medium	Yes	Limited
P2425-38	Communities & Place	Decarbonisation, Transport & Support Services	Facilities & Building Cleaning	Medium	Yes	Limited
P2425-41	Communities & Place	Placemaking, Housing, Highways and Floods	Contract Management	High	No	Limited
P2425-57	People, Performance and Partnerships	Human Resources	Job Evaluation / Equal Pay	High	Yes	Limited
U2425-01	Social Care, Safeguarding & Health	Adult Services	Bank Imprest - Severn View Residential/Crick Park	n/a	Yes	Limited

Job Number	Directorate	Service	Job Name	Risk Rating / Priority	Final (31/03/24)	Opinion Given
P2425-13	Children & Young People	CYP Finance & Support Services	School Improvement Grant	Medium	Yes	Unqualified
P2425-42	Communities & Place	Enterprise and Community Animation	Housing Support Grant	Medium	Yes	Unqualified

2024/25 Planned jobs not undertaken

Job number	Directorate	Service	Job Name	Reason
P2425-14	Children & Young People	CYP Finance & Support Services	Pupil Development Grant	We were notified in September 2024 that Internal Audit certification of the grant was not required for the 2023/24 grant year.
P2425-18	Children & Young People	Primary Schools	Thornwell Primary	Arranged visit postponed at request of Strategic Director. Visit since undertaken and report issued.
P2425-23	Children & Young People	Schools General	Schools Financial Regulations Training	Planned training delayed due to new Contract Procedure Rules not being approved until February 2025.
P2425-28	Social Care, Safeguarding & Health	Adult Services	My Mates	Fieldwork ongoing at year end due to the absence of key members of staff within the My Mates team.
P2425-30	Social Care, Safeguarding & Health	Safeguarding, Quality Assurance & Child Protection	CLA Savings (Follow-Up)	Delayed at request of Strategic Director for Social Care & Health
P2425-33	Social Care, Safeguarding & Health	Children's Services	MyST	Carried forward into 2025/26 plan
P2425-48	Customer, Culture and Wellbeing - Mon Life	Leisure Services	Monmouth Leisure Centre	Fieldwork ongoing at year end. Carried forward to 2025/26.
P2425-49	Customer, Culture and Wellbeing - Mon Life	Visitor Attractions	Museums Service	Fieldwork ongoing at year end. Carried forward to 2025/26.
P2425-53	Customer, Culture and Wellbeing - Mon Life	Environment & Culture	Markets	Fieldwork ongoing at year end. Carried forward to 2025/26.
P2425-58	People, Performance and Partnerships	Payroll & Systems	Employee Travel (Mileage Claims) (Follow-up)	Delayed at request of Chief Officer - People, Performance & Partnership due to

Job number	Directorate	Service	Job Name	Reason
				delays in the approval of a new Travel & Reimbursement Policy.
P2425-59	People, Performance and Partnerships	Payroll & Systems	Employee General Expenses (Follow-up)	Delayed at request of Chief Officer - People, Performance & Partnership due to delays in the approval of a new Travel & Reimbursement Policy.
P2425-66	Corporate	Corporate	Corporate Governance Working Group	Group has not met.
P2425-70	Corporate	Corporate	Implementation of new Follow-up of Agreed Actions / Recommendations system	Project put on hold due to a lack of resource within the digital team to move forward with the system.

Appendix D

Non opinion related audit work 2024/25 Internal Audit Added Value

Job number	Directorate	Service	Job Name
P2425-25	Children & Young People	CYP General	Audit Advice
P2425-26	Children & Young People	CYP General	Monitoring Implementation of Previous Recommendations
P2425-35	Social Care, Safeguarding & Health	Social Care, Safeguarding & Health General	Audit Advice
P2425-36	Social Care, Safeguarding & Health	Social Care, Safeguarding & Health General	Financial Assessments
P2425-37	Social Care, Safeguarding & Health	Social Care, Safeguarding & Health General	Monitoring Implementation of Previous Recommendations
P2425-46	Communities & Place	Communities & Place General	Audit Advice
P2425-47	Communities & Place	Communities & Place General	Monitoring Implementation of Previous Recommendations
P2425-55	Customer, Culture and Wellbeing - Mon Life	Customer, Culture and Wellbeing - Mon Life General	Audit Advice
P2425-56	Customer, Culture and Wellbeing - Mon Life	Customer, Culture and Wellbeing - Mon Life General	Monitoring Implementation of Previous Recommendations
P2425-61	People, Performance and Partnerships	Welsh Language	Welsh Language Compliance
P2425-62	People, Performance and Partnerships	People, Performance and Partnerships General	Audit Advice
P2425-63	People, Performance and Partnerships	People, Performance and Partnerships General	Monitoring Implementation of Previous Recommendations
P2425-64	Corporate	Corporate	Annual Governance Statement
P2425-65	Corporate	Corporate	National Fraud Initiative (NFI)
P2425-67	Corporate	Corporate	Financial Monitoring Board

Job number	Directorate	Service	Job Name
P2425-68	Corporate	Corporate	Fleet Management Board
P2425-69	Corporate	Corporate	Anti Fraud, Corruption & Bribery training
P2425-71	Corporate	Corporate General	Audit Advice
P2425-72	Corporate	Corporate General	Monitoring Implementation of Previous Recommendations
P2425-25	Children & Young People	CYP General	Audit Advice
P2425-26	Children & Young People	CYP General	Monitoring Implementation of Previous Recommendations
P2425-35	Social Care, Safeguarding & Health	Social Care, Safeguarding & Health General	Audit Advice
P2425-36	Social Care, Safeguarding & Health	Social Care, Safeguarding & Health General	Financial Assessments
P2425-37	Social Care, Safeguarding & Health	Social Care, Safeguarding & Health General	Monitoring Implementation of Previous Recommendations
P2425-46	Communities & Place	Communities & Place General	Audit Advice

Performance of the Internal Audit Section

Performance Indicator	2020/21	2021/22	2022/23	2023/24	Annual Target	2024/25
Percentage of planned audits completed	57%	64%	72%	82%	80%	82%
Average no. of days from end of fieldwork to issue of a draft report	16 days	6 days	4.4 days	1.8 days	10 days	1.8 days
Average no. of days from receipt of agreement to draft report to issue of the final report	38 days	5 days	8.5 days	1.4 days	5 days	3.8 days
Percentage of recommendations made that were accepted by the clients	99%	99%	100%	100%	95%	100%
Percentage of clients at least 'satisfied' by audit process	100%	100%	100%	100%	95%	100%

Appendix F

Use of Supply Staff at Schools – Limited Assurance

The objective was to evaluate the financial and administrative controls, as well as the effectiveness of the governance framework, related to the use of supply teachers and support staff in Monmouthshire's Schools.

A framework for supply teachers was established by the Welsh Government in September 2023, aimed at improving transparency and working conditions. Significant spending was noted with off-framework suppliers, raising concerns about compliance. The audit revealed a critical weakness in procurement practices, leading to a 'Limited' assurance rating. This indicates that improvements are necessary in governance, risk management, and control systems.

Safeguarding measures were found to be satisfactory and were not a cause for concern.

RISK RATING	DESCRIPTION	TOTAL IDENTIFIED
CRITICAL	Major or unacceptable risk which requires immediate action.	1
SIGNIFICANT	Important risk that requires attention as soon as possible.	3
MODERATE	Risk partially mitigated but should still be addressed.	3
STRENGTH	No risk. Sound operational controls and processes confirmed.	10

Ref.	CRITICAL
2.01	Monmouthshire Schools had spent a considerable amount with an off framework provider for the provision of supply staff in schools. Where Schools had procured supply staff from suppliers not included on the Framework, compliance with Public Procurement Thresholds and Contract Procedure Rules was not demonstrated.

Ref.	SIGNIFICANT
1.05	The Agency and Self Employed Workers Policy required updating to include current framework links and guidance. Minimal guidance had been issued to signpost Schools to the current framework arrangements.

Ref.	SIGNIFICANT
	The policy did not outline requirements to comply with Procurement Policies and Legislation and was not being followed by all Schools.
2.03	Governing Body awareness and agreement was not always documented where the School had engaged with an off- framework provider.
3.03	There were significant variances against agreed agency budgets resulting in additional budget pressures to Schools.

Ref.	MODERATE
3.04	Schools operating supply insurance schemes did not always appear to be benefiting from the policy being in place resulting in additional costs to the budget.
4.05	Schools operated an inconsistent process for recording the use of supply staff in School.
4.06	Schools were not always able to demonstrate that supply workers had received and understood the induction information provided during their employment at the School.

Contract Management – Limited Assurance (Draft Report)

The primary objective of the audit was to evaluate the contract management arrangements across the Communities & Place directorate to ensure effective service delivery. The audit identified several key issues, including the absence of a detailed contracts register, lack of a contract forward work planner, and non-compliance with Contract Procedure Rules (CPRs), which could lead to potential legal and reputational risks.

A sample of 15 suppliers was reviewed, covering significant expenditures across various services, to assess compliance with procurement 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.	7
MODERATE	Risk partially mitigated but should still be addressed.	0
STRENGTH	No risk. Sound operational controls and processes confirmed.	2

Ref.	SIGNIFICANT
1.01	A complete Contract Register was not in place.
1.02	A complete Contract Forward Work Planner was not in place.
1.03	Goods and Services have been procured without compliance to the Authority's Contract Procedures Rules and in some cases Public Procurement Thresholds.
3.01	Signed contracts could not always be provided.
3.02	Suppliers were not always provided with performance measures to deliver against. Where measures were set these were not always robust enough to drive and monitor performance.
3.03	Regular contract management meetings with suppliers were not always held. When meetings were held, they were not always fully documented.
3.04	Contract extensions were not always being administered via the Contract Procedure Rules Exemption Process.

Pupil Referral Service (PRS) – Limited Assurance (Draft Report)

The primary objective of the audit was to assess the financial and administrative controls within the PRS. The audit focused on key areas such as budget monitoring, payroll controls, procurement processes, asset security, and safeguarding policies. A review of Additional Learning Needs (ALN) processes was also included within the review.

The PRS was found to be operating with a significant deficit budget, without a recovery plan in place. Several issues were identified concerning the timely submission of starter and leaver forms, resulting in both underpayments and overpayments. Additionally, employees did not consistently provide adequate details for mileage claims. The audit revealed non-compliance with Contract Procedure Rules in the procurement of Alternative Education services, raising concerns about transparency and value for money. While DBS checks were in place, not all staff had completed mandatory GDPR and fraud awareness training, posing a risk to compliance with data protection regulations.

RISK RATING	DESCRIPTION	TOTAL IDENTIFIED
CRITICAL	Major or unacceptable risk which requires immediate action.	1
SIGNIFICANT	Important risk that requires attention as soon as possible.	20
MODERATE	Risk partially mitigated but should still be addressed.	11
STRENGTH	No risk. Sound operational controls and processes confirmed.	15

Ref.	CRITICAL
1.01	The Pupil Referral Service was operating with a deficit budget that was not supported by a recovery plan.

Ref.	SIGNIFICANT
2.01	Starter and Leaver forms were not always submitted in a timely manner and with the correct information. This resulted in under and overpayments.
2.02	Employees submitting mileage claims had not adequately detailed their journeys, deducted home to work mileage consistently and attached a valid VAT receipt.

Ref.	SIGNIFICANT
2.03	Employees were required to make expense claims when alternative methods were available.
2.04	Driving at work checks were not always demonstrated on an annual basis for employees travelling for PRS duties.
2.05	Return to work paperwork was not available to demonstrate management of employee absences. Records were not always updated promptly to ensure correct data was processed through payroll.
2.06	TLR Allowances were not processed in a timely manner and were not always paid in line with the agreed Teachers Pay & Conditions Document.
3.02	Compliance with Contract Procedure Rules could not be demonstrated for the procurement of Alternative Education provision.
3.03	Purchase Orders were not always raised in a timely manner to demonstrate prior authorisation of the committed expenditure.
3.04	Invoices were not always correctly coded to relevant accounts.
3.05	Payment of invoices was not always made in a timely manner.
3.06	There were outstanding orders still open for over 6 months including from previous financial years.
4.02	The Pupil Referral Service did not hold a full inventory register of its assets. The IT asset records held by SRS had not been reviewed to confirm the service still held the listed assets.
4.03	GDPR and Fraud Awareness training had not been completed by all members of the PRS staff.
5.02	The Management Committee membership did not appear to reflect the agreed Instrument of Government.
5.03	Register of Business Interest Forms had not been recently completed by the Management Committee.
5.04	There was no process in place to ensure Pupil Referral Staff were completing Employee Disclosure Forms. There were undocumented business interests.
6.06	It was not demonstrated that references were in place for all new starters in September 2024. References held were provided internally and did not cover periods prior to agency engagement with the service.
6.07	Education Workforce Council (EWC) registrations were not in place for the PRS Pupil Engagement Officers.
6.08	PRS registers were not always completed in full and contained missing marks and 'N' codes. The service could not demonstrate they held complete records of attendance and had followed up pupil absences.
6.09	Confirmation of safeguarding checks undertaken by Agencies supplying the PRS were not always retained.

Ref.	MODERATE
1.02	The Management Committee did not receive regular budget updates or note the current deficit budget position.

Ref.	MODERATE
1.03	The Service Business Plan or supporting action plans did not include financial costings.
2.07	Progression of UPS Teachers pay scales was not always applied in a timely manner.
2.08	Employees have claimed high amounts of mileage to undertake their roles.
4.04	A record was not maintained to demonstrate the IT equipment allocated to staff.
4.05	System passwords had been shared between officers.
5.05	Management Committee meeting minutes did not always include the name of clerk or demonstrate that the previous meeting minutes had been agreed to allow them to be signed by the Chair.
5.06	The Pupil Referral Service did not have a schedule in place to demonstrate the policies in place and to assist managing the review schedule. Policies required approval from the Management Committee.
6.10	The current PRS Safeguarding Policy was not always clearly available to staff with old versions linked in the Staff Handbook.
6.11	Trip Risk Assessments and timing improvements were required for trips and activities recorded on the EVOLVE system.
7.07	Learner Behaviour Risk Assessments did not set out a clear review schedule or reiterate the need to update the document following any changes.