

Meeting of:	Governance and Audit Committee
Date of Meeting:	Monday, 24 October 2022
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Recommendation Monitoring
Purpose of Report:	To provide members of the Committee with a position statement on internal audit recommendations made, implemented and outstanding.
Report Owner:	Head of the Regional Internal Audit Service
Responsible Officer:	Head of Finance & Section 151 Officer
Elected Member and Officer Consultation:	No Elected Members have been consulted. Legal Services and Head of Finance.
Policy Framework:	The proposals in this report are in accordance with the policy framework and budget.
<p>Executive Summary:</p> <ul style="list-style-type: none"> • A position statement in respect of internal audit recommendations made, implemented and outstanding as of 30th September 2022 is detailed in Appendix A. A total of 183 recommendations were made to improve the control environment of the areas reviewed during 2021/22 and to date 12 recommendations have been made in 2022/23. • Only 1 recommendation made in 2021/22 was not accepted by the service area, this was a low priority recommendation and the Manager offered an alternative solution. • Of the recommendations made in 2021/22, 9 have surpassed their implementation date and are therefore outstanding and will continue to be chased; the target date has yet to be reached for 33 recommendations. • Of the 12 recommendations made to date in 2022/23, 5 have been implemented and 7 have a future target date. • Recommendations made in limited assurance reports are not individually chased up, they are reviewed during the planned follow up audit of that service area. • The information contained in Appendix A has been compiled from our internal audit software system. Views from the Committee are sought in respect of the content and format provided and once feedback from all Governance and Audit Committees within the regional service area has 	

been obtained a standard report will be commissioned from the software provider to streamline the process of producing the information.

Recommendations

1. That members of the Governance and Audit Committee consider the information provided in respect of the status of recommendations made.
2. That members of the Governance and Audit Committee review the information contained within the report and provide feedback on the content and format of the information provided.

Reasons for Recommendations

1. To keep the Governance and Audit Committee informed on the status of Internal Audit Recommendations.
2. To ensure that the format of the information provided is suitable for the Governance and Audit Committee.

1. Background

- 1.1 In accordance with the Public Sector Internal Audit Standards, the internal audit activity must assess and make appropriate recommendations to improve the Council's governance, risk management and internal control. The Regional Internal Audit Service Strategy states that the implementation of agreed recommendations will be monitored.
- 1.2 Recommendations are made at the conclusion of an audit review if it is felt that improvements should be made to mitigate risk and strengthen controls. Recommendations are included, if appropriate, in the final audit report and recipients are asked to provide responses to indicate whether they agree with the recommendations and how and when they plan to implement them. To assist managers in focussing their attention, each recommendation is classified as being either high, medium and low priority.
- 1.3 Table 1 shows the recommendation categorisation as follows:

Table 1 – Recommendation Categorisation	
Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results. The criticality of each recommendation is as follows:	
High Priority	Action that is considered imperative to ensure that the organisation is not exposed to high risks.
Medium Priority	Action that is considered necessary to avoid exposure to significant risks.

Low Priority

Action that is considered desirable and should result in enhanced control.

- 1.4 Once the target date for implementation has been reached the relevant Officers will be contacted and asked to provide feedback on the status of each agreed recommendation. The implementation of these recommendations is monitored using MK Insight internal audit software to ensure that improvements are being made.
- 1.5 Any audits concluded with a no assurance or limited assurance opinion will be subject to a follow up audit.

2. Key Issues for Consideration

- 2.1 As this is the first recommendation monitoring report brought to this Committee, the report at Appendix A provides a summary of the status, as of 30th September 2022, of all recommendations made by the RIAS since the implementation of the MK Insight internal audit software on 1st April 2021. Moving forward it is suggested that only outstanding recommendations from previous financial years be included together with the recommendations made in the current year.
- 2.2 The report at Appendix A summarises the internal audit recommendations made, implemented and overdue relating to areas reviewed during 2021/22 and 2022/23.
- 2.3 Members will note that a total of 183 recommendations were made to improve the control environment of the areas reviewed during 2021/22 and to date 12 have been made in 2022/23. Only 1 low priority recommendation has not been accepted by the service area and an alternative solution was suggested by the Manager.
- 2.4 Appendix A illustrates that as of 30th September 2022, 117 recommendations made in 2021/22 have been implemented; 9 have passed their implementation date and are therefore outstanding whilst 33 are yet to be implemented but their target date has yet to be reached. These figures exclude the 23 recommendations made in the limited assurance reports that have not yet been followed up, as these areas are included in the audit plan for 2022/23 and the progress of the recommendations will be reviewed and tested within that work.
- 2.5 Of the 12 recommendations made to date in 2022/23, Appendix A illustrates that 5 have been implemented and 7 have a future target date.
- 2.6 The information contained in Appendix A has been compiled from our internal audit software system. Views from the Committee are sought in respect of the content and details provided. Similar reports are to be presented to the other three Governance and Audit Committees and once feedback from all is obtained a standard report will be commissioned.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The Annual Risk Based Plan contains audit reviews that will be service specific and that will assist in understanding how those services undertake the five ways of working and how they deliver the well-being objectives.

4. Climate Change and Nature Implications

- 4.1** None as a consequence of this report

5. Resources and Legal Considerations

Financial

- 5.1** There are no resource implications as a direct consequence of this report, but recommendations made will assist in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

Employment

- 5.2** None as a direct consequence of this report.

Legal (Including Equalities)

- 5.3** The provision of an adequate and effective Internal Audit function is a legal requirement under the Accounts and Audit (Wales) Regulations 2018 as amended from time to time. There are no equalities implications as a direct consequence of this report.

6. Background Papers

None

Vale of Glamorgan Council - Recommendation Monitoring as at 30th September 2022

Audit Name	Audit Opinion	Final Report Date	Number Made				Not Agreed	Implemented	Outstanding				Future Target Date Total
			High	Medium	Low	Total			High	Medium	Low	Total	
2021/22													
Cashiers	REASONABLE	16/11/2021	-	1	3	4	-	4	-	-	-	-	-
Cyber Security	REASONABLE	18/01/2022	-	6	3	9	-	3	-	-	-	-	6
DBS Checks	REASONABLE	14/10/2021	-	1	10	11	-	7	-	-	4	4	-
Early Retirement & Redundancy	SUBSTANTIAL	13/04/2022	-	1	1	2	-	-	-	-	-	-	2
Revenues & Benefits - Appeals, Complaints & Performance	REASONABLE	04/01/2022	-	1	6	7	-	7	-	-	-	-	-
Treasury Management	SUBSTANTIAL	09/05/2022	-	-	4	4	-	2	-	-	-	-	2
Bus Services Support Grant 2020/21	REASONABLE	24/06/2021	-	3	-	3	-	3	-	-	-	-	-
Building Compliance - Schools & Social Care	REASONABLE	01/03/2022	-	7	1	8	-	7	-	-	-	-	1
Corporate Safeguarding	REASONABLE	10/08/2021	-	2	3	5	-	-	-	2	1	3	2
Regional Consortia School Improvement Grant 2020/21	REASONABLE	11/11/2021	-	1	-	1	-	1	-	-	-	-	-
Enable 2020/21	REASONABLE	05/10/2021	-	1	1	2	-	2	-	-	-	-	-
FOI - Follow Up	REASONABLE	04/01/2022	-	1	1	2	-	2	-	-	-	-	-
Housing Support Grant 2020/21	SUBSTANTIAL	15/10/2021	-	-	1	1	-	1	-	-	-	-	-
Illegal Money Lending 2020-21	SUBSTANTIAL	13/08/2021	-	-	1	1	-	1	-	-	-	-	-
Performance Management	REASONABLE	27/04/2022	-	-	1	1	-	1	-	-	-	-	-
Remote Working - ICT Equipment & Inventory	REASONABLE	14/03/2022	-	3	4	7	-	6	-	1	-	1	-
Youth Services Follow Up	REASONABLE	04/01/2022	-	2	1	3	-	3	-	-	-	-	-
Contract Monitoring - Disputes & Final Payments	REASONABLE	28/09/2021	-	2	4	6	-	6	-	-	-	-	-
Pothole Repairs	REASONABLE	12/05/2022	-	5	6	11	-	6	-	-	-	-	5
SRS Governance & Financial Controls	REASONABLE	09/07/2021	-	1	5	6	-	6	-	-	-	-	-
Tender Evaluation & Award - Neighbourhood Svcs & Transport	REASONABLE	04/10/2021	-	3	1	4	-	4	-	-	-	-	-
All Saints Primary Follow-up	REASONABLE	07/03/2022	-	1	5	6	-	5	-	-	-	-	1
Big Fresh Catering Company	REASONABLE	29/04/2022	-	2	-	2	-	1	-	-	-	-	1
School Inventories	REASONABLE	13/06/2022	-	1	1	2	-	2	-	-	-	-	-
School Private Funds	REASONABLE	13/06/2022	-	1	1	2	-	2	-	-	-	-	-
School Risk Assessment	REASONABLE	13/06/2022	-	-	1	1	-	-	-	-	-	-	1
Building Control	REASONABLE	22/02/2022	-	5	4	9	-	7	-	-	-	-	2
Planning Applications & Appeals	REASONABLE	10/02/2022	-	4	9	13	1	8	-	-	-	-	4
Adoption Service	REASONABLE	27/05/2021	-	1	4	5	-	5	-	-	-	-	-
Financial Support for Carers	REASONABLE	01/07/2022	-	-	6	6	-	-	-	-	-	-	6
NFI 2021 Match	N/A	N/A	-	1	-	1	-	-	-	1	-	1	-
Enable 2019/20	LIMITED	05/10/2021	1	1	-	2	-	2	-	-	-	-	-
Direct Payments Follow Up	LIMITED	02/11/2021	-	5	2	7	-	7	-	-	-	-	-
Ysgol Gymraeg Bro Morgannwg - stock control	LIMITED	16/12/2021	-	2	4	6	-	6	-	-	-	-	-
Disabled Facilities Grants	LIMITED	16/09/2021	-	5	1	6	-	-	-	-	-	-	-
Tender Evaluation & Award - Building Svcs	LIMITED	15/09/2021	2	7	2	11	-	-	-	-	-	-	-
PCI-DSS	LIMITED	04/02/2022	-	2	4	6	-	-	-	-	-	-	-
Overall Total 2021-22			3	79	101	183	1	117	-	4	5	9	33

Audit Name	Audit Opinion	Final Report Date	Number Made				Not Agreed	Implemented Total	Outstanding				Future Target Date Total
			High	Medium	Low	Total			High	Medium	Low	Total	
2022/23													
BSSG 2021/22	SUBSTANTIAL	08/07/2022	-	1	1	2	-	2	-	-	-	-	-
Direct Payments Follow Up	REASONABLE	20/09/2022	-	2	1	3	-	-	-	-	-	-	3
Ysgol Gymraeg Bro Morgannwg - Stock Control Follow Up	REASONABLE	15/09/2022	-	1	-	1	-	-	-	-	-	-	1
SRS Governance & Financial Controls	REASONABLE	11/07/2022	-	1	-	1	-	-	-	-	-	-	1
Regional Adoption Collaborative	REASONABLE	28/06/2022	-	1	4	5	-	3	-	-	-	-	2
Overall Total			-	6	6	12	-	5	-	-	-	-	7