

Meeting of:	Governance and Audit Committee
Date of Meeting:	Monday, 11 March 2024
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 high and medium priority recommendations made, implemented and outstanding as of 29th February 2024 is detailed in Appendix A. • A total of 116 high and medium priority recommendations have been made following the conclusion of audits from the 2023-24 annual plan. All have been agreed and to date 53 have been implemented, 62 have a future implementation date and 1 is overdue. • In respect of audits completed prior to this current financial year, there are 5 recommendations overdue, that is the agreed implementation date has passed. Details of these recommendations is in Appendix B. • Following the previous Governance and Audit Committee, and discussions about two specific recommendations, the Director of Environment & Housing has been invited to attend this meeting to provide assurances that appropriate action is being taken. These recommendations were made following a Potholes audit and an audit of Ysgol Y Deri & St Cyres Building Compliance. • The recommendation relating to potholes has now been implemented and is no longer reported within these Appendices. The recommendation in respect of Ysgol Y Deri & St Cyres Building Compliance remains overdue and is included in Appendix B. • One medium priority recommendation, made in an audit undertaken in 2021-22, still has a future target date for implementation. This is detailed in Appendix C. In addition, 11 recommendations made in 2022/23 audits have a future target date and these continue to be monitored. • The monitoring of recommendations is undertaken regularly by Auditors and any undue delays or issues are highlighted to Senior Management and ultimately this Committee. 	

Recommendations

1. That members of the Governance and Audit Committee consider the information provided in respect of the status of the high and medium recommendations made.

Reasons for Recommendations

1. To keep the Governance and Audit Committee informed on the status of Internal Audit Recommendations.

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 (RIAS) 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 To ensure maximum coverage of the annual plan based on the capacity available within the team, the RIAS monitors the implementation of the high and medium

priority recommendations, but the low priority recommendations are left to management to successfully implement.

- 1.5 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 high and medium priority recommendation. The implementation of these recommendations is monitored using MK Insight internal audit software to ensure that improvements are being made.
- 1.6 Any audits concluded with a no assurance or limited assurance opinion will also be subject to a follow up audit.

2. Key Issues for Consideration

- 2.1 **Appendix A** provides a summary of the status of the high and medium priority internal audit recommendations made as of 29th February 2024.
- 2.2 The status of the recommendations that have been made following the completion of audits from the 2023-24 audit plan is summarised in Table 2 below.

Table 2 – Recommendation Status – Audits Completed 2023-24

	No. Made			Not Agreed	Imp.	Outstanding			Future Target Date
	High	Med.	Total			High	Med.	Total	
2023-24	20	96	116	0	53	0	1	1	62

- 2.3 **Appendix A** also includes the recommendations made in relation to audits completed in the audit plans of 2021-22 and 2022-23 which are yet to be implemented. This information is summarised in Table 3.

Table 3 – Outstanding Recommendation – Audits Completed Pre-2023-24

	No. Made			Not Agreed	Imp.	Outstanding			Future Target Date
	High	Med.	Total			High	Med.	Total	
2021-22	0	2	2	0	1	0	0	0	1
2022-23	12	41	53	0	37	1	1	2	14

- 2.4 Table 3 shows that there is currently 1 high risk recommendation and 1 medium risk recommendation outstanding, that is the agreed target date has been exceeded. These are in respect of 2 audits and details of these recommendations are in **Appendix B**.

- 2.5** The high-risk outstanding recommendation included in Table 3 above relates to the Ysgol Y Deri & St Cyres Building Compliance audit which was undertaken during 2022/23. This recommendation was one of the outstanding recommendations discussed during the previous Governance and Audit Committee and the Director of Environment & Housing has been invited to attend this meeting to provide an update.
- 2.6** This recommendation was made from a corporate perspective rather than from the specific school perspective and it was to ensure essential work has been carried out in a timely manner and that significant remedial actions identified within compliance documentation are recorded, monitored and reported at the appropriate level. This recommendation was agreed, and implementation was expected by the end of September 2023. However, this recommendation remains outstanding and is included in **Appendix B**.
- 2.7** The other recommendation discussed in the previous Governance and Audit Committee was in respect of a Pothole Repairs audit undertaken in 2021/22. The information previously provided to this Committee indicated that the recommendation to update relevant policies was yet to be implemented, however since that meeting, this recommendation has been implemented as Cabinet agreed on 8th February 2024, (subject to the Scrutiny Committee agreeing the details of the report and making no further comments) to changes to the Council's Highway Network Hierarchy, Inspection Regime and Repair Regime. Therefore, this recommendation no longer appears within the attached Appendices.
- 2.8** It is noted that 1 recommendation made during the 2021-22 Corporate Safeguarding audit has a future implementation date and until this recommendation is implemented the identified risk remains. This recommendation has been discussed with Committee previously and work is ongoing to fully implement the agreed action by the target date provided. This is detailed in **Appendix C**. In addition, 14 recommendations made during 2022-23 still have a future target date.
- 2.9** The monitoring of recommendations is undertaken regularly by Auditors and any undue delays or issues are highlighted to Senior Management and ultimately this Committee.

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 2014 as amended from time to time. There are no equalities implications as a direct consequence of this report.

6. Background Papers

None

Audit Name	Directorate	Audit Opinion	Final Report Date	Number Made			Not Agreed	Implemented			Outstanding			Future Target Date
				High	Medium	Total		High	Medium	Total	High	Medium	Total	Total
2021/22														
Corporate Safeguarding	Cross Cutting	REASONABLE	10/08/2021	0	2	2	0	0	1	1	0	0	0	1
				0	2	2	0	0	1	1	0	0	0	1
2022/23														
NFI - Residents Parking Permits	Cross Cutting	REASONABLE	06/03/2023	0	1	1	0	0	0	0	0	0	0	1
Vehicles Fuel Management	Environment & Housing	REASONABLE	20/04/2023	0	5	5	0	0	4	4	0	0	0	1
Ysgol Y Deri & St Cyres Building Compliance	Learning & Skills	LIMITED	20/04/2023	5	2	7	0	3	2	5	1	0	1	1
Risk Management	Cross Cutting	SUBSTANTIAL	03/05/2023	0	1	1	0	0	0	0	0	0	0	1
Romilly Primary School	Learning & Skills	LIMITED	22/05/2023	3	10	13	0	3	9	12	0	1	1	0
Attendance & Sickness Recording	Corporate Resources	LIMITED	23/05/2023	1	4	5	0	1	2	3	0	0	0	2
Civil Enforcement	Environment & Housing	LIMITED	30/05/2023	3	3	6	0	2	1	3	0	0	0	3
School Unofficial Funds	Learning & Skills	REASONABLE	30/05/2023	0	7	7	0	0	6	6	0	0	0	1
Governance and Performance Review : Local Authority Trading Company (LATC)	Learning & Skills	LIMITED	20/06/2023	0	8	8	0	0	4	4	0	0	0	4
				12	41	53	0	9	28	37	1	1	2	14
2023/24														
Housing Rents	Environment & Housing	REASONABLE	12/06/2023	0	1	1	0	0	1	1	0	0	0	0
Appointeeships & Deputyships	Social Services	LIMITED	03/07/2023	2	1	3	0	1	1	2	0	0	0	1
SRS Joint Service - Governance & Financial Controls	Environment & Housing	REASONABLE	05/07/2023	0	1	1	0	0	1	1	0	0	0	0
File Systems & Folder Access	Corporate Resources	REASONABLE	26/07/2023	0	1	1	0	0	1	1	0	0	0	0
Housing Benefit Overpayments & Recovery	Corporate Resources	REASONABLE	14/08/2023	0	3	3	0	0	2	2	0	0	0	1
Oracle Fusion - Expenses Module	Corporate Resources	REASONABLE	18/08/2023	1	1	2	0	0	1	1	0	0	0	1
Bus Services Support Grant 22/23	Cross Cutting	REASONABLE	23/08/2023	0	1	1	0	0	1	1	0	0	0	0
Bottomline PTX Grant Payments	Corporate Resources	REASONABLE	24/08/2023	0	1	1	0	0	1	1	0	0	0	0
Fraudulent Change in Bank Details	Corporate Resources	N/A	08/09/2023	1	1	2	0	1	1	2	0	0	0	0
RCSIG Grant Verification 22/23	Learning & Skills	REASONABLE	12/09/2023	0	1	1	0	0	1	1	0	0	0	0
HSG Grant 2022-23 Certification	Cross Cutting	REASONABLE	14/09/2023	0	1	1	0	0	0	0	0	0	0	1
PCI-DSS Follow Up	Cross Cutting	LIMITED	21/09/2023	0	3	3	0	0	0	0	0	0	0	3
Enable Grant 2022-23 Certification	Cross Cutting	SUBSTANTIAL	23/10/2023	0	1	1	0	0	0	0	0	0	0	1
Content Manager (TRIM)	Corporate Resources	SUBSTANTIAL	26/10/2023	0	1	1	0	0	1	1	0	0	0	0
Stanwell School	Learning & Skills	REASONABLE	26/10/2023	1	4	5	0	1	4	5	0	0	0	0
Adult Placement (Shared Lives) Service	Social Services	LIMITED	06/11/2023	2	7	9	0	1	4	5	0	0	0	4
Libraries & Digital Equipment	Learning & Skills	LIMITED	09/11/2023	1	4	5	0	1	1	2	0	0	0	3
SRS Joint Service - Food Hygiene	Environment & Housing	REASONABLE	13/11/2023	0	2	2	0	0	1	1	0	0	0	1
Officer Code of Conduct	Corporate Resources	LIMITED	14/11/2023	0	7	7	0	0	4	4	0	0	0	3
Stanwell School Capital Project	Learning & Skills	N/A	17/11/2023	8	0	8	0	6	0	6	0	0	0	2
Corporate Complaints & Compliments	Cross Cutting	REASONABLE	11/12/2023	0	3	3	0	0	1	1	0	0	0	2
Debtors	Corporate Resources	LIMITED	14/12/2023	0	7	7	0	0	0	0	0	0	0	7
Leisure Centres – Contract & Performance Monitoring	Environment & Housing	LIMITED	15/12/2023	0	6	6	0	0	3	3	0	1	1	2
Mobile Devices	Cross Cutting	REASONABLE	18/12/2023	0	3	3	0	0	0	0	0	0	0	3
Welsh Language Standards	Cross Cutting	REASONABLE	20/12/2023	0	5	5	0	0	0	0	0	0	0	5
Recycling & Waste Management	Environment & Housing	REASONABLE	04/01/2024	1	4	5	0	1	0	1	0	0	0	4
Residential & Non Residential Financial Assessments	Social Services	REASONABLE	05/01/2024	1	1	2	0	0	0	0	0	0	0	2
Colcot Primary School	Learning & Skills	REASONABLE	22/01/2024	1	6	7	0	1	4	5	0	0	0	2
St Cyres School	Learning & Skills	REASONABLE	23/01/2024	0	7	7	0	0	3	3	0	0	0	4
Llantwit Major Comp Follow Up	Learning & Skills	REASONABLE	30/01/2024	0	5	5	0	0	3	3	0	0	0	2
Disposal of Electronic Media & Devices	Corporate Resources	REASONABLE	06/02/2024	0	2	2	0	0	0	0	0	0	0	2
Security & Access to Council Buildings	Cross Cutting	LIMITED	06/02/2024	1	5	6	0	0	0	0	0	0	0	6
				20	96	116	0	13	40	53	0	1	1	62

Vale of Glamorgan Council –Recommendation Monitoring

1. Overdue Recommendations - Made During 2022/23 Audits

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
Ysgol Y Deri & St Cyres Building Compliance	20/4/23	From a corporate perspective, to ensure essential work has been carried out in a timely manner, significant remedial actions identified within compliance documentation are recorded, monitored and reported at the appropriate level.	High	Report for SLT currently being finalised regarding management and monitoring of compliance for the council, including the issues raised for schools. Capital works resulting from compliance recommendations are to be included in monitoring via SIOB with schools.	31/05/23 <u>Revised</u> 30/09/23	Report is being drafted / agreed by appropriate parties prior to SLT approval	Head of Housing and Building Services & OM Building Services
Romilly Primary School	22/5/23	All contracts should be reviewed to ensure best value for money is obtained. The Governing Body should agree and approve contracts exceeding the Headteacher's delegated limit and this should be recorded in meeting minutes. Where an order exceeds £15,000, three quotes must be obtained.	Medium	This has been noted and 3 quotes will be obtained as per the Council's Fair Funding Scheme and Contract Procedure Rules.	30/09/23 <u>Revised</u> 1/01/24	Headteacher advised that all contracts are in the process of being reviewed, by the Site Manager who came into post from 01.09.2023. A follow up audit is ongoing and evidence that this action has been completed is awaited	Headteacher

Recommendations Made Pre 2023/24 Audits With Future Implementation Dates

Audits Completed - 2021/22 Plan

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
Corporate Safeguarding	10/08/2021	The Operational Manager, Safeguarding & Service Outcomes maintain a record of all staff that have attended the Level 1 safeguarding training in person going forward.	Medium	We will be producing a Manager Cascade to cover the content of Safeguarding Level 1/A. Managers with non-PC based staff will be expected to deliver this information as part of their new starter induction process and every two years at a set date for all staff. A template to record attendance will be provided to the manager to complete and this will be updated in the individuals learning account in iDev.	30/04/22 <u>Revised</u> 30/04/23 31/07/24	Director informed Committee this is being implemented – Committee had a further update in February 2024 Full implementation will be by July 2024. An audit is in progress which includes this element within the scope.	Operational Manager