Meeting of:	**Governance and Audit Committee**
Date of Meeting:	**Monday, 22 April 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.

Executive Summary:

- A position statement in respect of internal audit high and medium priority recommendations made, implemented and outstanding as of 28th March 2024 is detailed in **Appendix A**.

- A total of 124 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 66 have been implemented, 58 have a future implementation date and none are overdue.

- In addition, no recommendations are overdue in respect of audits completed prior to this current financial year either.

- One medium priority recommendation, made in an audit undertaken in 2021-22, still has a future target date for implementation. In addition, 12 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 28th March 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.	Overdue			Future Target Date
	High	Med.	Total			High	Med.	Total	
2023-24	20	104	124	0	66	0	0	0	58

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.	Overdue			Future Target Date
	High	Med.	Total			High	Med.	Total	
2021-22	0	2	2	0	1	0	0	0	1
2022-23	9	31	40	0	28	0	0	0	12

Table 3 shows that there are currently no recommendations overdue.

2.4 As previously reported, the one recommendation made during the 2021-22 which still has a future implementation date is in relation to the Corporate Safeguarding. This recommendation has been discussed with Committee previously and work is ongoing to fully implement the agreed action by the target date provided. In addition, 12 recommendations made during 2022-23 still have a future target date.

2.5 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

Internal Audit - Recommendation Monitoring Report - 28th March 2024

Audit Name	Directorate	Audit Opinion	Final Report Date	Number Made High	Number Made Medium	Number Made Total	Not Agreed	Implemented High	Implemented Medium	Implemented Total	Outstanding High	Outstanding Medium	Outstanding Total	Future Target Date 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	4	2	6	0	0	0	1
Risk Management	Cross Cutting	SUBSTANTIAL	03/05/2023	0	1	1	0	0	0	0	0	0	0	1
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	3	2	5	0	0	0	1
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
				9	**31**	**40**	**0**	**8**	**20**	**28**	**0**	**0**	**0**	**12**
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	1	1	0	0	0	0
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	5	6	0	0	0	3
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	2	2	0	0	0	0
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	8	0	8	0	0	0	0
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	1	1	0	0	0	6
Leisure Centres – Contract & Performance Monitoring	Environment & Housing	LIMITED	15/12/2023	0	6	6	0	0	3	3	0	0	0	3
Mobile Devices	Cross Cutting	REASONABLE	18/12/2023	0	3	3	0	0	2	2	0	0	0	1
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	6	7	0	0	0	0
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	REASONABLE	06/02/2024	1	5	6	0	1	0	1	0	0	0	5
Shared Prosperity Fund	Place	REASONABLE	16/02/2024	0	2	2	0	0	2	2	0	0	0	0
Residential Homes - Food Costs & Stock Control	Internal Audit	LIMITED	20/02/2024	0	3	3	0	0	0	0	0	0	0	3
Cleaning Services	Environment & Housing	REASONABLE	19/03/2024	0	3	3	0	0	0	0	0	0	0	3
				20	**104**	**124**	**0**	**16**	**50**	**66**	**0**	**0**	**0**	**58**