

Meeting of:	<b>Governance and Audit Committee</b>
Date of Meeting:	<b>Monday, 17 February 2025</b>
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"> <li>• This report provides members of the Governance and Audit Committee with a position statement on internal audit recommendations that have been made to identify those that have been implemented and those that are overdue.</li> <li>• A position statement in respect of internal audit high and medium priority recommendations made, implemented and overdue as of 31st December 2024 is detailed in <b>Appendix A</b>.</li> <li>• A recommendation is made to enhance an identified weakness in a control to mitigate the identified risk, so until the recommendation is implemented the risk remains.</li> <li>• To date 5 high and 36 medium priority recommendations have been made following the conclusion of audits from this year's annual plan. All have been agreed.</li> <li>• There are currently 3 overdue recommendations made in an audit completed during 2023-24, these are detailed in <b>Appendix B</b>.</li> <li>• At the request of the Governance and Audit Committee, the Head of Human Resources and Organisational Development has been invited to Committee to provide assurances that action is being taken to implement the agreed recommendation.</li> <li>• There are also 2 recommendations made in an audit completed in 2022-23 which have future implementation dates. The details of these are in <b>Appendix C</b>.</li> </ul>	

- The monitoring of recommendations is undertaken regularly by the Audit team and any undue delays or issues are highlighted to Senior Management and ultimately this Committee.

## Recommendation

1. That members of the Committee note the position statement on internal audit recommendations made, implemented and outstanding as at 31st December 2024 and consider the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service.

## Reasons for Recommendation

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:	
<b>High Priority</b>	Action that is considered imperative to ensure that the organisation is not exposed to high risks.
<b>Medium Priority</b>	Action that is considered necessary to avoid exposure to significant risks.
<b>Low Priority</b>	Action that is considered desirable and should result in enhanced control.



	No. Made			Not Agreed	Imp.	Overdue			Future Target Date
	High	Med.	Total			High	Med.	Total	
2023-24	3	47	50	0	33	1	2	3	14

- 2.4** Table 3 illustrates that there is currently 1 high and 2 medium priority recommendations overdue from audits completed during 2023/24. One medium recommendation was made during the Code of Conduct audit. This overdue recommendation was reported to Governance and Audit Committee and Committee asked that the relevant Chief Officer attend to explain the position and provide an update. **Appendix B** provides the detail of the recommendation, and this matter will be addressed in quarter 4. In addition, 1 high and 1 medium recommendation from the Ysgol Y Deri & St Cyres Building Compliance Follow Up audit are also overdue. An update is also provided at Appendix B and confirmation of a revised implementation date is being sought.
- 2.5** As stated, a recommendation is made to enhance an identified weakness in a control to mitigate the identified risk, so until the recommendation is implemented the risk remains. Table 3 also shows that 2 recommendations made in the Governance and Performance Review: Local Authority Trading Company (LATC) audit completed during 2022-23 still have future implementation dates. Details of these and the progress being made are at **Appendix C**.
- 2.6** In addition, there are 14 recommendations, made during audits undertaken in 2023-24 that also have a future target date. These are reported to the Council's Senior Leadership Team until implementation has taken place.
- 2.7** 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

## Vale of Glamorgan Council - Recommendation Monitoring as at 31st December 2024

Audit Name	Directorate	Audit Opinion	Final Report Date	Number Made			Not Agreed	Implemented			Overdue			Future Target Date
				High	Medium	Total		High	Medium	Total	High	Medium	Total	
<b>Pre 2023-24</b>														
Governance and Performance Review : Local Authority Trading C	Cross Cutting	LIMITED	20/06/2023	0	8	8	0	0	6	6	0	0	0	2
<b>Total</b>				<b>0</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>2023-24</b>														
PCI-DSS Follow Up	Cross Cutting	LIMITED	21/09/2023	0	3	3	0	0	1	1	0	0	0	2
Officer Code of Conduct	Corporate Resources	LIMITED	14/11/2023	0	7	7	0	0	5	5	0	1	1	1
Corporate Complaints & Compliments	Cross Cutting	REASONABLE	11/12/2023	0	3	3	0	0	2	2	0	0	0	1
Debtors	Corporate Resources	LIMITED	14/12/2023	0	7	7	0	0	6	6	0	0	0	1
Leisure Centres – Contract & Performance Monitoring	Environment & Housing	LIMITED	15/12/2023	0	6	6	0	0	5	5	0	0	0	1
Welsh Language Standards	Cross Cutting	REASONABLE	20/12/2023	0	5	5	0	0	4	4	0	0	0	1
Cleaning Services	Environment & Housing	REASONABLE	19/03/2024	0	3	3	0	0	2	2	0	0	0	1
Oracle Fusion School Roll Out	Learning & Skills	REASONABLE	04/04/2024	0	4	4	0	0	1	1	0	0	0	3
School Transport	Environment & Housing	REASONABLE	09/04/2024	1	4	5	0	1	3	4	0	0	0	1
Ysgol Y Deri & St Cyres Building Compliance Follow Up	Cross Cutting	REASONABLE	23/04/2024	1	1	2	0	0	0	0	1	1	2	0
Payroll	Corporate Resources	REASONABLE	01/05/2024	1	4	5	0	0	3	3	0	0	0	2
<b>Limited Opinion</b>				<b>3</b>	<b>47</b>	<b>50</b>	<b>0</b>	<b>1</b>	<b>32</b>	<b>33</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>14</b>
<b>2024-25</b>														
St David's Primary School	Learning & Skills	REASONABLE	23/07/2024	0	7	7	0	0	7	7	0	0	0	0
Corporate Procurement - Policy & Guidance	Corporate Resources	REASONABLE	25/07/2024	0	1	1	0	0	1	1	0	0	0	0
Bus Services Support Grant 2023-24	Cross Cutting	REASONABLE	12/08/2024	1	0	1	0	0	0	0	0	0	0	1
SRS - Governance & Financial Controls	Environment & Housing	REASONABLE	20/08/2024	0	2	2	0	0	2	2	0	0	0	0
Tender Evaluation & Award, Building Services Follow-up	Cross Cutting	LIMITED	23/08/2024	2	6	8	0	0	5	5	0	0	0	3
Section 117	Social Services	REASONABLE	03/09/2024	1	2	3	0	0	0	0	0	0	0	3
Contract Management	Cross Cutting	REASONABLE	05/09/2024	0	3	3	0	0	3	3	0	0	0	0
Independent Living Adaptation Grants	Place	SUBSTANTIAL	24/09/2024	0	1	1	0	0	0	0	0	0	0	1
Community Asset Transfers	Environment & Housing	SUBSTANTIAL	09/10/2024	0	1	1	0	0	0	0	0	0	0	1
Hoarding, Skips & Scaffolding	Environment & Housing	REASONABLE	16/10/2024	0	3	3	0	0	3	3	0	0	0	0
Garage Services	Environment & Housing	REASONABLE	17/10/2024	0	4	4	0	0	1	1	0	0	0	3
Fees & Charges	Cross Cutting	REASONABLE	06/11/2024	0	2	2	0	0	0	0	0	0	0	2
Insurance Follow-up	Cross Cutting	REASONABLE	08/11/2024	1	1	2	0	1	1	2	0	0	0	0
Housing Tenancy Verification	Environment & Housing	REASONABLE	05/12/2024	0	1	1	0	0	0	0	0	0	0	1
Governance of Officer-led Strategic Boards	Cross Cutting	REASONABLE	11/12/2024	0	2	2	0	0	0	0	0	0	0	2
<b>Total</b>				<b>5</b>	<b>36</b>	<b>41</b>	<b>0</b>	<b>1</b>	<b>23</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17</b>

**Vale of Glamorgan Council –Recommendation Monitoring**

**Overdue Recommendations Made In 2023-24 Audits**

<b>Audit</b>	<b>Final Report Date</b>	<b>Recommendation</b>	<b>Category</b>	<b>Agreed Action</b>	<b>Agreed Date</b>	<b>Current Position</b>	<b>Responsible Officer</b>
<b>Officer Code of Conduct</b>  <i>Limited Opinion</i>	14/11/2023	As recommended in the previous audit, the Code of Conduct Protocol document should be included within the new starters' information, induction and/or probation period reviews and records are maintained to demonstrate this.	Medium	Consider best approach to maintain records and whether this could be implemented via the Oracle process.	30/08/24	<b>Partially Implemented</b> New starters with access to idev have online access. Confirmation is required to demonstrate how access to the Code is provided to new starters with no online access.  GAC requested Officer attendance at 17/2/25 meeting to explain updated position and delay in implementing  This matter has been taken to SLT and will be addressed in quarter 4	Head of Human Resources and Organisational Development & Operational Manager Lifecycle
<b>Ysgol Y Deri &amp; St Cyres Building Compliance Follow Up</b>  <i>Reasonable Opinion</i>	23/04/2024	As per the previous recommendation, continued efforts are made by both schools, with the assistance of the Local Authority, to enter a new formal agreement that clearly defines and documents the individual and shared responsibilities of both schools.	High	<u>School comments:</u> Draft documents produced by both Ysgol y Deri and St Cyres School, including a draft Venn diagram as a stimulus for further discussion on the intersection of responsibilities was sent to the LA in February 2024. There has been no response to these documents.  <u>Local Authority update:</u> formal agreement is currently under development and will be issued to both schools for	31/07/24  <u>Revised</u> 31/12/24	Both schools have agreed to look at management of facilities and compliance for the shared areas of responsibility via a central/third party managed service, similar to the principles outlined in Council's corporate landlord model.	Operational Manager, Strategy and Resources, Headteachers & Governing Bodies (both schools)



Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
				consideration prior to May half term 2024			
		A review of the Joint Premises Management Committee's purpose and terms of reference going forward should be undertaken by both schools and respective Governing Bodies.	Medium	Draft terms of reference have been produced by the headteachers at Ysgol y Deri and St Cyres School. However, the exact responsibilities of the JP Committee cannot be determined until the exercise for priority 1.1 has been completed and agreed by all parties.	31/07/24 <u>Revised</u> 31/12/24	As above	Headteachers & Governing Bodies (both schools)