VALE of GLAMORGAN
BRO MORGANNWG

Agenda Item: 9

Meeting of:	**Governance and Audit Committee**
Date of Meeting:	**Monday, 27 February 2023**
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 recommendations made, implemented and outstanding as of 10th February 2023 is detailed in Appendix A.
- A total of 15 recommendations are outstanding from 2021/22 completed audits whilst 16 have a future target date. 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 56 recommendations made to date in 2022/23, 38 have been implemented and 1 has surpassed the implementation date and will continue to be chased; the target date has yet to be reached for 16 recommendations. One recommendation was not agreed by management, but an alternative solution was identified and implemented.
- The monitoring of recommendations is undertaken regularly by Auditors and any undue delays or issues will be highlighted to Senior Management and ultimately this Committee.

Recommendation

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

Reason 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 Strategy states that the implementation of agreed recommendations will be monitored.

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.

1.2 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.

1.3 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.

1.4 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 internal audit recommendations made as at 10th February 2022. The appendix includes the recommendations made in relation to audits completed in 2021/22 which are yet to be implemented as well as all recommendation made on 2022/23 audits to date.

2.2 Members will note that in respect of audits from the 2021/22 plan, 15 recommendations remain outstanding as the agreed implementation date has been exceeded, whilst 16 recommendations have a future target date. Appendix B provides the detail of the outstanding recommendations and the current position in respect of their implementation.

2.3 Appendix A also illustrates the position of the recommendations made within audits from the 2022/23 plan. To date 13 completed audits have made a total of 56 recommendations to improve controls and mitigate risks and 38 of these recommendations have been implemented. There is 1 recommendation that exceeds the agreed implementation date, which is included at Appendix B, and 16 recommendations have a future target date. One recommendation has not been agreed however an alternative suggestion to mitigate the identified risk has been made by management.

2.4 The monitoring of recommendations is undertaken regularly by Auditors and any undue delays or issues will be 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 10th February 2023

Audit Name	Audit Opinion	Final Report Date	Number Made				Not Agreed	Implemented	Outstanding				Future Target Date
			High	Medium	Low	Total		Total	High	Medium	Low	Total	Total
2021/22													
Corporate Safeguarding	REASONABLE	10/08/2021	-	2	3	5	-	3	-	1	1	2	-
Tender Evaluation & Award - Building Svs	LIMITED	15/09/2021	2	7	2	11	-	10	-	-	-	-	1
Disabled Facilities Grants	LIMITED	16/09/2021	-	5	1	6	-	3	-	-	-	-	3
Direct Payments Follow Up	LIMITED	02/11/2021	-	5	2	7	-	7	-	-	-	-	-
Cyber Security	REASONABLE	18/01/2022	-	6	3	9	-	4	-	-	-	-	5
Payment Card Industry Data Security Standard (PCI DSS)	LIMITED	04/02/2022	-	2	4	6	-	-	-	2	2	4	2
Planning Applications & Appeals	REASONABLE	10/02/2022	-	4	9	13	1	8	-	1	3	4	-
Building Control	REASONABLE	22/02/2022	-	5	4	9	-	7	-	1	1	2	-
Building Compliance - Schools & Social Care	REASONABLE	01/03/2022	-	7	1	8	-	7	-	1	-	1	-
Remote Working - ICT Equipment & Inventory	REASONABLE	14/03/2022	-	3	4	7	-	6	-	1	-	1	-
Early Retirement & Redundancy	SUBSTANTIAL	13/04/2022	-	1	1	2	-	1	-	-	-	-	1
Treasury Management CRSA	SUBSTANTIAL	09/05/2022	-	-	4	4	-	2	-	-	-	-	2
Pothole Repairs	REASONABLE	12/05/2022	-	5	6	11	-	10	-	-	-	-	1
Schools CRSA	REASONABLE	13/06/2022	-	-	1	1	-	-	-	-	-	-	1
Declaration of Relationships (NFI Match)	N/A	N/A	-	1	0	1	-	-	-	1	-	1	-
Overall Total 2021-22			**2**	**53**	**45**	**100**	**1**	**68**	**0**	**8**	**7**	**15**	**16**

2022/23													
Regional Adoption Collaborative	REASONABLE	28/06/2022	-	1	4	5	-	5	-	-	-	-	-
Bus Service Support Grant 2021/22	SUBSTANTIAL	08/07/2022	-	1	1	2	-	2	-	-	-	-	-
SRS Governance & Financial Controls	REASONABLE	11/07/2022	-	1	-	1	-	-	-	1	-	1	-
Ysgol Gymraeg Bro Morgannwg Stock Follow-up	REASONABLE	15/09/2022	-	1	-	1	-	-	-	-	-	-	1
Direct Payments Follow Up	REASONABLE	20/09/2022	-	2	1	3	-	3	-	-	-	-	-
Housing Support Grant 21/22 Certification	REASONABLE	26/10/2022	-	2	-	2	-	-	-	-	-	-	2
Elections	REASONABLE	27/10/2022	-	3	-	3	-	3	-	-	-	-	-
St. Joseph's Primary School	REASONABLE	16/11/2022	-	3	6	9	-	8	-	-	-	-	1
Llantwit Major Comprehensive School	LIMITED	07/12/2022	2	8	3	13	-	11	-	-	-	-	2
Insurance	LIMITED	19/12/2022	-	3	3	6	1	2	-	-	-	-	3
Elected Members	REASONABLE	19/01/2023	-	2	-	2	-	2	-	-	-	-	-
Climate Change & Energy Efficiency	REASONABLE	24/01/2023	-	6	-	6	-	-	-	-	-	-	6
Community Safety	SUBSTANTIAL	14/02/2023	-	-	3	3	-	2	-	-	-	-	1
Overall Total 2022/23			**2**	**33**	**21**	**56**	**1**	**38**	**0**	**1**	**0**	**1**	**16**

Appendix B

Vale of Glamorgan Council – Outstanding Recommendations at 10th February 2023

Audit	Recommendation	Category	Agreed Action	Date	Current Position
Corporate Safeguarding	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. Due to the need to create the learning material, communication and upskilling of managers and establishing a cohesive iDev process, it is anticipated that this work will be completed by April 2022.	April 2022	In progress, OD and Safeguarding working together to identify and support alternatives to IDev level 1 training. A follow up audit is due in qtr 4 and this will be covered in the scope
	The Organisational Development and Learning Manager build a safeguarding competency framework into Idev. This should be used to map all roles within the Council to the appropriate level of safeguarding training recommended to be received for that role. The level of training recommended should be proportionate to the level of exposure to, and responsibility for, vulnerable persons the role entails.	Low	Following discussions with Operational Manager, Safeguarding & Service Outcomes, we have agreed the levels of Safeguarding that will exist under the new requirements and will work to create competency routes aligned to each grouping and the learning objectives defined. There will be a delay in finalising the learning elements whilst we await learning outcomes and training material from Social Care Wales, and design any learning material internally that may be needed.	Dec 2022	Training framework document is currently in draft format and being worked on by a project group within our Social Care Workforce Development Team. Once the Framework is agreed we will need to determine the gaps within the learning provided. We currently have a comprehensive offering up to Safeguarding Level 3/C for staff within Social Services. Due to this gap analysis and then design/sourcing work needed to meet the training need, I don't anticipate us being able to meet the Dec 2022 deadline.

Audit	Recommendation	Category	Agreed Action	Date	Current Position
PCI - DSS	Both the Self-Assessment Questionnaire and the Attestation of Compliance should be completed and returned to Worldpay	Medium	The necessary work is progressing to achieve this goal	March 2022	Delays due to the Pay 360 Upgrade that is due to take place in March 2023
	Monitor that the proposed MOTO call centre solution is implemented in the given timescales and that the proposal to become compliant is documented in the Self-Assessment Questionnaire	Medium	The new upgrade to the system is planned to be delivered into the test system by Capita during May 2022 however as there is a substantial system change full system testing will be required and will need to be undertaken in parallel with current day to day activities of the Cash Control Team	September 2022	
	Request quarterly vulnerability scans from Capita Pay360 in line with the responsibility matrix	Low	This will be requested	February 2022	
	Ensure staff are aware of the P2PE policy, by making it readily available and reviewed on a regular basis	Low	This will be circulated to staff	February 2022	
Planning Applications & Appeals	The Development Control Manual is updated to reflect current practices. All procedure notes are dated and version controlled.	Low	WG's Development Management Manual contains the most up to date policy and legislation for making planning decisions, appeals and enforcement. However, we need an internal manual setting out our internal processes and procedures. Update October 2022 – Manual under review. On target for implementation date of December 2022	December 2022	Chased but no response from the service on progress
	Formal procedural notes are created in relation to the Appeals process.	Low	Agreed that it would be useful to have a procedure note for how we register and process appeals.	December 2022	
	Departmental procedural notes are created for the enforcement process, including:	Medium	Agreed that it would be useful to have a procedure note for how we register and process enforcement cases. We are also	December 2022	

Audit	Recommendation	Category	Agreed Action	Date	Current Position
	• Issuing of decision notices • Review and approval of decisions made Publishing decisions online.		introducing a monthly Planning Committee report to provide a summary of outcomes of enforcement cases.		
	Where possible, site visits are undertaken within the timeframes noted on the Council's website.	Low	Site visits have been affected during the Coronovirus pandemic meaning that we have encouraged complainants to submit photographic evidence to avoid unnecessary site visits during periods when staff have been encouraged to 'work from home'. We are endeavouring to return to normal service	December 2022	
Building Control	Formal procedural notes are created in relation to the process for Building Control Officers including: • Inspection visits • Inspection reports • Application Approval Process. The process of sending acknowledgement is incorporated in the procedure notes used by the Business Support Team. All procedure notes are dated and version controlled.	Medium	All necessary procedure notes to be prepared / updated for a clear process for all	December 2022	This work is ongoing.
	The current Building Control charges are reviewed and amended if appropriate. Fees are regularly reviewed to ensure that they remain competitive	Low	Agreed	April 2022	Discussions have taken place although a full review has yet to commence.
Building Compliance - Schools & Social Care	Where areas of uncertainty are identified, formal arrangements are put in place clearly designating responsibility for individual building	Medium	Where social services buildings are occupied by health colleagues responsibilities for compliance need to be formally agreed. A meeting will be arranged with Health colleagues	March 2022	Unable to complete this task. Primarily due to capacity issues (both VoGC and UHB) and also because staff were moving around post the height of the pandemic.

Audit	Recommendation	Category	Agreed Action	Date	Current Position
	compliance aspects within relevant social care settings.		Lease and contracting arrangements with RSL /Support providers are to be confirmed to ensure support providers understand their compliance obligation Contract with three domiciliary care providers. The Accommodation & Adult Placement Service Manager Learning Disability - Adult Services will monitor that these carried out. As these are tenancies, the Supporting People workers assists people to report any issues to either the council or RSL.		All of our accommodation is being evaluated to best assess the use, so will need to revisit once that exercise under the 'Your Space' project has been concluded. Interim arrangements are in place and will need to be documented by the end of September, and then to review as part of the Your Space programme of works
Remote Working - ICT Equipment & Inventory	Relevant Managers need to be reminded of the risks associated with using unencrypted desktops. Periodic monitoring reports should be in place to identify the desktops being used outside of the Council Servers and Managers should be made aware of this usage in order to make an informed decision as to whether it remains appropriate that desktops continue to be used for remote working	Medium	Frontline Support to find out how many unencrypted desktop devices are still being used wfh in the Service. Contact owners and replace those devices.	30/06/22	The inventory task for the report is set to run every 5 hours so it will build up a better picture over time. The team will investigate the machines and when they are discovered and resolved, they will show up on the report as either encrypted or will drop off because they are removed.
Declaration of Relationships (NFI Match)	As per the Code of Conduct Protocol, staff are reminded of the appropriate procedure to declare all relationships of a business or personal nature with any potential/current external contractors or suppliers of the Council.	Medium	We agree with the recommendations and will aim to produce a communications message out to staff on the importance of the Code of Conduct and declaration of business/personal interests. The draft message will be shared with Internal Audit to ensure the message is suitable before being circulated to all staff.	Jan 2022	No response from the service on progress

Audit	Recommendation	Category	Agreed Action	Date	Current Position
SRS Governance & Financial Controls	The Recruitment strategy is reviewed and updated to find solutions for recruitment and selection in the current market.	Medium	A service specific staff survey is about to be launched in order to capture (among other things) the views of staff on matters of SRS recruitment and retention. In September, a working group of staff drawn from across the service will begin to explore the relevant issues and possible solutions. Outcomes will then be agreed alongside a wider review of the existing Workforce plan, to be concluded by December 2022.	December 2022	No response from the service on progress