Meeting of:	**Governance and Audit Committee**
Date of Meeting:	**Tuesday, 25 April 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 12th April 2023 is detailed in Appendix A.

- A total of 8 recommendations are outstanding from 2021/22 completed audits whilst a further 8 have a future target date.

- Of the 90 recommendations made to date in 2022/23, 63 have been implemented and 2 have surpassed their implementation date and will continue to be chased. The target date has yet to be reached for 24 recommendations. One recommendation was not agreed by management, but an alternative solution was identified and implemented.

- Details of the current outstanding recommendations are in Appendix B.

- 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.

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 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 of 12th April 2023. 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, 8 recommendations remain outstanding as the agreed implementation date has been exceeded (4 medium and 4 low risk recommendations). It should be noted that these outstanding recommendations are across 3 audits and work is ongoing within the service areas to implement these. In addition, 8 recommendations have a future target date.

2.3 Appendix B provides the detail of the outstanding recommendations and the current position in respect of their implementation.

2.4 Appendix A also illustrates the position of the recommendations made within audits from the 2022/23 plan. To date 22 completed audits have made a total of 90 recommendations to improve controls and mitigate risks and 63 of these recommendations have been implemented. There are 2 medium recommendations that currently exceed the agreed implementation date, the details are included at Appendix B. One is specific to Shared Regulatory Services and their workforce plan whilst the other is the need to update the insurance guidance available to staff to ensure that insurance implications are fully considered for the purchase of assets.

2.5 In addition, 24 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.

2.6 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.

2.7 Further recommendations have been made in the audits that are currently in draft or awaiting review. All recommendations made during 2022/23 will be included in the annual Internal Audit Report.

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 12th April 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	0	2	3	5	0	3	0	1	1	2	2
Disabled Facilities Grants	LIMITED	16/09/2021	0	5	1	6	0	5	0	0	0	0	1
Cyber Security	REASONABLE	18/01/2022	0	6	3	9	0	6	0	0	0	0	3
Payment Card Industry Data Security Standard (PCI DSS)	LIMITED	04/02/2022	0	2	4	6	0	1	0	2	3	5	0
Building Compliance - Schools & Social Care	REASONABLE	01/03/2022	0	7	1	8	0	8	0	0	0	0	0
Early Retirement & Redundancy	SUBSTANTIAL	13/04/2022	0	1	1	2	0	1	0	0	0	0	1
Pothole Repairs	REASONABLE	12/05/2022	0	5	6	11	0	10	0	0	0	0	1
NFI 2021 Match	N/A	N/A	0	1	0	1	0	0	0	1	0	1	0
			0	29	19	48	0	34	0	4	4	8	8
2022/23													
Regional Adoption Collaborative	REASONABLE	28/06/2022	0	1	4	5	0	5	0	0	0	0	0
Bus Services Support Grant 2021/22	SUBSTANTIAL	08/07/2022	0	1	1	2	0	2	0	0	0	0	0
SRS Governance & Financial Controls	REASONABLE	11/07/2022	0	1	0	1	0	0	0	1	0	1	0
YBM Stock Follow-up	REASONABLE	15/09/2022	0	1	0	1	0	0	0	0	0	0	1
Direct Payments Follow Up	REASONABLE	20/09/2022	0	2	1	3	0	3	0	0	0	0	0
Housing Support Grant 2021/22	REASONABLE	26/10/2022	0	2	0	2	0	1	0	0	0	0	1
Elections	REASONABLE	27/10/2022	0	3	0	3	0	3	0	0	0	0	0
Regional Consortium School Improvement Grant 2021/22	REASONABLE	31/10/2022	0	1	0	1	0	1	0	0	0	0	0
St. Joseph's Primary School	REASONABLE	16/11/2022	0	3	6	9	0	8	0	0	0	0	1
Llantwit Major School (Comp)	LIMITED	07/12/2022	2	7	4	13	0	12	0	0	0	0	1
Enable Grant 21/22 Certification	REASONABLE	19/12/2022	0	0	2	2	0	2	0	0	0	0	0
Insurance	LIMITED	19/12/2022	0	4	2	6	1	2	0	1	0	1	2
Members	REASONABLE	19/01/2023	0	2	0	2	0	2	0	0	0	0	0
Climate Change & Energy Efficiency	REASONABLE	24/01/2023	0	6	0	6	0	1	0	0	0	0	5
Community Safety	SUBSTANTIAL	14/02/2023	0	0	3	3	0	2	0	0	0	0	1
Highways Stock Control	N/A	20/02/2023	0	1	1	2	0	0	0	0	0	0	2
NFI - Creditor Matches	REASONABLE	20/02/2023	0	0	4	4	0	3	0	0	0	0	1
NFI - Residents Parking Permits	REASONABLE	06/03/2023	0	1	3	4	0	1	0	0	0	0	3
Housing Responsive Repairs	REASONABLE	10/03/2023	0	1	5	6	0	4	0	0	0	0	2
WCCIS System	REASONABLE	14/03/2023	0	1	2	3	0	0	0	0	0	0	3
Registration Services	REASONABLE	24/03/2023	1	2	2	5	0	5	0	0	0	0	0
Residential Services Debit Cards	REASONABLE	11/04/2023	0	4	3	7	0	6	0	0	0	0	1
			3	44	43	90	1	63	0	2	0	2	24

Vale of Glamorgan Council – Outstanding Recommendations at 11th April 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, information is required from the Safeguarding Subject Matter Expert to enable the development of a manager cascade for non PC based staff. Expected date now June 2023
	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 the Social Care Workforce Development Team. Once the Framework is agreed gaps within the learning provided will be identified and a competency framework developed and monitored. Expected date now July 2023
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 Revised expected date was March 2023

Audit	Recommendation	Category	Agreed Action	Date	Current Position
	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	
	Request a QSA review to obtain assurance on the Council's PCI-DSS position	Low	A review can be carried out however it is considered to be more beneficial if this is carried out after the new upgrade to the system so that the new process can be part of the assessment.	31st March 2023	
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 date provided from the service as to when this will be completed
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	December 2022	The SRS-specific staff survey took place in the summer of 2022, the results were then collated, and headline feedback was provided to staff. Unfortunately, the working group hasn't yet been drawn together to explore the issues around recruitment and retention

Audit	Recommendation	Category	Agreed Action	Date	Current Position
			then be agreed alongside a wider review of the existing Workforce plan, to be concluded by December 2022.		and to find possible solutions as a result of the pressing budget discussions that began at the end of the summer and through the autumn of 2022.This has been clarified so it is anticipated that this work and the wider review of the Workforce Plan will now conclude by the end of June 2023.
Insurance	Up-to-date guidance for staff on their obligations under the FPRs is to be created, this is to be frequently signposted across other Council documentation so that when staff undertake an action or become aware of an event which may have insurance implications, they know to check the guidance.	Medium	The website will be updated with the relevant links added.	1st March 2023	Website has not been updated; manager has been reminded.