

Meeting of:	Governance and Audit Committee
Date of Meeting:	Monday, 11 December 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.
<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 24th November 2023 is detailed in Appendix A. • A total of 58 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 20 have been implemented and 38 have a future implementation date. • In respect of audits completed prior to this current financial year, there are currently 7 recommendations outstanding, that is the agreed implementation date has passed. Details of these are in Appendix B. • 2 medium priority recommendations, made in audits undertaken in 2021-22, still have future target dates for implementation. These are detailed in Appendix C. In addition, 21 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. 	

Recommendation

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.

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 (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 24th November 2023.
- 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	16	42	58	0	20	0	0	0	38

- 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	13	13	0	10	0	1	1	2
2022-23	14	53	67	0	40	3	3	6	21

- 2.4 Table 3 shows that there are currently 7 recommendations outstanding, that is the agreed target dates have been exceeded. Detail of these is in **Appendix B**.
- 2.5 It is noted that 2 recommendations made during 2021-22 audits still have a future implementation date. These are detailed in **Appendix C** which includes an update

on the current position of each. In addition, 21 recommendations made during 2022-23 still have a future target date. These are being monitored and any undue delays with implementation of these will be reported accordingly.

- 2.6 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 - 24th November 2023

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
Corporate Safeguarding	Cross Cutting	REASONABLE	10/08/2021	0	2	2	0	0	1	1	0	1	1	0
Cyber Security	Corporate Resources	REASONABLE	18/01/2022	0	6	6	0	0	5	5	0	0	0	1
Pothole Repairs	Environment & Housing	REASONABLE	12/05/2022	0	5	5	0	0	4	4	0	0	0	1
				0	13	13	0	0	10	10	0	1	1	2
2022/23														
Climate Change & Energy Efficiency	Cross Cutting	REASONABLE	24/01/2023	0	6	6	0	0	4	4	0	0	0	2
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	1	1	0
Ysgol Y Deri & St Cyres Building Compliance	Learning & Skills	LIMITED	20/04/2023	5	2	7	0	3	2	5	2	0	2	0
Risk Management	Cross Cutting	SUBSTANTIAL	03/05/2023	0	1	1	0	0	0	0	0	0	0	1
Oakfield Primary School	Learning & Skills	REASONABLE	19/05/2023	1	5	6	0	0	4	4	0	0	0	2
Romilly Primary School	Learning & Skills	LIMITED	22/05/2023	3	10	13	0	3	9	12	0	0	0	1
Attendance & Sickness Recording	Corporate Resources	LIMITED	23/05/2023	1	4	5	0	0	1	1	1	2	3	1
Civil Enforcement	Environment & Housing	LIMITED	30/05/2023	3	3	6	0	2	1	3	0	0	0	3
ICT Business Continuity Planning Follow-up	Cross Cutting	LIMITED	30/05/2023	1	1	2	0	0	0	0	0	0	0	2
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	1	1	0	0	0	7
				14	53	67	0	8	32	40	3	3	6	21
2023/24														
Housing Rents	Environment & Housing	REASONABLE	12/06/2023	0	1	1	0	0	0	0	0	0	0	1
Appointeeships & Deputyships	Social Services	LIMITED	03/07/2023	2	1	3	0	0	1	1	0	0	0	2
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	0	0	0	0	0	3
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 Supplier Bank Details	Corporate Resources	N/A	08/09/2023	1	1	2	0	1	1	2	0	0	0	0
Regional Consortia School Improvement Grant 2022/23	Learning & Skills	REASONABLE	12/09/2023	0	1	1	0	0	1	1	0	0	0	0
Housing Support Grant 2022-23	Cross Cutting	REASONABLE	14/09/2023	0	1	1	0	0	0	0	0	0	0	1
PCI – DSS (Payment Card Industries – Data Security)	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	0	0	0	0	0	1
Stanwell School	Learning & Skills	REASONABLE	26/10/2023	1	4	5	0	0	3	3	0	0	0	2
Adult Placement (Shared Lives)	Social Services	LIMITED	06/11/2023	2	7	9	0	0	1	1	0	0	0	8
Libraries & Digital Equipment	Learning & Skills	LIMITED	09/11/2023	1	4	5	0	0	0	0	0	0	0	5
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	0	0	0	0	0	7
Stanwell School Capital Project	Learning & Skills	N/A	17/11/2023	8	0	8	0	6	0	6	0	0	0	2
				16	42	58	0	7	13	20	0	0	0	38

Vale of Glamorgan Council –Recommendation Monitoring

1. Outstanding Recommendations Made Prior to 2023/24

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	<p>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.</p> <p>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.</p>	30/04/22 Revised Date April 2023	Director informed Committee this has been completed – Committee requested a further update in February 2024	Operational Manager
Vehicles Fuel Management	20/04/2023	Contract Procedure Rules are adhered to without exception. An exercise is carried out with Procurement to ensure best value for money and a formal contract for the supply of liquid fuels is agreed with the selected company	Medium	Will liaise with Procurement team to undertake an exercise for procurement of fuel for the stores. Liaise with Legal to put a formal contract in place with the preferred supplier	1/07/23	Ongoing discussions with Ardel (the Vale of Glamorgan Council Procurement Service)	Building Support Coordinator
Ysgol Y Deri & St Cyres Building Compliance	20/4/23	A review of current documentation on file should be undertaken and any areas of concern / areas where significant remedial action is required are escalated to the attention of senior management.	High	This work is to be supported by Vale of Glamorgan in collaboration with both schools' facility leads, and will be reviewed by both schools via MyCompliance system.	31/5/23 Revised 30/9/23	Awaiting approval for the monitoring report,	OM Building Services

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
		A new agreement is drafted and agreed by both schools. Responsibilities for all compliance aspects across the PLC site should be clearly defined and documented, leaving no area of ambiguity. Input from other internal sources, such as the Health, Safety and Wellbeing and Corporate Compliance teams, should be encouraged where required to support the process	High	Work is underway at school level in identifying delineations between individual and shared responsibility and considering the approach to management of shared systems. This is being supported by both the Learning & Skills and property services team in developing a model for all stakeholders. Senior officers and school leaders are meeting on a regular basis and conducting an options appraisal as part of developing a revised model.	1/06/23 Revised 30/09/23	Both Heads confirmed this has not yet been implemented but discussions have commenced	Headteacher YYD / Headteacher St Cyres / Head of Strategy, Community Learning & Resources
Attendance & Sickness Recording	23/5/23	The Organisational Development Team ensure that Managers are correctly trained to manage sickness absence in line with Council policy and procedures.	High	Now that Oracle Fusion is live, information is being produced to ensure Managers undertake mandatory training as part of their onboarding. The site is still under development but should be available shortly.	30/09/23	Chased and awaiting update	Head of HR & OD/OM - Organisational Development
		Managers are reminded of the importance of submitting documentation and this is promptly saved on receipt.	Medium	Now that Oracle Fusion is live, the access to the emails will be updated. They are currently being kept open as a backup, but during the next couple of months they could be removed	30/09/23	Chased and awaiting update	OM - Employee Services
		Line Managers are made aware of the self service reports to monitor sickness with reference to this included in training material and managing attendance guidance.	Medium	Line Managers are made aware of the self-service reports to monitor sickness with reference to this included in training material and managing attendance guidance.	30/09/23	Chased and awaiting update	OM - Employee Services

Recommendations Made in 2021/22 Audits but Still Have Future Target Dates

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
Cyber Security	18/01/2022	Council-wide training in cyber resilience is to be introduced for all staff.	Medium	For inclusion within the mandatory staff training programme, alongside safeguarding. Agreed but budgetary constraints make it a challenge	31/01/22 Revised 31/05/23 Revised 15/09/23 Revised 31/01/24	Cyber Security training is now in the test phase with a small number of staff completing the testing ahead of a wider rollout by the end of w/c 11th December. We therefore expect to close this recommendation by the end of 2023.	Head of ICT
Pothole Repairs	12/05/2022	Relevant policies are updated in line with current best practice and approved at the appropriate level	Medium	The Neighbourhood Manager Highway Maintenance has been liaising with CSSW consultants to assess requirements and prepare a suitable and robust report which is proposed to be presented to Cabinet later this FY to implement the new risk-based approach. It is unlikely that the new risk-based approach will result in any significant changes to current intervention criteria or frequency of inspections, however, consultation will be carried out with the Council's insurers prior to finalising the Cabinet report.	31/05/22 Revised 30/09/23 Revised 31/01/24	Delay in getting policy approved as recent change in Operational Manager/ higher priority workloads. The report has been reviewed by OM and Head of Service prior to consultation and Cabinet.	Neighbourhood Manager Highway Maintenance