Meeting of:	**Governance and Audit Committee**
Date of Meeting:	**Monday, 05 February 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 31st December 2023 is detailed in Appendix A.

- A total of 87 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 29 have been implemented and 58 have a future implementation date.

- In respect of audits completed prior to this current financial year, there is 1 recommendation outstanding, that is the agreed implementation date has passed. Details of this recommendation is 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, 16 recommendations made in 2022/23 audits have a future target date and these continue to be monitored.

- The Director of Social Services and the Director of Corporate Resources attended Governance and Audit Committee in October 2023 to provide assurances that appropriate action was being taken to address recommendations agreed from 2021/22 audit reports relating to Corporate Safeguarding and Cyber Security which at that time, had not been fully implemented. At Committee's request these Directors have been invited to attend Governance & Audit Committee

  again. The 2 recommendations relating to cyber security have now been implemented and are no longer reported within the Appendices. The one recommendation in respect of Corporate Safeguarding is included in **Appendix C** with a revised future implementation date.

- 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 31st December 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	17	70	87	0	29	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.	Outstanding			Future Target Date
	High	Med.	Total			High	Med.	Total	
2021-22	0	7	7	0	5	0	0	0	2
2022-23	13	42	55	0	38	1	0	1	16

2.4 Table 3 shows that the is currently 1 high risk recommendation outstanding, that is the agreed target date has been exceeded. This is in respect of building compliance processes and procedures. Detail of this recommendation is in **Appendix B**.

2.5 It is noted that 2 recommendations made during 2021-22 audits have a future implementation date. Until these recommendations are implemented the identified risks remain. These are detailed in **Appendix C** which includes an update on the current position of each.

2.6 One of these recommendations in **Appendix C** relates to the Corporate Safeguarding audit which was completed in August 2021. The Director of Social Services attended this Committee in October 2023 to provide assurances that action was being taken to address the recommendation which was to ensure a record of all staff who attend Safeguarding Level 1 training in person rather that completing it online is maintained. It has been estimated that full implementation of a recording process will be completed by July 2024. In addition, an internal audit of safeguarding is currently being undertaken and this aspect will be included in the testing.

2.7 The Director of Corporate Resources also attended this Committee in October 2023 as at that time 2 recommendations relating to cyber security were outstanding. These recommendations have now been implemented and are no longer reported within the Appendices.

2.8 In addition, 16 recommendations made during 2022-23 still have a future target date.

2.9 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

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
2021/22														
Corporate Safeguarding	Cross Cutting	REASONABLE	10/08/2021	0	2	2	0	0	1	1	0	0	0	1
Pothole Repairs	Environment & Housing	REASONABLE	12/05/2022	0	5	5	0	0	4	4	0	0	0	1
				0	7	7	0	0	5	5	0	0	0	2
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	3	2	5	1	0	1	1
Risk Management	Cross Cutting	SUBSTANTIAL	03/05/2023	0	1	1	0	0	0	0	0	0	0	1
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	1	2	3	0	0	0	2
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	1	1	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
				13	42	55	0	9	29	38	1	0	1	16
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	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
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	0	0	0	0	0	1
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	0	1	1	0	0	0	8
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	1	1	0	0	0	1
Officer Code of Conduct	Corporate Resources	LIMITED	14/11/2023	0	7	7	0	0	2	2	0	0	0	5
Stanwell School Capital Project	Learning & Skills	N/A	17/11/2023	8	0	8	0	6	0	6	0	0	0	2
Corporate Complaints & Compliments	Cross Cutting	REASONABLE	11/12/2023	0	3	3	0	0	0	0	0	0	0	3
Debtors	Corporate Resources	LIMITED	14/12/2023	0	8	8	0	0	0	0	0	0	0	8
Leisure Centres – Contract & Performance Monitoring	Environment & Housing	LIMITED	15/12/2023	0	5	5	0	0	1	1	0	0	0	4
Mobile Devices	Cross Cutting	REASONABLE	18/12/2023	0	3	3	0	0	0	0	0	0	0	3
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
				17	70	87	0	10	19	29	0	0	0	58

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
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 Council 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

Recommendations Made During 2021/22 Audits with Future Implementation Dates

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 <u>all staff</u> that have attended the Level 1 safeguarding training <u>in person</u> 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.	30/04/22 <u>Revised</u> 30/04/23 31/07/24	The Director informed Committee that this was being implemented – Committee requested a further update in February 2024 OM advised that full implementation will be by July 2024. An audit is in progress which includes this element within the scope.	Operational Manager
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 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 <u>Revised</u> 30/09/23 31/01/24	The basis of risk-based inspections in line with current best practice has been developed and this will be presented to Cabinet on 25th January 2024 for consideration.	Neighbourhood Manager Highway Maintenance