Meeting of:	**Governance and Audit Committee**
Date of Meeting:	**Monday, 15 September 2025**
Relevant Scrutiny Committee:	Resources Scrutiny Committee
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:	The Officers from Legal Services and Head of Finance have been consulted. No Elected Members have been consulted.
Policy Framework:	The proposals in this report are in accordance with the policy framework and budget

Executive Summary:

- 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 as of 31st July 2025. The position statement is at Appendix A.

- An audit 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.

- To date 6 medium priority recommendations have been made following the conclusion of audits from this year's annual plan. All have been agreed and have a future implementation date.

- The are 3 overdue recommendations made in audits completed prior to 2025-26 and these are detailed in Appendix B.

- There are currently 40 recommendations made in previous financial years that still have a future implementation date. 33 of these are from audits completed during 2024-25 and are being monitored, the remaining 7, made prior to 2024-25, (2 high priority and 5 medium priority), are detailed in Appendix C.

- The monitoring of recommendations is undertaken regularly by the Audit team and any undue delays or issues are highlighted to the Council's Strategic Leadership Team and ultimately this Committee.

Recommendation

1. It is recommended that members of the Governance and Audit Committee note the content of the report and consider the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service.

Reason for Recommendation

1. To keep Governance and Audit Committee informed on the status of Internal Audit recommendations.

1. Background

1.1   In accordance with the Global 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 by Internal Audit and asked to provide feedback on the status of each agreed high and medium priority recommendation. The implementation of these recommendations is monitored using 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 the status of the high and medium priority internal audit recommendations made as of 31st July 2025. This includes all audits completed from this financial year's plan and any audits completed in previous years where recommendations are yet to be implemented.

2.2 The status of the high and medium recommendations made following the completion of audits from the 2025-26 audit plan is summarised in Table 2 below. It illustrates that of the 6 recommendations made, no recommendations have been implemented as all 6 medium priority recommendations have a future target date.

Table 2 - Summary of the Recommendation Status - 2025-26 Audits

	No. Made	Not Agreed	Imp.	Overdue			Future Target Date		
				High	Med.	Total	High	Med.	Total
2025-26	6	0	0	0	0	0	0	6	6

2.3 **Appendix A** also includes the high and medium recommendations made in relation to audits completed in previous years which are yet to be implemented and therefore the identified risk remains. This information is summarised in Table 3.

Table 3 –Recommendation Status (Audits Completed Pre-2025-26)

	No. Made	Not Agreed	Imp.	Overdue			Future Target Date		
				High	Med.	Total	High	Med.	Total
2022-23	8	0	6	0	2	2	0	0	0
2023-24	29	0	21	0	1	1	2	5	7
2024-25	52	0	19	0	0	0	2	31	33
Total	89	0	46	0	3	3	4	36	40

2.4 Table 3 illustrates there are 3 medium priority overdue recommendations. These are detailed in **Appendix B**. It should be noted that these recommendations relate to 2 *Limited Assurance* opinion audits.

2.5 Table 3 also identifies the number of recommendations made, per each financial year, which still have a future implementation date. **Appendix C** provides details of the 2 high priority and 5 medium priority recommendations made in 2023-24 audits and until these are implemented the identified risks remain. The 33 recommendations made during 2024-25, which still have a future implementation date, continue to be monitored and any undue delays will be reported to the Council's Strategic Leadership Team and ultimately to this Committee.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

3.1 The well-being goals identified in the Wellbeing and Future Generations Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

4. Climate Change and Nature Implications

4.1 None as a consequence of this report

5. Resources and Legal Considerations

Financial

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

5.1 None as a direct consequence of this report.

Legal (Including Equalities)

5.2 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.

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Audit Name	Audit Opinion	Final Report Date	Number Made			Not Agreed	Implemented			Overdue			Future Target Date		
			High	Medium	Total		High	Medium	Total	High	Medium	Total	High	Medium	Total
Pre 2023-24															
Governance and Performance Review : Local Authority Trading Company (LATC)	LIMITED	20-06-23	0	8	8	0	0	6	6	0	2	2	0	0	0
Total			**0**	**8**	**8**	**0**	**0**	**6**	**6**	**0**	**2**	**2**	**0**	**0**	**0**
2023-24															
Payment Card Industry Data Security Standard (PCI-DSS) Compliance	LIMITED	21-09-23	0	3	3	0	0	1	1	0	0	0	0	2	2
Officer Code of Conduct	LIMITED	14-11-23	0	7	7	0	0	6	6	0	1	1	0	0	0
Debtors	LIMITED	14-12-23	0	7	7	0	0	6	6	0	0	0	0	1	1
Welsh Language Standards	REASONABLE	20-12-23	0	5	5	0	0	4	4	0	0	0	0	1	1
Ysgol Y Deri & St Cyres Building Compliance Follow Up	REASONABLE	23-04-24	1	1	2	0	0	0	0	0	0	0	1	1	2
Payroll	REASONABLE	01-05-24	1	4	5	0	0	4	4	0	0	0	1	0	1
Total			**2**	**27**	**29**	**0**	**0**	**21**	**21**	**0**	**1**	**1**	**2**	**5**	**7**
2024-25															
Fees & Charges	REASONABLE	06-11-24	0	2	2	0	0	0	0	0	0	0	0	2	2
Cyber Security in Schools	REASONABLE	09-01-25	0	3	3	0	0	0	0	0	0	0	0	3	3
ICT Business Continuity Follow Up	LIMITED	20-01-25	3	2	5	0	2	1	3	0	0	0	1	1	2
Flying Start	SUBSTANTIAL	07-02-25	0	1	1	0	0	0	0	0	0	0	0	1	1
Rhws Primary School	REASONABLE	21-02-25	0	7	7	0	0	6	6	0	0	0	0	1	1
Adult Placements (Shared Lives) Follow Up	REASONABLE	26-02-25	0	3	3	0	0	2	2	0	0	0	0	1	1
Tascomi (SRS IT System)	SUBSTANTIAL	03-03-25	0	1	1	0	0	0	0	0	0	0	0	1	1
Value Added Tax (VAT)	REASONABLE	18-03-25	0	3	3	0	0	1	1	0	0	0	0	2	2
Information Governance - ADM, Profiling & AI	REASONABLE	21-03-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Civil Enforcement Follow-up	REASONABLE	14-04-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Business Rates	REASONABLE	12-05-25	0	7	7	0	0	5	5	0	0	0	0	2	2
Car Park Income Follow Up	REASONABLE	13-05-25	0	3	3	0	0	0	0	0	0	0	0	3	3
SRS Income	REASONABLE	20-05-25	1	5	6	0	0	0	0	0	0	0	1	5	6
Attendance & Sickness Recording – Follow Up	REASONABLE	21-05-25	0	3	3	0	0	2	2	0	0	0	0	1	1
Reshaping	SUBSTANTIAL	23-05-25	0	1	1	0	0	0	0	0	0	0	0	1	1
Leisure Centres Contract & Performance Follow Up	REASONABLE	04-06-25	0	1	1	0	0	0	0	0	0	0	0	1	1
Libraries & Digital Equipment Follow Up	REASONABLE	18-06-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Total			**4**	**48**	**52**	**0**	**2**	**17**	**19**	**0**	**0**	**0**	**2**	**31**	**33**
2025-26															
Capital Expenditure - NEC System	REASONABLE	23-05-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Llangan Primary School	SUBSTANTIAL	21-07-25	0	3	3	0	0	0	0	0	0	0	0	3	3
Bus Service Suppport Grant 2024/25	REASONABLE	30-07-25	0	1	1	0	0	0	0	0	0	0	0	1	1
			0	**6**	**6**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6**	**6**

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6 Overdue Recommendations

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
Governance and Performance Review: Local Authority Trading Company (LATC) *(Limited Assurance)*	20/06/23	The financial arrangement with regards to providing the LATC with Free School Meal funding is reviewed by the Council, incorporating advice provided by the current tax advisory work. Consideration should also be given to reviewing and updating the current Catering Services Agreement where appropriate	Medium	Upon receipt of the specialist tax advice which will inform the need or otherwise to update the Catering Services Agreement (in negotiation with the LATC). Consideration of the need to report on any proposed changes to the School's Budget Forum.	1/04/24 Revised 31/10/24 31/03/25	External specialist tax advice has been provided and is under consideration, along with an update to the services agreement as this ends in March 2025. The Big Fresh Catering Company have provided detailed accounting data and there are monthly finance meetings with the Company and the Council's Accountancy Team. Work is underway as part of the budget setting process to consider the appropriate structure(s) of the arrangements with Big Fresh and this has become more complex since the introduction and rollout (positively) of Universal Free School Meals.	Director of Corporate Resources, Operational Manager Legal & Operational Manager Accountancy
		In order to allow an adequate level of review and challenge, updates on the LATC are provided to Learning and Culture Scrutiny Committee by the Shareholder Committee on an annual basis	Medium	Presentation of a report by the Council Shareholders to Scrutiny Committee Learning and Culture to consider performance information and business plan, to be reported during 2022/23. Thereafter, regular reports will be presented to Scrutiny Committee setting out the previous year and planned activities, including content of the Business Plan from 2023/24 onwards.	31/07/23 Revised 31/10/24 31/03/25	A report to Committee is planned once the work on the services agreement has been completed. The Shareholders continue to meet with the Big Fresh Catering Company Managing Director on a regular basis and receive updates from the Company, most recently as part of budget setting.	Director of Corporate Resources

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
Officer Code of Conduct *(Limited Assurance)*	14/11/23	As recommended and agreed in the previous audit, a Fundraising Policy should be implemented to offer clear guidance to all employees and minimise risk implications of undertaking fundraising initiatives on Council premises, during Council time.	Medium	Agree with Monitoring Officer and Director of Corporate Resources who is best placed to implement this and how it will be communicated to staff effectively.	31/03/24 <u>Revised</u> 31/10/24 28/02/25	Draft policy is out for review. To be finalised week commencing 17th February 2025. <u>August 2025</u> Update requested, no policy found on Staffnet	Head of Human Resources and Organisational Development & Operational Manager - Employee Services

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Recommendations Made In 2023-24 Audits - Future Implementation Date

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
PCI-DSS Follow Up *(Limited Assurance)*	21/09/23	Identify and review all non-compliant roles that are outside of the PCI compliance and take relevant action to ensure it meets the PCI compliance requirements.	Medium	Work will be undertaken to identify these roles additional resources will be required to undertake this role due to links to the telephony projects.	31/01/24 Revised 31/03/24 Revised 31/10/24 31/03/25 30/09/25	Update August 2025 A significant amount of work has been undertaken and there is only a single area of the Council where payments are not compliant which will be addressed in September.	Operational Manager for Accountancy
		Complete the review by Qualified Security Assessor to obtain assurance on the Council's PCI-DSS position. Complete and return the Self-Assessment Questionnaire and the Attestation of Compliance to Worldpay.	Medium	Initial conversations have been undertaken to scope these works	31/01/24 Revised 31/10/24 30/04/25 31/10/25	Update August 2025 The reassessment will take place in October with all of the compliance issues addressed	Operational Manager for Accountancy
Debtors *(Limited Assurance)*	14/12/2023	Review officer roles and duties, produce process notes for the key tasks completed and embark on a training and knowledge sharing programme to ensure that sufficient coverage is in place to help maintain business continuity in times of staff absence.	Medium	Agree that resilience is of great import to us. We have shown over the last year that when the need has arisen, we have managed to cope with unplanned absences, however this process would be a lot easier to manage with wider sharing of knowledge base. This will though take the longest to complete especially with ongoing responsibilities around year end / new year.	30/06/24 Revised 31/03/25 31/12/25	Update July 2025 The new system is being implemented but will not be functional until Sept 2025 and only then could the recommendation be addressed	Exchequer Manager, Deputy Exchequer Manager & Senior Revenues Assistant

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
Welsh Language Standards *(Reasonable Assurance)*	20/12/2023	In line with Welsh Language Standards 122 and 126, the homepage, interface and menus on the intranet must be translated and available in Welsh.	Medium	We will discuss with the Web Editor. Timeframe may depend on intranet capabilities. Review website. Incorporate bilingual pages into the home page, interface and menus as part of the planned rebuild of the intranet.	28/02/25 Revised 31/03/26	Update March 2025 Linked to new Staffnet project and new server	Equality and Welsh Language Officer / Web Editor
Ysgol Y Deri & St Cyres Building Compliance Follow Up *(Reasonable Assurance)*	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	School comments: 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. Local Authority update: formal agreement is currently under development and will be issued to both schools for consideration prior to May half term 2024	31/07/24 Revised 31/12/24 31/08/25 30/09/25	Progress has been made, the heads have provided an update on a few outstanding items they are working through, the main one is seeking a legal view for clarity on liability for incidents involving shared assets. Following this a formal agreement will be agreed	Operational Manager, Strategy and Resources, Headteachers & 21st Century Project Manager
		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 Revised 31/12/24 31/08/25 31/10/25	Partially Implemented The schools have completed their terms of reference for the joint premises committee for ratification at their respective GBs, with the first meeting arranged for end of October.	Operational Manager, Strategy and Resources, Headteachers & 21st Century Project Manager

Audit	Final Report Date	Recommendation	Category	Agreed Action	Agreed Date	Current Position	Responsible Officer
Payroll *(Reasonable Assurance)*	01/05/2024	A full review of access within the Oracle HCM module should be carried as soon as possible and restrictions applied where appropriate. The following should be considered within the review: • clearly defining a segregation of duties between teams in line with individual responsibilities • increasing the level of read only access within system	High	A discussion will take place with our finance colleagues in Systems Admin to ensure this action is delivered.	1/06/24 Revised 31/10/24 31/03/25 31/01/26	<u>Update August 2025</u> Read only access developed however it conflicts with users with HR access and therefore the roll out has been limited. Due to adopt the Oracle Redwood pages for Oracle Payroll and HR functionality and read only responsibility will need to be revisited once this is in place	Payroll Manager/ Operational Manager Accountancy