

BRIDGEND COUNTY BOROUGH COUNCIL
REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

10 NOVEMBER 2022

REPORT OF THE HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE

RECOMMENDATION MONITORING

1. Purpose of report

1.1 The purpose of this report is to provide members of the Committee with a position statement on internal audit recommendations made, implemented and outstanding.

2. Connection to corporate well-being objectives / other corporate priorities

2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:

- **Smarter use of resources** – ensuring that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

3. Background

3.1 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.

3.2 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 or low priority.

3.3 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.

3.4 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.

3.5 Any audits concluded with a no assurance or limited assurance opinion will be subject to a follow up audit.

4. Current situation/proposal

4.1 As this is the first recommendation monitoring report brought to this Committee, the report at **Appendix A** provides a summary of the status, as of 30th September 2022, of all recommendations made by the Regional Internal Audit Service (RIAS) since the implementation of the MK Insight internal audit software on 1st April 2021. Moving forward it is suggested that only outstanding recommendations from previous financial years be included, together with the recommendations made in the current year.

4.2 The report at **Appendix A** summarises the internal audit recommendations made, implemented and overdue relating to areas reviewed during 2021/22 and 2022/23.

4.3 Members will note that a total of 109 recommendations were made to improve the control environment of the areas reviewed during 2021/22 and to date 13 have been made in 2022/23. Only 1 low priority recommendation has not been accepted by the service area as the manager was satisfied with the arrangements in place.

4.4 **Appendix A** illustrates that as of 30th September 2022, 59 recommendations made in 2021/22 have been implemented; 10 have passed their implementation date and are therefore outstanding whilst 39 are yet to be implemented but their target date has yet to be reached. These figures exclude the 10 recommendations made in the limited assurance report that has not yet been followed up. This area is included in the audit plan for 2022/23 and the progress of the recommendations will be reviewed and tested within that work.

4.5 Of the 13 recommendations made to date in 2022/23, **Appendix A** illustrates that 7 have been implemented and 6 have a future target date.

4.6 The information contained in **Appendix A** has been compiled from our internal audit software system. Views from the Committee are sought in respect of the content and details provided. Similar reports are to be presented to the other three Governance and Audit Committees within the Regional Service and once feedback from all has been obtained a standard report will be commissioned.

5. Effect upon policy framework and procedure rules

5.1 There is no effect upon the policy framework and procedure rules.

6. Equality Act 2010 implications

6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report, therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

7. Well-being of Future Generations (Wales) Act 2015 implications

7.1 The well-being goals identified in the 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.

8. Financial implications

8.1 Effective Audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

9. Recommendations

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

9.2 That members of the Governance and Audit Committee review the information contained within the report and provide feedback on the content and format of the information provided.

Mark Thomas
HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
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Background Documents :
None