

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

26 JANUARY 2023

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 **Appendix A** provides a summary of the status of the internal audit recommendations made as at 31st December 2022. 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.

4.2 Members will note that in respect of audits from the 2021/22 plan, 2 recommendations remain outstanding as the agreed implementation date has been exceeded, whilst 28 recommendations have a future target date. **Appendix B** provides the detail of the 2 outstanding recommendations and the current position in respect of their implementation.

4.3 **Appendix A** also illustrates the position of the recommendations made within audits from the 2022/23 plan. To date 7 completed audits have made a total of 16 recommendations to improve controls and mitigate risks. All were accepted by management and 10 of these recommendations have been completed. There are no recommendations exceeding the agreed implementation date and 6 recommendations have a future target date.

4.4 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.

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.

Mark Thomas
HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE
January 2023

Contact Officer: Joan Davies – Deputy Head of Regional Internal Audit Service

Telephone: (01446) 709794

E-mail: joan.davies@bridgend.gov.uk

Postal Address

Bridgend County Borough Council
Internal Audit
Ravens Court
Brewery Lane
Bridgend
CF31 4AP

Background Documents :
None