

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>INTERNAL AUDIT RECOMMENDATION MONITORING</b>
<b>Report Owner: Chief Responsible Officer / Cabinet Member</b>	<b>CHIEF OFFICER – FINANCE, HOUSING &amp; CHANGE</b>
<b>Responsible Officer:</b>	<b>ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The proposals in this report are in accordance with the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• This report provides members of the Governance and Audit Committee with a position statement on the status of internal audit recommendations as at 30<sup>th</sup> September 2025. This is attached at Appendix A.</li> <li>• A recommendation is made to enhance a control to mitigate the identified risk; until the recommendation is implemented the risk remains.</li> <li>• To date 2 high priority and 24 medium priority recommendations have been made following the conclusion of audits from this year's annual plan. All have been agreed, 12 have been implemented and 14 medium priority recommendations have a future implementation date.</li> <li>• There are currently no overdue recommendations.</li> <li>• There are 30 recommendations made in previous financial years that still have a future implementation date. 24 of these are from audits completed during 2024-25 and are being monitored, the remaining 6, made prior to 2024-25, (1 high priority and 5 medium priority), are detailed in Appendix B.</li> </ul>

## **1. Purpose of Report**

- 1.1 To provide members of the Committee with a position statement on internal audit recommendations made, implemented and outstanding as of 30<sup>th</sup> September 2025 and consider the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service.

## 2. Background

- 2.1 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.
- 2.2 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 focusing their attention, each recommendation is classified as being either high, medium or low priority.
- 2.3 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:	
<b>High Priority</b>	Action that is considered imperative to ensure that the organisation is not exposed to high risks.
<b>Medium Priority</b>	Action that is considered necessary to avoid exposure to significant risks.
<b>Low Priority</b>	Action that is considered desirable and should result in enhanced control.

- 2.4 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.
- 2.5 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 internal audit software to ensure that improvements are being made.
- 2.6 Any audits concluded with a *No Assurance or Limited Assurance* opinion will also be subject to a follow up audit.

## 3. Current situation / proposal

- 3.1 **Appendix A** provides the status of the high and medium priority internal audit recommendations made as of 30<sup>th</sup> September 2025.

- 3.2 **Table 2** below illustrates that of the 26 recommendations made in 2025-26 audits, 12 have been implemented and the remaining 14 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	26	0	12	0	0	0	0	14	14

- 3.3 **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	4	0	2	0	0	0	0	2	2
2023-24	17	0	13	0	0	0	1	3	4
2024-25	86	0	62	0	0	0	4	20	24
<b>Total</b>	<b>107</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>25</b>	<b>30</b>

- 3.4 **Table 3** illustrates there are currently no overdue recommendations.
- 3.5 **Table 3** also identifies the number of recommendations made, per each financial year, which still have a future implementation date. **Appendix B** provides details of the 1 high priority recommendation and the 5 medium priority recommendations made in 2022-23 and 2023-24 audits. Until these are implemented the identified risks remain.
- 3.6 The 4 high priority and 20 medium priority 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 Corporate Management Board and ultimately to this Committee.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 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. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 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.

## **6. Climate Change and Nature Implications**

- 6.1 There are no climate change or nature implications arising from this report.

## **7. Safeguarding and Corporate Parent Implications**

- 7.1 There are no safeguarding or corporate parent implications arising from this report.

## **8. Financial Implications**

- 8.1 There are no direct financial implications arising from this report however effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

## **9. Recommendation**

- 9.1 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.

### **Background documents**

None