

Angus Council Internal Audit



Internal Audit Annual Report 2019-2020

16 June 2020

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Executive Summary - Overall Opinion and Assurances

Background

1. The Public Sector Internal Audit Standards (PSIAS) state that:

“The Chief Audit Executive (Service Leader) must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

The annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.”

2. To meet the above requirements, this Annual Report summarises the conclusions and key findings from the internal audit work undertaken during the year ended 31 March 2020, and up to 08 June 2020 relating to the year ended 31 March 2020, including my overall opinion on internal control system.
3. My governance, risk management, and internal control audit and assurances for 2019-20 are informed by a number of sources detailed in paragraph 9 below.
4. My opinions relate solely to the Council and do not include those bodies included in the group accounts.

Overall internal audit opinion

Objectives

5. The PSIAS require me to provide the Scrutiny & Audit Committee with assurance on the whole system of internal control. In giving my opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the whole system of internal control. My report also provides:
 - assurances to Members of the Council and the Chief Executive in relation to my assessment of, and opinion on, the Corporate Governance arrangements during the year under review
 - assurances to the Head of Corporate Finance in relation to internal financial controls to support and inform his duties as s95 Officer
 - performance information in relation to internal audit and
 - the results of the internal audit quality assurance programme

Opinion

6. In my professional judgement as Service Leader Internal Audit, notwithstanding the delays caused in completing work due to the impact of the Covid-19 pandemic, sufficient and appropriate audit procedures have been conducted and evidence gathered to support the basis and the accuracy of the conclusions reached and contained in this report. The conclusions were based on a comparison of the situations as they existed at the time against the audit criteria. The evidence gathered meets professional audit standards and is sufficient to provide senior management with the proof of the conclusions derived from the internal audit.
7. In my opinion the Council has a framework of controls in place that provides reasonable assurance regarding the organisation's governance framework, effective and efficient achievement of objectives and the management of key risks, and proper arrangements are in place to promote value for money.
8. The internal audit work for the year has identified a number of areas of good practice and good internal control. Significant improvement has continued to be made in addressing implementation of internal audit recommendations. A number of level 1 recommendations have again been made with the more material findings highlighted later in this report.

Basis of opinion

9. In assessing the level of assurance to be given, I have taken into account:
 - All reviews undertaken as part of the 2019-20 internal audit plan, work carried over from the 2018/19 plan, and the work of the Counter Fraud Team, including some work in progress that has yet to be fully reported to committee;
 - Any scope limitations imposed by management. There were no limitations of scope to the audit work conducted in 2019-20, although the plan was revised mid-year to take account of changing circumstances (Report 383/19 refers and a number of projects were carried forward to the 2020/21 plan (Reports 70/20 and 71/20 refer). The impact of Covid – 19 has also delayed completion of a number of projects. (see further comments at para. 23 and the table following paragraph 26);
 - Matters arising from previous reviews and the extent of follow-up action taken;
 - Expectations of senior management, the Council and other stakeholders;
 - The extent to which internal controls address the Council's risk management /control framework;
 - The effect of any significant changes in the Council's objectives or systems;
 - The internal audit coverage achieved to date, including the impact of the Covid-19 pandemic in reducing the coverage achieved;
 - Formal assurances received from the Head of Corporate Finance (Section 95 Officer) and the Head of Legal & Democratic Services (Monitoring Officer);
 - Certification against minimum governance and internal financial control standards received from the Directors and from the Chief Executive's Unit;
 - My observations of the work of the Corporate Governance Officers Group (CGOG) in relation to their self-assessment of local code compliance;
 - The assessment of risk completed during the preparation of the audit plan;

- Reports issued by the Council's External Auditors and other review agencies;
- The approach to the maintenance of governance and the control environment in managing the Covid-19 emergency, and
- My knowledge of the Council's governance, risk management, financial and performance monitoring arrangements.

Internal Audit Role and Structure

Role of Internal Audit

10. The PSIAS defines Internal Audit as "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

Structure and Reporting

11. For the year to 31 March 2020 Internal Audit was part of the Strategic Policy, Transformation and Public Sector Reform Directorate. The service is delivered by an in-house team, supplemented for IT audit expertise through a contract with Scott Moncrieff. They were appointed following a tendering exercise in February 2019.
12. Throughout the year the audit leads had open access to all members and officers of the Council and operated in accordance with the Internal Audit Charter. The results of all internal audit work reported to the Scrutiny & Audit Committee were reported in my own name. The Committee remit is to provide independent assurance to the full Council of the adequacy of the risk management framework and the internal control environment. The Committee provides independent review of Angus Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
13. Internal Audit undertakes an annual programme of work based on a formal risk assessment process which is revised on an on-going basis to reflect emerging risks and changes within the Council.
14. All internal audit reports are subject to consultation with management for consideration of factual accuracy and recommendations made. It is management's responsibility to ensure that proper consideration is given to internal audit reports and that appropriate action is taken to implement the agreed action plans. I am required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action. Significant matters (including non-compliance with audit recommendations if applicable) arising from internal audit work are reported to relevant Service Directors, Depute Chief Executive, the Chief Executive, CLT and the Council's Scrutiny & Audit Committee.

Summary of Internal Audit Activity 2018-19

Scope and Responsibilities

Management

15. It is the Council's Chief Officers' responsibility to establish a sound internal control system. The internal control system comprises the whole network of systems and processes established to provide reasonable assurance that organisational objectives will be achieved, with particular reference to:

- risk management
- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws and regulations
- safeguards against losses, including those arising from fraud, irregularity or corruption
- the integrity and reliability of information and data

Internal audit

16. Internal Audit assists management by examining, evaluating and reporting on the controls in order to provide an independent assessment of the adequacy of the internal control system. To achieve this, Internal Audit should:

- analyse the internal control system and establish a review programme
- identify and evaluate the controls which are established to achieve objectives in the most economic and efficient manner
- report findings and conclusions and, where appropriate, make recommendations for improvement
- provide an opinion on the reliability of the controls in the system under review
- provide an assurance based on the evaluation of the internal control system within the organisation as a whole

17. The main areas of audit conducted in the year, with a summary of the more material findings, supplemented by our review work on discharge of level 1 recommendations, are outlined in the Main Audit Findings section below.

Planning Process

18. In order to be able to provide an annual assurance statement supporting the Governance Statement, I include all of the Council's activities and systems within the scope of the internal audit reviews.

19. The annual internal audit plan is designed to provide the Scrutiny & Audit Committee and management with assurance that the Council's internal control system is effective in managing the

key risks and value for money is being achieved. The plan is therefore informed by the Council's risk management system and linked to the Corporate Risk Register.

20. The Annual Internal Audit Plan was agreed in consultation with senior management and formally approved by the Scrutiny & Audit Committee in March 2019. The plan can be subject to revision during the year to reflect changes in the Council's risk profile and changing circumstances. Changes were required to the 2019-20 plan as a result of changes in the risk profile caused by Covid-19. Two additional projects were undertaken to review the use of delegated powers and the Food Fund Emergency Cash.
21. We have planned our work so that we have a reasonable expectation of detecting significant control weaknesses. However, internal audit can never guarantee to detect all fraud or other irregularities and cannot be held responsible for internal control failures.

Cover achieved






22. Several projects in the original plan were carried forward to 2020/21. Two projects were carried forward in November 2019 (Repot 383/19 refers) and several others were carried forward in early March 2020. This was explained in Reports 70/20 and 71/20. At that stage I concluded the revision would not impact adversely on my ability to provide assurances for 2019/20.
23. At 08 June 2020 a significant part of the revised 2019-20 plan has been delivered. In March 2020, following the situation created by Covid-19 a number of the remaining projects had to be put on hold due to the emergency work being undertaken in services. The table following paragraph 26 shows the position for all projects. Where work in progress has not yet been reported, the findings have been taken into account in my overall conclusion.
24. In addition, my overview of the Council's response to the pandemic has provided good positive assurance about our disaster recovery planning in practice, managers' awareness of the need to maintain good governance in change, and risk management arrangements. There are good examples of innovations, partnership working, new business processes and solutions, and new technology being embraced in order to deliver services to the community in the Council's role as a Category 1 responder to carry out the following three essential functions: Caring for the Vulnerable; Liaising with Resilience Partners; and Supporting Economic Recovery. This was achieved using amended governance arrangements, new ways of decision-making, leadership and implementation of virtual meetings, conference calls, and systems remote access. The Council has already carried out a review of how the emergency centre has functioned and another is planned. A number of management fora have also considered lessons identified. Further reviews within services will undoubtedly take place at an appropriate time during 2020 to highlight any further lessons identified for the future.



Main Audit Findings


25. The majority of control objectives were assessed as having been achieved, with a number of areas of good practice noted. Where necessary actions were agreed to improve the control environment or tighten up the operation of the existing controls.


26. A variety of audit reports in both financial and non-financial areas have been issued during 2019-20 and all were considered by the Scrutiny and Audit committee. In the following table the * under level 4 actions denotes that the service has its own action plan in place covering the areas reviewed in the audit or our consultancy work resulted in an action plan being prepared by the service. Definitions of overall control assurance are provided in Appendix B.


Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
				1	2	3	4
Corporate Governance							
Corporate Governance annual review – 2018-19	Complete	N/A	N/A	-	-	-	*
Risk Management	Moved to 2020/21 plan	N/A	N/A				
GDPR compliance	On Hold	N/A	N/A				
Tay Cities Deal (Joint work with other Tay Cities councils)	Moved to 2020/21 plan	N/A	N/A				
Corporate planning, performance management and public reporting	Moved to 2020/21 plan	N/A	N/A				
Community planning partnership Governance, LOIPs	Moved to 2020/21 plan	N/A	N/A				
Annual assurance re IJB	WIP						
Covid – 19 Use of delegated powers	WIP						



Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
				1	2	3	4
Financial Governance							
Payroll/Resourcelink processes – Leavers and establishment changes	In progress – required for External Audit to place reliance on						
Review of expense claims	Complete	Substantial			5	1	2
Review of Voluntary Severance scheme	Complete	Substantial					*
Data Analysis: Payroll	April – September Complete	Comprehensive		-	-	-	-
Data Analysis: Payroll	October - March In progress, delayed						
Data Analysis: Accounts payable	Complete	Comprehensive		-	-	-	-
Review of Budget Monitoring & Budget Management (Integra Budget Module)	Complete	Comprehensive		-	-	-	-




Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
				1	2	3	4
Review of Cash Handling arrangements: <ul style="list-style-type: none"> Cash receipts 	Complete	Substantial		2	3	9	2
<ul style="list-style-type: none"> Progress Towards Cashless Council 	Complete	Limited		1	-	-	-

Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
				1	2	3	4
				1	2	3	4
Review of Cash Handling arrangements: Petty Cash	Complete	Substantial		1	7	3	
Car Parking Income & Contract Management	In progress but on hold						
Pupil Equity Fund	In progress but on hold						
Comfort funds	Moved to 2020/21 plan						
Income management systems	Moved to 2020/21 plan						
IT Governance							
Eclipse post implementation Review (Children & Families)	Draft report issued						

Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
				1	2	3	4
IT resilience & disaster recovery	Draft report issued			-	-	-	
IT user access Administration (Housing Northgate)	Report agreed and recommendations accepted – action plan to be finalised	Limited		2	4		

Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
				1	2	3	4
				1	2	3	4
Internal Controls							
Business continuity planning and disaster recovery	In progress but on hold						
Licensing system	Draft report issued – response delayed due to staff redeployment	Substantial		-	1	-	-

Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
Adults with Incapacity – Interim Procedures	Fieldwork suspended temporarily in July 2019 at the request of the service and in consultation with the CSWO; interim findings reported to service.	N/A	N/A				
Procurement – exemptions from Tendering process	In progress but delayed						
Absence Management	Complete	Substantial		1	2	3	
Automated New Start/Recruitment Process	Planned but on hold						
Asset Management							
Stocks and Inventories	Complete	Substantial			2	1	
Review of Roads/Building Maintenance Split into two audits and Roads Maintenance element carried forward to 2020/21 plan	Building Maint. Planned but delayed						
Housing Improvements – Capital Grants	Delayed						



Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
				1	2	3	4
Legislative and other compliance							
LEADER	Complete	Substantial			1	3	3
Carbon Reduction	Complete	Comprehensive		-	-	-	-
Community participation requests & Participative budgeting	Moved to 2020/21 plan						
Housing – National Regulatory Framework	Complete	Comprehensive		-	-	-	-
Identification of new legislation	Agreed Nov 2019 to postpone until 2020/21						
Private water supplies legislation	Agreed Nov 2019 to postpone until 2020/21						

Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
				1	2	3	4
Other							

Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
PSIAS compliance External review	Self-evaluation complete but external review postponed			-	-	-	*
<ul style="list-style-type: none"> Review of the Role of the Head of Internal Audit self-assessment 	Complete	N/A	N/A	-	-	-	-
<ul style="list-style-type: none"> Review of Accounts Commission Fraud and Irregularities Update 2018/19 	Complete	N/A	N/A	-	-	-	-
Consultancy & Advice							
Finance Service capacity review	In progress			-	-	-	-
Business support review	On hold						
Covid 19 Food Fund Emergency Cash	Draft memo issued	Blank					

27. The following reports from the 2018/19 plan were completed and reported after June 2019

Audits	WIP status	Overall control assurance	Control assessment by objective	No. of Audit Actions by Priority			
				1	2	3	4
Corporate Governance							
New Management Structure - revised Governance Arrangements	Complete	N/A	N/A				
Internal Controls							

Contract specification process	Complete	Substantial			1	1	
Legislative and other compliance							
Carbon Reduction & Climate Change Targets 2020	Complete	Comprehensive & Limited		2	1	3	
Procurement Reform (Scotland) Act 2014	In Progress but delayed						

28. Three areas were assessed as providing limited assurance that controls were adequate.

- Climate change targets 2020. The limited assurance in this review related to reporting and compliance with internally agreed governance arrangements. Significant operational activity was in place and mandatory reporting arrangements were being met. Since this audit was undertaken further information has been published by Scottish Government. An action plan is in place to address the weaknesses identified, which is due for completion by October 2020.
- Progress towards Cashless Council. This review considered planning to achieve a cashless council, and monitoring and reporting of related projects. An action to develop a policy and implementation plan is in place and is due for completion by September 2020.
- User access controls – Northgate Housing System. A number of recommendations were made to strengthen user access controls. Recommendations in the report have been agreed. Development of the action plan is outstanding at 08/06/20 due to Covid-19 priorities taking precedence. This is the third user access report providing limited assurance and services should consider the weaknesses identified and review their own systems to ensure controls are robust. This is being addressed in developing the action plan.

Good progress has been made in addressing the action plans agreed to deal with areas assessed as having limited assurance last year: Stock, Environmental Health, User access controls Resourcelink, and Governance of School Funds. There are a small number of remaining actions, due to be completed by September 2020.

29. Consultancy input was planned to aid a Financial Services capacity review and a post implementation review of the Business Support Review. Both have been put on hold due to the current Covid-19 position.

30. Internal Audit also contributed to the 2019-20 internal audit work for the Angus Integration Joint Board (IJB) as part of the agreement of shared services. This work is in progress. The IJB audit service is led by the Chief Internal Auditor of NHS Tayside.
31. During the year Internal Audit staff assisted an external reviewer in a review of a whistleblowing disclosure from a council employee in AHSCP. The report from the external reviewer is currently being considered by AHSCP management.

Discharge of Audit Recommendations

32. As part of the annual audit work, the discharge of recommendations is reviewed.
33. All Services now monitor their audit recommendations through Pentana. During the year we reviewed the progress of implementation of audit recommendations in some detail, reporting to the Council Management Team and the Scrutiny & Audit Committee. During late 2019/20 we included internal control actions agreed from Counter Fraud team reviews within Pentana. Progress of implementation of these will be reported alongside Internal Audit results in 2020/21 to allow better scrutiny of the progress being achieved.
34. All services have continued to take significant steps to address their outstanding recommendations. Recommendations that have been outstanding for significant time are the result of being part of major change initiatives. We have continued to see a steady improvement during 2019-20 in recommendations being cleared by their due date. There are five Level 1 actions outstanding as at 8 June 2020; none is overdue. Three have had their completion dates extended because they are part of larger projects that are on-going to effect change; one has had its date extended due to the covid-19 pandemic; and one has not yet reached its agreed due date.
35. We will continue to review implementation of recommendations as part of our 2020-21 follow up work.

Independence

36. PSIAS require me to communicate on a timely basis all facts and matters that may have a bearing on internal audit's independence.
37. I confirm that the staff members involved in each 2019-20 internal audit review were independent of the area under review and their objectivity was not compromised in any way.

Corporate Governance

38. The Council has a Local Code of Corporate Governance which is kept under review and is updated to reflect recognised best practice in corporate governance.

39. Compliance with the code is assessed on behalf of the Chief Executive on an annual basis by an officer working group on Corporate Governance. The outcome is reported to the Chief Executive and Scrutiny & Audit committee in June each year.
40. I have concluded that the Local Code is adequate and effective, and although some areas for improvement have been identified, the Code is complied with in all material respects. Significant positive continuous improvement in arrangements has taken place during 2019/20, not only to address the items in the corporate governance action plan, but also to ensure the organisation makes the transformation needed to deliver services and meet objectives. In particular risk management arrangements have been improved.
41. Our audit work identified:
- A small number of areas of non-compliance with the core internal financial controls within individual directorates.
 - Risk management arrangements were revised during 2018/19 and rolled out and embedded during 2019/20. Whilst there is still further work to be done, the new arrangements are working well at a corporate level to share and integrate risk priorities across the Council whilst supporting services to be more accountable and responsible for all aspects of risk underpinning their business objectives.
 - Oversight of Angus Alive and the IJB, strengthened during 2018/19, continued to provide good oversight during 2019/20.
 - The change programme is now directly aligned to the Council plan.
 - The senior management team has considered governance arrangements and made changes to reflect changes in structure.
 - A review of governance is planned during 2020/21
 - Governance changes to address the Covid-19 impact were well planned and appropriate.

Performance & Quality Assurance

Performance & Quality Assurance

42. Quality assurance arrangements within the Internal Audit section are contained within the Audit Manual and encompass a robust day to day quality system and file review process.
43. The External Quality Assessment completed by CIPFA in 2014-15 confirmed that the internal audit function was compliant with the PSIAS. This has been reconfirmed annually through an internal assessment process. Following each annual assessment an improvement plan is updated in compliance with the PSIAS.
44. The external review must be carried out every five years. We joined the SLACIAG peer review process to undertake the external review due in 2019. Delays to the development of the peer review process meant that the review was re-scheduled to the beginning of 2020. The Angus Council Internal Audit self-assessment was submitted to the peer reviewer on 10 March 2020. The review process began but has been put on hold indefinitely due to the current Covid-19 emergency

situation. The self-assessment is that our service is compliant with PSIAS, with one minor non-compliance in that we have not obtained an external review within the 5 year timeframe.

45. The Counter Fraud Team follow Cipfa guidance in discharging their duties. A separate annual report (159/20), including an assessment of activity against the guidance, will be presented to the same Scrutiny & Audit Committee as this annual report.

Conformance with Public Sector Internal Audit Standards

46. I confirm that the Council's internal audit service conforms to the Public Sector Internal Audit Standards, which are based on the International Standards for the Professional Practice of Internal Auditing. A summary of the results of my most recent internal assessment is provided at Appendix A.

47. During 2019-20 the main improvements made to the service related to continuing to develop how we map available assurances to inform audit planning and inclusion of counter fraud action plans in Pentana to improve monitoring of completion.

48. The FTE mix of staff is shown in the table below.

Period	Council Staff Internal Audit	Council Staff Counter Fraud	Out-Sourced IT support	Service leader	Total
	FTE	FTE	FTE	FTE	FTE
Permanent establishment	3.6	2.3	0.13	1	7.03
Temporary establishment (2 years 2019/20 and 2020/21)		1			1
Total	3.6	3.3	0.13	1	8.03

49. On 24 March 2020 two members of the team, accounting for 1.6 FTE time, were redeployed to the Council Emergency Centre. This has impacted slightly on completion of the 2019/20 planned work, however the main impact will be on the 2020/21 planned work.
50. From 1 April 2019 resources within the Counter Fraud team were enhanced by 1.2FTE time. As part of a re-arrangement of duties within the Governance section one part-time role increase from 0.4 FTE to 0.6 FTE. Change Fund funding was approved to appoint an additional temporary Fraud Officer for a two year period from 1 April 2019. Internal recruitment resulted in the secondment of an officer to this post from 20 May 2019. The additional time has primarily been used to enhance pro-active counter fraud activity.
51. Currently, performance indicators used for Internal Audit are those developed by the CIPFA Directors of Finance Section. For 2019-20, the efficiency indicator shows the section discharged 107% of planned productive hours, compared with 103% in the previous year.
52. The work of the Internal Audit function is reviewed by External Audit as part of their annual audit. The purpose of this review is to ensure that the Internal Audit section performs to professional standards in the conduct of audit work in order that External Audit can place reliance on it. In their 2018-19 planning document Audit Scotland, the Council's external auditor, reported that they had carried out their assessment of the internal audit service and concluded that we comply with the main requirements of PSIAS and that they can rely on our work. They plan to take account of our reports in their wider dimension audit work and specifically rely on the work on payroll – leavers and establishment changes. The payroll work is in progress and we expect it will be finalised in time to meet the external audit timetable.

Appendix A Summary of Internal – Quality Assurance Assessment

Public Sector Internal Audit Standards require disclosure of the outcome of our regular internal and external quality assessments.

The table below summarises the outcome of the most recent internal quality assessment, in which I have assessed the extent to which the internal audit methodology conforms to the standards.

Standard	Does not conform	Conforms	Improvements we have identified
Purpose & positioning			
• Remit		√	
• Reporting lines		√	
• Independence		√	
• Other assurance providers		√	√
• Risk based plan		√	
Structure & resources			
• Competencies		√	
• Technical training & development		√	√
• Resourcing		√	
• Performance management		√	
• Knowledge management		√	
Audit execution			
• Management of the IA function		√	
• Engagement planning		√	√
• Engagement delivery		√	

Standard	Does not conform	Conforms	Improvements we have identified
• Reporting		√	
Impact			
• Standing and reputation of internal audit		√	
• Impact on organisational delivery		√	
• Impact on Governance, Risk and Control		√	

Overall, the service conforms to the requirements of the International Standards for the Professional Practice of Internal Auditing. A range of actions have been identified which will improve the overall effectiveness and consistency with which our methodology is applied. For example, we plan to further expand our use of assurance mapping in the Audit Needs Assessment process to assess reliance that the Council can place on other assurance providers, we will continue to expand our use of IDEA software for continuous auditing, and will consider the outcome of the external review in due course.

My assessment is based on the overall service that is delivered. Compliance with the methodology will be monitored through the audit review process.

Appendix B – Definition of Assurance Levels, Control Assessments & Recommendation Priorities

Level of Assurance definitions

Level of Assurance	Definition
Comprehensive Assurance	There is a sound control framework in place designed to achieve the system objectives, which should be effective in mitigating risks. Some improvements in a few, relatively minor, areas may be required, and any residual risk is either being accepted or addressed by management.
Substantial Assurance	The control framework in place is largely satisfactory, however there are a few areas where improvements could be made to current arrangements to reduce levels of risk, and/or there is some evidence that non-compliance with some controls may put some of the system objectives at risk.
Limited Assurance	Some satisfactory elements are evident within the control framework. However, some significant weaknesses have been identified which are likely to undermine the achievement of objectives, and/or the level of non-compliance with controls puts the system objectives at risk.
No Assurance	The control framework is ineffectively designed and operated. The issues identified require immediate attention to address the risks to the Council which are currently unacceptable. Significant improvements are required.

Control assessment definitions

Control Assessment	Definition
Red	Fundamental absence or failure of key control
Amber	Control objective not achieved – control is inadequate or ineffective
Yellow	Control objective achieved – no major weakness but scope for improvement
Green	Control objective achieved – control is adequate, effective & efficient

Recommendation Priority definitions

Priority	Definition
1	Recommendation concerning the absence/failure of fundamental control which is critical to the success of the system. Major weakness which significantly impairs the overall control framework. Immediate management action required. Very high risk exposure.
2	Recommendation concerning absence or non-compliance with key control which creates significant risks within the organisation. Substantial weakness identified. Prompt management action required. High risk exposure.
3	Recommendation concerning absence or non-compliance with lower level control, or an isolated instance of non-compliance with a key control. The weakness identified is not necessarily great, but controls would be strengthened and the risks reduced if it were rectified. To be addressed by management within a reasonable timescale. Moderate risk exposure.
4	Recommendation concerning minor issue which is not critical, but implementation would improve the system and/or strengthen controls. To be addressed by management within a reasonable timescale. Limited risk exposure.