

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 1 DECEMBER 2020

INTERNAL AUDIT ACTIVITY UPDATE

REPORT BY CATHIE WYLLIE – SERVICE LEADER (INTERNAL AUDIT)

ABSTRACT

This report provides the Internal Audit Activity update on the main findings of internal audit reports issued since the date of the last Scrutiny and Audit Committee.

1. RECOMMENDATIONS

It is recommended that the Scrutiny and Audit Committee:

- (i) Note the update on progress with the planned Internal Audit work.
- (ii) Agree to remove the Car Parking Income and Contract Management audit from the current plan, and
- (iii) Note management's progress in implementing internal audit and counter fraud recommendations.

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN (LOIP) AND COUNCIL PLAN

The contents of this report contribute to the achievement of the corporate priorities set out in the Angus Local Outcomes Improvement Plan and the Council Plan. This is achieved through this report providing the Scrutiny & Audit Committee with information and assurance about council internal control systems, governance and risk management.

3. BACKGROUND

Annual internal audit plans are ratified by the Scrutiny and Audit Committee and a progress report is submitted to each meeting of the Committee. This report outlines progress in delivering the planned work.

Due to the impact of Covid-19 on the ability to complete planned internal audit work and the change in risk assessments a revised plan was agreed at the September Scrutiny and Audit committee meeting (Report 229/20 refers).

Two members of the team (one from internal audit and one from counter fraud) were redeployed to the Council Emergency Centre on 24 March 2020. The Counter Fraud

team member returned to the team on 6 July 2020. The Internal Audit team member returned on 3 August 2020 but since then has been working intermittently between audit and the CEC to cover periods of increased activity and holidays. A more permanent solution to the resourcing of CEC is under consideration. In the meantime it has been agreed the Internal Audit team member will work half time in both Internal Audit and the CEC until the end of 2020. Given the ongoing pandemic and the Council's responsibility for the Covid-19 response locally, there could potentially be further disruption to staffing levels in the future to deal with localised outbreaks; this is replicated across the Council as our Covid response is prioritised.

Internal Audit issues a formal report for each review undertaken as part of the annual audit plan. Each report contains an action plan which incorporates all the recommendations made. This action plan, prepared under SMART (Specific, Measurable, Achievable, Realistic, Timed) criteria, is agreed with management who nominate persons responsible for taking forward the actions and who set their own completion date for each action. This agreed action plan forms an integral part of the final audit report and audit recommendations are ranked to indicate materiality. SMART internal control actions are also agreed following Counter Fraud investigations.

As part of the on-going audit process, Internal Audit reviews the implementation of recommendations and reports the results to each meeting of the Scrutiny and Audit Committee. The latest results are included in the Update Report at **Appendix 1**.

Ad-hoc requests for advice are dealt with as they arise. There was an increase in this activity in the period from April to July due to Covid-19, and this work is discussed further in Appendix 1.

4. FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report.

NOTE: The following background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

REPORT AUTHOR: Cathie Wyllie, Service Leader – Internal Audit

EMAIL DETAILS: ChiefExec@angus.gov.uk

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Appendix 1 Internal audit update report

Angus Council Internal Audit



Update Report

Scrutiny & Audit Committee

1 December 2020

Cathie Wyllie
Service Leader – Internal Audit
Strategic Policy, Transformation & Public Sector Reform

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Introduction

This report presents the progress of Internal Audit activity within the Council from June 2020 to 20 November 2020 and provides an update on progress with:

- planned audit work, including new audits drawn from the audit pool.
- one item being recommended for removal from the plan, and
- implementing internal audit and counter fraud recommendations

Audit Plans Progress Report

At the end of June 2020, we had outstanding items from the 2018/19 and 2019/20 audit plans, as well as an agreed plan for 2020/21, and additional Covid-19 related work identified after March 2020.

Outstanding planned work in August 2020 was reviewed in light of changing and new risks, and a revised plan was presented to and agreed by the September 2020 Scrutiny and Audit Committee meeting (Report 229/20). The table below notes all work that is started or in progress.

The following new audits have been drawn from the agreed pool since the last activity report was made:

- Personal Protective Equipment (PPE)
- Petty Cash
- IT Interfaces
- IT Security Controls in Response to Covid-19

All audit work involving Procurement staff is on hold to allow the procurement team to deal with Covid-19 related procurement activity, primarily Key Supplier Support processing in Adult Social Care.

The Car Parking Income and Contract Management audit dates from the 2018/19 plan and has been on hold since March. The need for this audit has been superseded by events and we recommend that this audit is removed from the current plan.

The original brief was to consider arrangements in place for the management and monitoring of the contract to collect payment from the meters in car parks. The audit sought to provide assurance on the following objectives:




- Monitoring reports are prepared and presented to management.
- Adequate records for contract monitoring are maintained with any issues arising being recorded.
- Contract performance is measured and monitored against performance standards to ensure contract specifications are met, and appropriate, prompt action is taken as necessary for any contract failures.
- All payments to the contractor are checked for accuracy and deducted correctly within the agreed terms, and in line with the Council's Financial Regulations.

- The overall income from the contract is monitored on a regular basis to ensure that any potential shortfalls are identified at the earliest opportunity.
- Contract variations and amendments are managed robustly with standard procedures in place for requesting, approving and administering any variations.”



Collection of car parking income is currently suspended, with a review of car parking charges planned. The external audit of the 2019/20 accounts will have considered the recording of car parking income and the auditors would comment on any significant control issues or errors in income recording. On that basis I recommend that time would be better spent on other areas of risk, and this audit be removed from the plan. It can be re-considered in future if relevant and audit can provide input to proposed control arrangements if/when car parking charges are reinstated in future.


Definitions for control assurance assessments are shown at the end of this report.

Progress with Internal Audit Work post June 2020

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / <i>(target in italics)</i>
Corporate Governance					
Corporate Governance annual review – 2019-20	June 2020	Complete	N/A	N/A	16 June 2020 (Report 164/20)
Annual Assurance re IJB	June 2020	Outcomes from relevant audits and Annual Report 164/20 shared with IJB auditor. Assurance re council oversight of IJB on hold			<i>April 2021</i>
Gifts & Hospitality Register and Register of Interests	July/August 2020	Complete	Comprehensive		Dec. 2020
Covid-19 governance – Use of delegated powers	New project May 2020	Complete	Comprehensive		Aug. 2020
Financial Governance					
Payroll/Resourcelink processes – Leavers and establishment changes	May 2020	Complete	Substantial		Sept. 2020
Car Parking Income & Contract Management	Feb. 2020	Was in progress but on hold due to Covid-19. Recommend deletion from plan due to changed circumstance			N/A
Pupil Equity Fund	March 2020	In progress			<i>Jan. 2021</i>
Comfort funds (Care Homes, Day Care Centres)	TBC	Planned but on hold			Before June 2021
Data matching bank accounts used in Covid-19 support payments (New Covid-19 related risk area)	August 2020	Draft report issued			<i>Jan. 2021</i>

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / (target in italics)
Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / (target in italics)
Payroll continuous auditing	On-going				
April – June 2020		Complete	Comprehensive	N/A	Aug. 2020
July – Sept. 2020		Complete	Comprehensive	N/A	Dec. 2020
Creditors continuous auditing	On-going				
April – June 2020		Complete	Comprehensive	N/A	Aug. 2020
July – Sept. 2020		Complete	Comprehensive	N/A	Dec. 2020
Petty Cash	Nov. 2020	In Progress			<i>Jan. 2021</i>

IT Governance					
Eclipse post implementation Review (Children & Families) (19/20 plan)	Feb. 2020	Complete	Substantial		Aug 2020
IT resilience & disaster recovery (19/20 plan)	Jan. 2020	Complete	Substantial		Aug. 2020
IT Interfaces	Dec. 2020	Planned			<i>April 2021</i>
IT Security Controls in Response to Covid-19	Nov. 2020	Planned			<i>Mar. 2021</i>
Internal Controls					
Business continuity planning and disaster recovery	Jan. 2020	Complete	Substantial		Sept 2020
Procurement – Exemptions from Tendering process	March 2020	In progress, but on hold			<i>June 2021</i>
Automated New Start/Recruitment Process	Mar./April 2020	Planned but on hold			<i>June 2021</i>
Personal Protective Equipment (PPE)	Nov. 2020	Planned			<i>Mar. 2021</i>
Asset Management					

Review of Building Maintenance	June 2020	Building Maintenance planned but delayed			<i>April 2021</i>
Review of Roads Maintenance	TBC	Planning in progress			June 2021
Legislative and other compliance					
Procurement Reform (Scotland) Act 2014 (B/F from 2018/19 plan)	2018/19 plan April 2019	Draft report issued			<i>Jan. 2021</i>
Private Water Supplies Legislation	TBC	Planning in progress			<i>June 2021</i>
LEADER	Aug 2020	Complete	Substantial		Dec. 2020

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / (target in italics)
Other					
PSIAS Compliance - External Review	March 2020	External review recommenced September 2020			<i>Jan 2021</i>
Review of Audit Scotland's publications on Fraud and Irregularity					
2018/19 was covered in Report 160/20, with two areas for further work:					
Children & learning	July	Complete			Aug. 2020
Use of council vehicles	TBC	On hold			<i>March 2021</i>
2019/20 issues	October	In progress			<i>March 2021</i>

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / (target in italics)
Consultancy and Advice					

Audits	Planned	WIP status	Overall control assurance	Control assessment by objective	S&A committee date / (target in italics)
Finance Service capacity review	Oct. – Dec. 2020 Jan 2020	In progress, on hold			<i>TBC</i>
Review of changes to policies and procedures due to Covid-19 response April to July 2020	April to July Consultancy work	July 2020 review complete	N/A	N/A	Aug. 2020
Covid-19 Food Fund Emergency cash	New project May 2020	Complete	N/A	N/A	Sept. 2020
Audit Scotland Update on Covid-19 Guide for Audit and Risk Committees	Sept/Oct 2020	Complete	N/A	N/A	Dec 2020 Report 306/20

Angus Alive and Angus Health & Social Care IJB

Angus Council's Internal Audit staff are committed to work on the audit plans for both ANGUSalive and Angus Health & Social Care IJB. The 2020/21 Audit Plan for the IJB has been agreed, and our main piece of work from this is currently being planned. Discussions on the 2020/21 audit plan for ANGUSalive have been delayed due to the Covid-19 crisis.

Regarding the IJB 2019/20 audit plan, both audits have been completed and the reports issued.

Reports for both bodies are presented to their respective audit committees throughout the year.

Summary Findings of Internal Audit Reviews

This section provides a summary of the material findings of internal audit reviews concluded since the last meeting. It also provides information on the number of recommendations made. Recommendations are ranked in order of importance, with level 1 being the most material. Execution of recommendations is followed up by Internal Audit and reported to this Committee.

Members are asked to consider the following summaries and provide any commentary thereon: -

- Gifts & Hospitality Register and Register of Interests
- LEADER
- Data Analysis/Continuous Auditing: Payroll & Accounts Payable

Gifts & Hospitality Register and Register of Interests

Introduction

As part of the 2020/21 annual plan, Internal Audit has completed a review of the processes and controls for Gifts & Hospitality and Register of Interests to provide assurance that the Council is complying with good practice and that guidance, procedures and the operation of the registers is being adhered to.

Background & Scope

Financial Regulation 33 provides Councillors and employees with guidance on gifts and hospitality. It states, 'Members and employees are personally responsible for their decisions in relation to the acceptance of gifts and hospitality and must always act in a manner which avoids damage to the reputation of the Council'.

There are circumstances when gifts and hospitality are acceptable and require prior approval by a Chief Officer or the Chief Executive. Committee approval may be required for acceptance of beneficiary gifts or a legacy from a service user. Once permission is given a 'Receipt of gifts and hospitality' form is required to be completed and forwarded to Legal & Democratic Services who update the Gifts & Hospitality Register with the details.

The Employee Code of Conduct provides additional guidance on gifts and hospitality as well as conflicts of interest. An employee must not let any private interest influence their work decisions and should inform their head of department or Chief Executive of the details. There is a 'Staff register of interests' form to be completed. Declaration of interests are not required 'if a member of the public might reasonably think that in the circumstances, your own interests do not affect your judgement'.

The Councillors' Code of Conduct also details the Standards Commission for Scotland's Guidance for Councillors and Local Authorities in Scotland. Section 3 provides guidance on Gifts and Hospitality and section 4 covers Register of Interests. Councillors must ensure 'Registerable Interests' are declared in the timescales set by the guidance and reviewed annually. Section 5 details the requirements for Councillors

to declare interests at meetings which they attend to ensure integrity, honesty, openness and transparency in their actions. Where an interest has been declared the Councillor must withdraw from the meeting room until discussion of and voting on the relevant item is concluded other than in the following circumstances. There is no need to withdraw in the case of: -

- (i) an interest covered by a general exclusion or a specific exclusion; or
- (ii) an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

The audit reviewed the arrangements in place against the following control objectives:

- There is clear guidance in relation to gifts, hospitality and declaration of interests for Councillors and employees.
- Councillors and employees are made aware of their responsibilities under the respective policy and procedures to declare gifts, hospitality and interests.
- Disclosure forms are recorded fully and adequately reflect the requirements of the guidance and are consistently applied across the Council.
- The Registers accurately reflect disclosures by councillors and employees.

We also completed a self-assessment using The Global Anti-Bribery Guidance: Gifts & Hospitality Best Practice Guidelines (published by Transparency International UK) to confirm that the Council are following best practice.

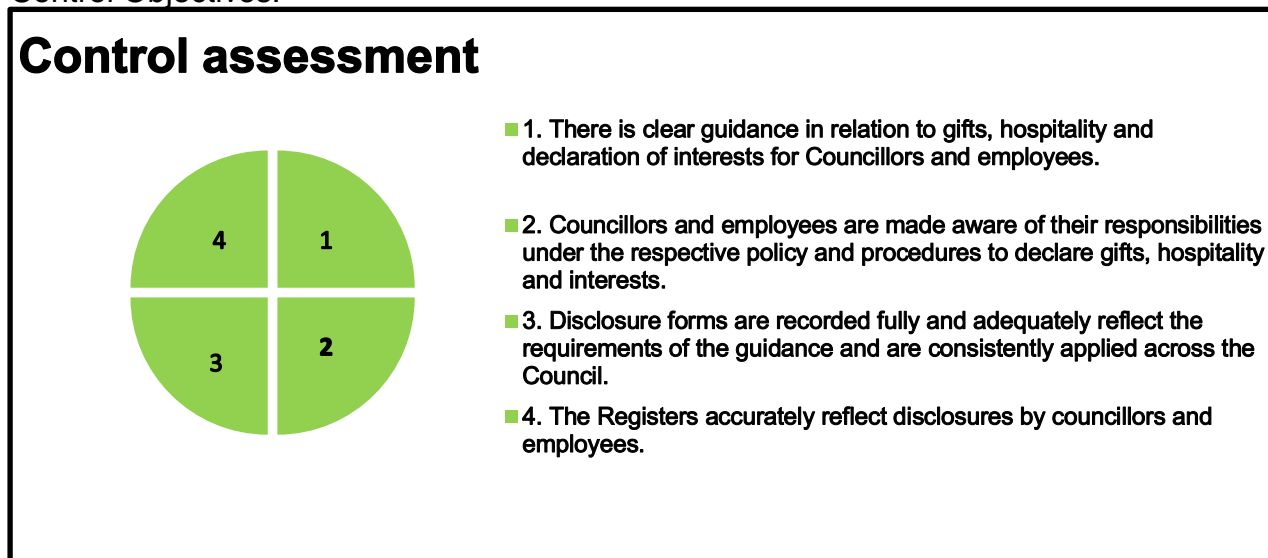
Conclusion

The overall level of assurance given for this report is '**Comprehensive Assurance**'. The self-assessment against the Anti-Bribery Guidance: Gifts & Hospitality Best Practice Guidelines confirmed the Council is following best practice, Appendix 1.

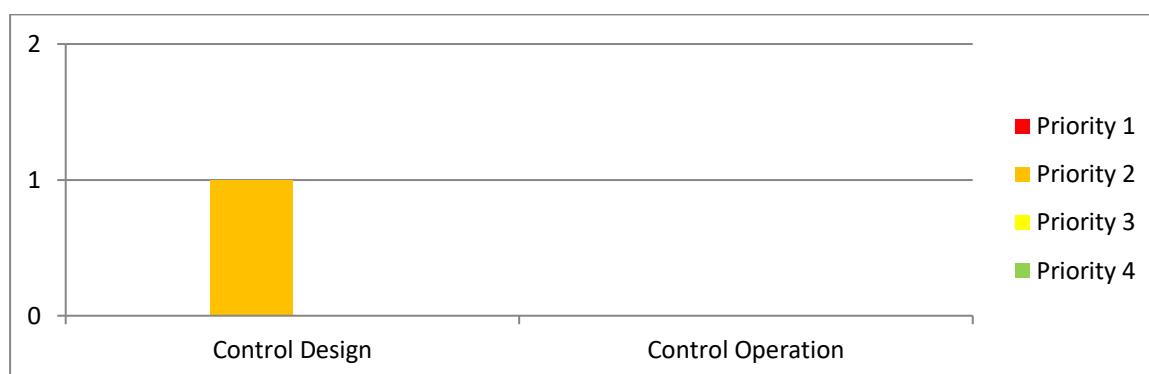
Although not within the scope of this audit we noted the Employee Code of Conduct had not been reviewed since 2010 and therefore have made a Design priority 2 recommendation that this be done. This recommendation does not impact on the overall assessment of the assurance for this audit.

Overall assessment of Key Controls

The audit reviewed and assessed the controls in place to manage the following Key Control Objectives:



Audit Recommendations summarised by Type & Priority



There is one design control recommendation in this report, priority 2.

Key Findings

Good Practice:

We have identified the following areas of good practice:

- The annual governance reminder sent to all staff by the Chief Executive includes the Employee code of conduct and specifically draws attention to gifts and hospitality and the Register of Interests.
- Councillors are issued reminders every 6 months to review their Register of Interests.
- Councillors complete a Declaration of Interest proforma when they have an interest in an item at a Committee meeting.

Planned Improvements/Changes:

We were informed the Councillor's declaration of interest proforma is to be reviewed. The procedure for the Directors' register of interest declaration and the format of the annual governance reminder are also being reviewed by the Corporate Governance Officers Group.

LEADER

Introduction

As part of the 2020/21 annual plan, Internal Audit has completed the annual review of the Service Level Agreement (SLA) between the Scottish Government Agriculture, Food and Rural Communities Directorate (SGAFRC) and Angus Council, acting as Accountable Body for Angus Local Action Group (LAG). There is a requirement that the Council submits an annual confirmation certificate and report. This has to include a summary of work undertaken by the Council's Internal Audit function and details findings in determining whether compliance with the requirements of the SLA has been achieved.

Background & Scope

LEADER (Liaison Entre Actions de Développement de l'Economie Rurale) is a European Rural Development programme funded from European and Scottish Government money and is part of the Scottish Rural Development Programme, (SRDP) aimed at promoting economic and community development within rural Angus areas.

The LEADER rural development programme funding awarded to Angus Council is £2,798,980.99. The programme was launched in February 2016 and was due to end 31 December 2020, however the program has been extended to the 31 March 2021 for all claims to be submitted to the Scottish Government. There is an estimated underspend of £17,244 on project spend.

LEADER grants awarded, claims paid, and administration and animation expenditure incurred from information supplied per the table below:

Grants Awarded, Claims Paid and Administration & Animation Expenditure

	Total number at 15/10/2020	Total Value at 15/10/2020	
GRANTS			
Grants Awarded	50	£2,130,466	
Grant Claims Paid		£1,907,191	
ADMINISTRATION AND ANIMATION CLAIMS			
			Total to 31/08/2020
Claims Submitted and received			£575,355
Claims Submitted not received			£14,682

Note the Administration and Animation Claim for the period 1 to 30 September 2020 is currently being calculated and will be submitted by 31 October 2020.

In March 2020 the Scottish Government reviewed Angus Council's arrangements for LEADER, this comprised checking 4 projects and 3 On The Spot (OTS) inspections. They assessed the Council's arrangements as "Amber". Amber status means 'Improvements are required to enhance the effectiveness of procedures. There are weaknesses in process and/or control procedures. Exposure to the weaknesses identified may be moderate and being mitigated.' The actions from the review have been addressed by the LEADER/EMFF Programme Co-ordinator.

Subsequent to our audit, the European Union (EU) are in the process of auditing the Scottish Government's (SG) own monitoring of projects across Scotland. One of these, an Angus project, was subject to the SG review carried out in March 2020. After additional evidence and answers were provided by Angus Council LEADER staff the project processing was found by SG to be satisfactory. LEADER staff have now answered additional queries raised by SG in light of the EU audit. It is possible that Angus Council may be asked to repay a proportion of the grant for this project (total grant awarded of £200,000). We await confirmation of the position from SG.

There is also a national issue being raised by the EU as part of their audit of the SG about providing further evidence for all projects across Scotland. LEADER staff are awaiting guidance and it is not clear at this time if further work will be required to address this or not.

Our 2019 review highlighted seven areas where improvements could be made, those graded the highest include restricting access to LEADER files, checking of drawdown payments, amending of the LARCS back capture and updating the LEADER information on the Council's website. All areas were reviewed during the current audit and reported on.

In the past we have noted that not all documents have been uploaded into LARCS. During 2019 and 2020 an exercise has been underway to ensure all relevant documents are uploaded, with the audit checklist and a new tracker spreadsheet being used as control documents.

The overall objective of the audit assignment is to confirm that for the year 16 October 2019 to 15 October 2020 Angus Council has undertaken the delegated function as specified in the SLA between Scottish Government and LAG.

The specific control objectives of the audit are to ensure that:

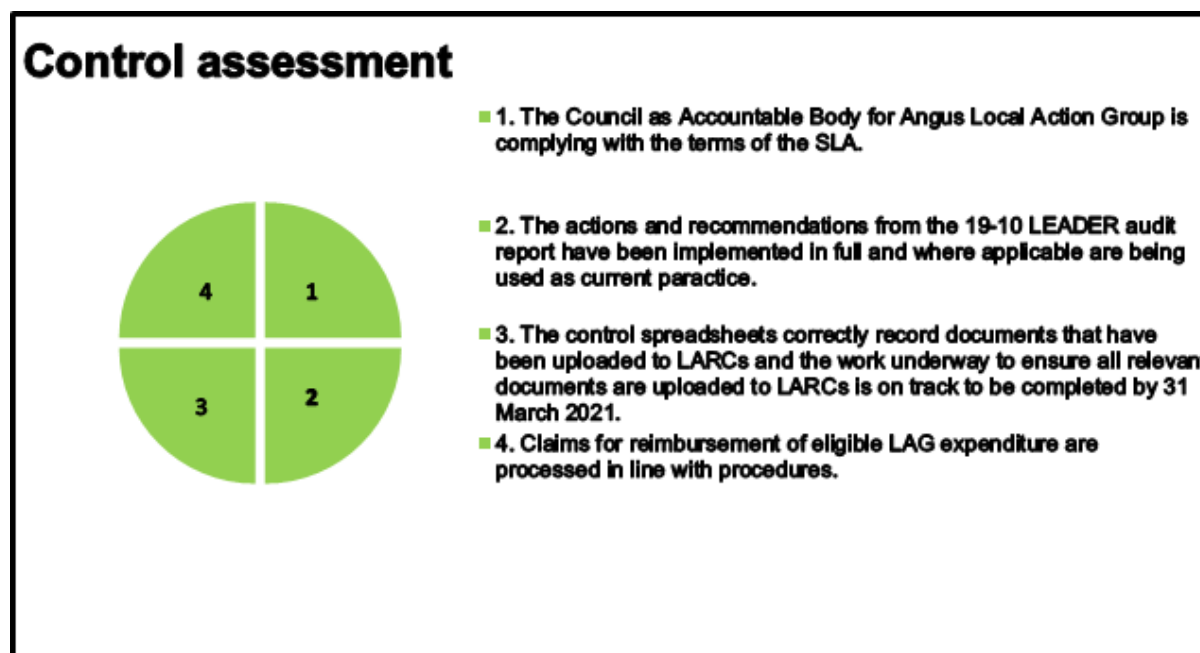
- The Council as Accountable Body for Angus Local Action Group is complying with the terms of the Service Level Agreement.
- The actions and recommendations from the 19-10 LEADER audit report have been implemented in full and where applicable are being used as current practice.
- The control spreadsheets correctly record documents that have been uploaded to LARCS and the work underway to ensure all relevant documents are uploaded to LARCS is on track to be completed by 31 March 2021.
- Claims for reimbursement of eligible LAG expenditure are processed in line with procedures.

Conclusion

The overall level of assurance given for this report is '**Comprehensive Assurance**'.

Overall assessment of Key Controls

The audit reviewed and assessed the controls in place to manage the following Key Control Objectives:



Key Findings

Good Practice:

- Document compliance is being monitored on two spreadsheets one for pre-claims phase and one for claim documents to ensure that all relevant paperwork is uploaded on LARCS.

Data Analysis/Continuous Auditing: Payroll and Accounts Payable

Internal Audit carries out interrogation of Payroll and Accounts Payable (Creditors) information as part of the Continuous Auditing Programme. We used the data analysis software, CaseWare IDEA (Interactive Data Extraction Analysis) and Microsoft BI to analyse the data extracted from the Council's systems.

We previously reported the results of our data analysis/continuous auditing in August 2020 (Report 202-20), which covered the period from April 2020 to June 2020 for both payroll and creditors. No significant issues were identified at that time.

Creditors/Accounts Payable

The level of assurance given as a result of the testing on authorisation is **Comprehensive Assurance**.

Payments to suppliers for July – Sept. 2020 has been analysed. There were twelve instances of an invoice being both registered and authorised by the same employee, involving five employees. These instances have been investigated and satisfactory explanations obtained.

Payroll

The level of assurance given for the period July – Sept. 2020 as a result of the testing on NI numbers and high value payments is **Comprehensive Assurance**.

No concerns were raised regarding duplicate or missing NI numbers or high value payments. One missing NI number related to a new staff member from out with the UK who is exempt from NI for the initial period of employment. Two unexpected high value payments (i.e. not Chief Officer's salaries) were investigated and found to be a retirement and a temporary staff member paid in September for work carried in in both August and September.

Implementation of Actions Resulting from Internal Audit Recommendations

Background

The summary report is presented below in accordance with the agreed reporting schedule.

Summary of Progress – Internal Audit

The figures presented in the tables below have been obtained after analysis of the audit actions recorded and monitored on the Pentana Performance system.

The information presented below reflects the position of the 54 actions overdue and in progress on 20 November 2020 (excludes actions for Angus Alive and IJB). CLT receive and review regular detailed reports on the outstanding audit actions.

- Table 1 identifies actions which are currently **overdue**.
- Table 2 identifies actions which would have been overdue but have had the **original completion date extended**.
- Table 3 details all other actions which are **currently in progress** (not yet reached due date).

At the start of the Covid-19 lockdown restrictions, due dates were extended to 30 September 2020 and advice was given to continue with work to complete actions sooner wherever possible. Covid-19 continues to have an impact on many Council services, and therefore revised completion dates are being sought from all action owners and these will be updated in due course.

Table 1 – Actions Overdue - at 20 November 2020

Directorate	Year Audit Carried Out	Level 1	Level 2	Level 3	Level 4	Not Graded	Grand Total
Communities	2018/19	-	1	-	-	-	1
Grand Total		-	1	-	-	-	1

The 2018/19 priority 2 action is:

- Communities – Report 18-14 Level 2. Environmental Protection should review current guidance, policies and procedures to ensure that they are up to date, as lean and efficient as possible, held in one place and easy to access. Update - this action has been partially achieved however the current situation has disrupted progress. We have completed the purchase of a new database, which has enabled us to rationalise procedures in line with the use of the system. A group is to be formed with colleagues in IT to work on streamlining procedures to better support the agile work of our officers.

Table 2 – Actions in progress, due date extended - at 20 November 2020

Directorate	Year Audit Carried Out	Level 1	Level 2	Level 3	Level 4	Not Graded	Grand Total
Infrastructure	2017/18	-	-	-	-	-	-
	2018/19	1	-	-	-	1	2
	2019/20	-	-	-	-	-	-
Communities	2017/18	-	-	-	-	-	-
	2018/19	-	1	-	-	-	1
	2019/20	2	-	-	-	-	2
SPT&PSR	2017/18	-	-	-	-	-	-
	2018/19	1	-	-	-	-	1
	2019/20	-	-	-	-	-	-
Finance	2017/18	-	1	1	-	-	2
	2018/19	-	1	2	-	-	3
	2019/20	-	-	-	-	-	-
HR, DE, IT & Business Support	2017/18	-	-	-	-	-	-
	2018/19	-	-	-	-	-	-
	2019/20	4	13	7	1	-	25
Legal & Democratic	2017/18	-	-	-	-	-	-
	2018/19	-	-	-	-	-	-
	2019/20	-	1	-	-	-	1
Grand Total		8	17	10	1	1	37

The 2017/18 priority 2 action is:

- Finance – Report 17-14 Level 2. We will put in place authorisation limits for grant funding for inclusion in the Financial Regulations at its next review. Update - revised due date 31 December, to align with timetable for completion of updated Financial Regulations.

The 2018/19 priority 1 and 2 actions are:

- Infrastructure - Report 18-20 Level 1. We will agree a SMART action plan for the Carbon Working Group. Revised due date 31 January 2021.
- SPT&PSR - Report 18-20 Level 1. We will finalise and agree the SECAP and put appropriate monitoring procedures in place. Update - this has been delayed until early 2021, due date extended to 31 March 2021.
- Finance - Report 18-02 Level 2. We will produce corporate guidance for services in relation to inventory recording. Update - revised due date 31 December, to align with timetable for completion of updated Financial Regulations.
- Communities – Report 18-05 Level 2. We will update the Communities Risk Register to reflect these risks. Update - awaiting review and establishment of a separate risk register for Environmental Services. This has been delayed due to other more pressing demands over the last 6 months. Due date revised to 31 December 2020.

**Table 3 – Actions in Progress - at 20 November 2020
(Not yet reached due date)**

Directorate	Year Audit Carried Out	Level 1	Level 2	Level 3	Level 4	Not Graded	Grand Total
Strategic Policy, Transformation & Public Sector Reform	2018/19	-	-	-	-	-	-
	2019/20	-	1	-	-	-	1
	2020/21	-	-	-	-	-	-
HR, DE, IT & Business Support	2018/19	-	-	-	-	-	-
	2019/20	4	6	3	-	-	13
	2020/21	-	1	-	-	-	1
Communities	2018/19	-	-	-	-	-	-
	2019/20	-	-	1	-	-	1
	2020/21	-	-	-	-	-	-
Grand Total		4	8	4	-	-	16

Summary of Progress – Counter Fraud

Since 2019 we have been working to include internal control actions resulting from counter fraud reviews in Pentana. This will allow them to be monitored more effectively. Counter Fraud recommendations are not assigned a priority.

Table 4 Actions in progress as at 20 November 2020 (Not yet reached due date)

Directorate	Year review Carried Out	Total
HR, Digital Enablement, IT & Business Support	2019/20	1
Grand Total		1

Table 5 Actions overdue as at 20 November 2020

Directorate	Year review Carried Out	Total
HR, Digital Enablement, IT & Business Support	2019/20	7
Children, Families & Justice (*actions assigned to Business Support staff)	2019/20	2
Communities	2020/21	4
Grand Total		13

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.

