



Watford Borough Council
Audit Committee Progress Report
24 November 2022

Recommendation

Members are recommended to:

- Note the Internal Audit Progress Report for the period to 11 November 2022
- Agree the change to the implementation date for six recommendations (paragraph 2.6) for the reasons set out in Appendix C
- Agree removal of implemented audit recommendations set out in Appendix C
- Note the implementation status of high priority recommendations

Contents

- 1 Introduction and Background
 - 1.1 Purpose
 - 1.2 Background

- 2 Audit Plan Update
 - 2.1 Delivery of Internal Audit Plan and Key Audit Findings
 - 2.4 Status of Internal Audit Recommendations
 - 2.8 Proposed Internal Audit Plan Amendments
 - 2.9 Performance Management

Appendices

- A Progress against the 2022/23 Internal Audit Plan
- B 2022/23 Internal Audit Plan Projected Start Dates
- C Progress against Outstanding Internal Audit Recommendations
- D Assurance and Priority Levels

1. Introduction and Background

Purpose of Report

1.1 This report details:

- a) Progress made by the Shared Internal Audit Service (SIAS) in delivering the Council's Annual Internal Audit Plan for 2022/23 as at 11 November 2022.
- b) Proposed amendments to the approved 2022/23 Internal Annual Audit Plan.
- c) Implementation status of all outstanding previously agreed internal audit recommendations from 2018/19 onwards.
- d) An update on performance management information at 11 November 2022.

Background

- 1.2 The work of internal audit is required to be reported to a Member Body so that the Council has an opportunity to review and monitor an essential component of corporate governance and gain assurance that its internal audit provision is fulfilling its statutory obligations. It is considered good practice that progress reports also include proposed amendments to the agreed annual audit plan.
- 1.3 The 2022/23 Annual Audit Plan was approved by Audit Committee on 10 March 2022.
- 1.4 The Audit Committee receives periodic updates on progress against the Annual Audit Plan from SIAS, the most recent of which was brought to this Committee on 15 September 2022.

2. Audit Plan Update

Delivery of Audit Plan and Key Audit Findings

- 2.1 As at 11 November 2022, 35% of the 2022/23 Audit Plan days had been delivered for the combined WBC and Shared Services audit plans (excludes 'To Be Allocated' days). Appendix A provides a status update on each individual deliverable within the audit plan.
- 2.2 The following 2022/23 report has been finalised since September 2022 Audit Committee:

Audit Title	Date of Issue	Assurance Level	Number and Priority of Recommendations
Watford Museum	Oct '22	Limited	Five medium One low

- 2.3 In arriving at our overall Limited assurance opinion on the Watford Museum audit, we concluded that following the museums reopening, there has been re-engagement with community groups, and progress has been made in relation to

working with emerging audiences and providing stimulating learning and discovery activities for users. However, in terms of future re-accreditation, it was identified that material work is still required before April 2023 to be able to demonstrate compliance with some aspects of the accreditation criteria. This included the updating of key documentation or policies, additional clarity in relation to governance (specifically decision making) arrangements, consistency over the application of the agreed loans process and full migration of inventory records to the Modes database. Our limited assurance opinion reflects the risks related to the reducing timescale available to complete the above actions, and the control improvements required.

Status of Audit Recommendations

- 2.4 Audit Committee Members will be aware that a Final Audit Report is issued when it has been agreed by management and includes an agreement to implement the recommendations made. It is SIAS's responsibility to bring to Members' attention the implementation status of all audit recommendations. It is the responsibility of officers to implement recommendations by the agreed date.
- 2.5 The table below summarises progress in implementation of all outstanding internal audit recommendations as at 11 November 2022, with full details in Appendix C:

Year	Recommendations made No.	Implemented	Not yet due	Outstanding & a request made for extended time, or no update received	Percentage implemented %
2018/19	30	29	0	1	97%
2020/21	28	26	1	1	93%
2021/22	37	31	2	4	84%
2022/23	6	0	6	0	0%

- 2.6 Since 15 September 2022 Audit Committee, extension to implementation dates have been requested by action owners for six recommendations as follows:
- One from the 2018/19 Benefits audit, with a revised target date of 30 November 2022 (was 31 October 2022).
 - One from the 2020/21 Debtors audit, with a revised target date of 31 December 2022 (was 31 October 2022).
 - One from the 2021/22 Main Accounting audit, with a revised target date of 31 December 2022 (was 31 October 2022).
 - One from 2021/22 Cyber Security audit, with a revised target date of 31 March 2024 (was 31 March 2023).
 - One from the 2021/22 Creditors audit, with a revised target date of 31 December 2022 (was 31 October 2022).
 - One from the 2021/22 Operational Buildings Compliance audit, with a revised target date of 16 December 2022 (was 30 September 2022).

- 2.7 No new high priority recommendations have been made since September 2022 Audit Committee. Three of the four high priority recommendations previously reported (all from the Operational Buildings Compliance audit) have now been implemented. The target date for the final high priority recommendation has been extended from 30 September to 16 December 2022. Further details of these recommendations and their implementation status is provided within Appendix C of this update report.

Proposed Audit Plan Amendments

- 2.8 There are no changes to the 2022/23 Watford Borough Council or shared Services Audit Plans to bring to the attention of this meeting of the Audit Committee.

Performance Management

- 2.9 To help the Committee assess the current situation in terms of progress against the projects in the 2022/23 Audit Plan, we have provided an analysis of agreed start dates at Appendix B. These dates have been agreed with management and resources allocated.
- 2.10 Annual performance indicators and associated targets were approved by the SIAS Board in March 2022. Actual performance for Watford Borough Council against the targets that can be monitored for 2022/23 is shown in the table below.

Performance Indicator	Annual Target	Profiled Target to 11 November 2022	Actual to 11 November 2022
1. Internal Audit Annual Plan Report – approved by March Audit Committee or the first meeting of the financial year should a March committee not meet	Yes	N/A	Yes
2. Annual Internal Audit Plan Delivery – the percentage of the Annual Internal Audit Plan delivered (excludes unused contingency days)	95%	42% (95 / 227.5 days)	35% (79.5 / 227.5 days)
3. Project Delivery – the number of projects delivered to draft report stage against projects in the approved Annual Internal Audit Plan	95%	26% (5 out of 19 projects to draft)	21% (4 out of 19 projects to draft)
4. Client Satisfaction* – percentage of client satisfaction questionnaires returned at	95%	100%	100%

Performance Indicator	Annual Target	Profiled Target to 11 November 2022	Actual to 11 November 2022
'satisfactory overall' level (minimum of 39/65 overall)			(based on two received)
5. Chief Audit Executive's Annual Assurance Opinion and Report – presented at the first Audit Committee meeting of the financial year	Yes	N/A	Yes

2.11 With regard to performance indicator 3 (project delivery) in the above table, the project not yet at draft report stage that was originally expected to be completed at this point in the year is Sundry Debtors. The audit was scoped in July and scheduled to commence in late September and be completed in October. At the time of writing this report, the audit is in the early stages of fieldwork and not now expected to be at draft report until mid-December.

APPENDIX A - PROGRESS AGAINST THE 2022/23 AUDIT PLAN AT 11 NOVEMBER 2022

2022/23 SIAS Audit Plan

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Key Financial Systems									
Council Tax (shared services plan)						10	SIAS	2	Terms of Reference Issued – Fieldwork due to start in December 2022
Financial Reconciliations (shared services plan)						12	BDO	1	In Planning – Fieldwork due to start in February 2023
Fixed Asset Register (shared services plan)						10	BDO	0	Due to start quarter 4
NDR (shared services plan)						10	SIAS	2	Terms of Reference Issued – Fieldwork was due to start in October 2022
Payroll (shared services plan)						12	SIAS	0	Due to start quarter 4
Sundry Debtors (shared services plan)						10	BDO	3	In Fieldwork
Treasury (shared services plan)						8	SIAS	0	Due to start quarter 4
Operational Audits									
Climate Emergency Follow Up						3	SIAS	1	In Fieldwork
Asset Management System Data						10	BDO	0.5	In Planning
Museum	Limited	0	0	5	1	10	SIAS	10	Final Report Issued
FOI						8	SIAS	0	Due to start quarter 4

APPENDIX A - PROGRESS AGAINST THE 2022/23 AUDIT PLAN AT 11 NOVEMBER 2022

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
Trees						8	SIAS	0	Due to start quarter 4
Website Redesign						8	BDO	2	Terms of Reference Issued – Fieldwork due to start in January 2023
Green Homes Grant	Unqualified	-	-	-	-	3	SIAS	3	Final Report Issued
COMF Grant Certification	Unqualified	-	-	-	-	0.5	SIAS	0.5	Final Report Issued
Contract Management, Project Management & Procurement									
Project Management						12	BDO	3	In Fieldwork
Contract Management						12	BDO	2	Terms of Reference Issued – Fieldwork due to start in January 2023
Governance									
Corporate Governance						12	BDO	11.5	Draft Report Issued
IT Audits									
Cyber Security (shared services plan)						15	BDO	0	Due to start quarter 4
Shared Learning / Joint Reviews									
Shared Learning / Joint Reviews						4		2	Through Year
Follow Ups									
Follow up of Audit Recommendations						8		6	Through Year

APPENDIX A - PROGRESS AGAINST THE 2022/23 AUDIT PLAN AT 11 NOVEMBER 2022

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS				AUDIT PLAN DAYS	LEAD AUDITOR ASSIGNED	BILLABLE DAYS COMPLETED	STATUS/COMMENT
		C	H	M	L				
To Be Allocated									
Unused Contingency (shared services plan)						4		0	To Be Allocated
Strategic Support									
2023/24 Audit Planning						6		0	Due quarter 4
Annual Governance Statement						3		3	Complete
Audit Committee						10		7	Through Year
Head of Internal Audit Opinion 2021/22						3		3	Complete
Monitoring & Client Meetings						7		4	Through Year
SIAS Development						3		3	Complete
Completion of 2021/22 audits									
Time required to complete work commenced in 2021/22 (7 days shared plan; 3 days WBC)						10	N/A	10	Complete
WBC TOTAL						133.5		64.5	
SHARED SERVICES TOTAL						98		15	
COMBINED TOTAL						231.5		79.5	

Key to recommendation priority levels: C = Critical; H = High; M = Medium; L = Low / Advisory.

APPENDIX B – AUDIT START DATES 2022/23

Apr	May	June	July	August	September
	Museum Final Report Issued	Corporate Governance Draft Report Issued	Website Redesign* (See Footnote)		Sundry Debtors (Shared services plan) In Fieldwork
		Green Homes Grant Final Report Issued	COMF Grant Certification Final Report Issued		Contract Management In Planning

October	November	December	January	February	March
Project Management In Fieldwork	Asset Management System Data In Planning	FOI	Trees	Cyber Security (Shared services plan)	
Climate Emergency Follow Up In Fieldwork	Council Tax (Shared services plan) Terms of Reference Issued	Financial Reconciliations (Shared services plan)	Treasury (Shared services plan)	Payroll (Shared services plan)	

APPENDIX B – AUDIT START DATES 2022/23

<p>NDR (Shared services plan) Terms of Reference Issued</p>		<p>Fixed Asset Register (Shared services plan)</p>	<p>Website Redesign* Terms of reference Issued</p>		
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* Website Redesign audit moved from July 2022 to January 2023 at the request of the service due to staff absence.

Audit Plan 2018/19

Benefits 2018/19							
Final report issued April 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	We recommend that testing of the module is carried out to reinstate the ability to delete obsolete data.	Medium	<p>Position – 21 August 2019 The system is designed to destroy all documents that are older than 6 years plus current. We discovered that the system was not working properly and has destroyed some documents that are still required to support live Benefit claims and therefore we need to retain. Clearly, we could not allow that to continue so the system has been suspended. We have sought advice on how to fix this issue from the system provider and are awaiting their response. I have chased this today and have also now asked if it's possible to use the system in part so that we can carry on destroying old documents that we no longer require for Council Tax and Business Rates and unsuspend the Benefits part of the system once we have fixed the problem. I will escalate this issue in a week if I have not had a response.</p> <p>Position – September 2019 Issue has now been escalated with Northgate.</p> <p>Position – February 2020 The Northgate system is currently being upgraded. The upgrade is now available in test and the live upgrade is due to take place 1st and 2nd May 2020. We will test this module of the system as part of the overall testing. If this module works, we will be able to run scripts which will 'back archive' documents that would have been due to be archived since it was</p>	Benefits Manager	31 May 2019	*	<p>31 October 2019</p> <p>30 June 2020</p> <p>30 Sept 2020</p> <p>31 March 2021</p> <p>30 Sept 2021</p> <p>30 November 2021</p> <p>31 January 2022</p> <p>15 March 2022</p> <p>31 August 2022</p> <p>31 October 2022</p>

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Benefits 2018/19 Final report issued April 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>discovered the system was not working properly.</p> <p>Position – July 2020 The required Northgate system upgrade was due to be live now but has been delayed as a result of COVID-19. Northgate have currently rescheduled the upgrade for 8-9 September 2020 and when this takes place, we will test the module and if this is working as expected, run the necessary scripts to archive the data that should have been deleted.</p> <p>Position – November 2020 The required system upgrade was planned for the end of October but did not go live due to system performance issues. This is now expected in March 2021. Discussions are however, taking place with Northgate to see if an interim measure is available so that obsolete data can be removed from the system.</p> <p>Position – February 2021 We are on schedule to upgrade the information@work system 19/20 March 2021. Once it's upgraded, we can re-test the retention and destruction module.</p> <p>Position – July 2021 The system upgrade planned for March 2021 did not go-ahead as we had limited time to carry out testing and were not in a position to be able to sign off the product. A new go-live date has been set for 7/8 September 2021 and testing has commenced.</p> <p>Position – September 2021</p>				30 November 2022

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Benefits 2018/19 Final report issued April 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>We currently are unable to upgrade due to not having a fully operational Test system. All parties are in communication and are trying to identify the issue so that we can progress with testing.</p> <p>Position – November 2021 The upgrade to our Document Processing System is now scheduled to take place on 20 & 21 January 2022. Revs and Bens have been working with our IT department and our supplier to overcome the problems we had with the test system. Testing is scheduled to start this month (November 2021).</p> <p>Position – February 2022 The long-awaited upgrade took place on 04.02.22. We are now amending the scripts that will destroy the old documents. The scripts are being amended to do two things that they did not do before: 1. To look for claims that have an outstanding housing benefit overpayment but a non-live housing benefit claim, and 2. Live housing benefit claims. Where the script identifies claims under 1 & 2 no documents will be destroyed regardless of their age as they may be required for audit, for fraudulent investigations and for recovery of overpayments.</p> <p>Position – July 2022 Consultancy is being arranged to assist with a complete re-write of the scripts to destroy unwanted documents. Whilst the writing and testing of a new script is in progress which will automate the whole process, we will manually start identifying old documents and destroy them.</p>				

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Benefits 2018/19 Final report issued April 2019							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>Position – August 2022 No update received – deadline has been reached and no revised target dare requested.</p> <p>Update received September 2022 but after reporting deadline for September 2022 Audit Committee: Training on how to write the script required to make the retention & destruction module work took place on 12.09.22 (a re-write of the scripts was necessary as the original script could not be located and the officers who wrote and implemented the original scripts no longer work for the authority). We have a few matters to check in terms of the corporate retention polices and a few system parameters to check and then we can switch the module on. Once the script has run once we will know how many documents we have to destroy and how long it will take to destroy them all on the basis we can run the script for a couple of hours every evening and longer at the weekend.</p> <p>Position – November 2022 Some testing and prep work carried out, things were delayed a little due to delivery of the Energy Fuel Rebates and testing for a server migration. Going live week commencing 14.11.22 with a selection of document types which will be increased until all document types are included.</p>				

Audit Plan 2020/21

Communications 2020/21 Final report issued May 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>We recommend that the service updates all its policies to ensure that they reflect the current process followed.</p> <p>Going forward, the service should ensure that the policies are updated at regular intervals, and proper version control introduced.</p>	Low	<p>These policies were due to be updated in 2020 but due to the impact of Covid-19 this has been delayed.</p> <p>Position – July 2021 No update received.</p> <p>Position – September 2021 The service has had a very busy summer leading on the communications and engagement for a range of priority council initiatives and projects (e.g. mass vaccination clinics, Sustainable Transport Strategy). An additional resource provided by a Kickstart appointment will be supporting this work.</p> <p>Position – November 2021 Overall guidance on publicity and communications has been updated. The team is still working through additional policies.</p> <p>Position – February 2022 Main policies updated.</p> <p>Position – July 2022 Review of all policies underway for 2022/23.</p> <p>Position – August 2022 Main policies updated – additional ones under review.</p> <p>Position – November 2022 In progress.</p>	Communications and Engagement Lead	31 October 2021	*	<p>28 February 2022</p> <p>31 March 2023</p>

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Debtors 2020/21 Final report issued June 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
03	Consideration should be given to an annual review of debtor accounts to identify duplicate or dormant for deletion or deactivation.	Low	<p>Position – July 2021 We will speak to Finance about the best way of doing this.</p> <p>Position – September 2021 A complete review of the entire Sundry Debtor service has recently been commenced and this will be included as part of the review.</p> <p>Position – November 2021 No update received.</p> <p>Position – February 2022 No update received.</p> <p>Position – July 2022 To date we have not been able to resource this review as we have had to prioritise Grant work and more recently the Council Tax Energy Rebates. We will pick up this project towards the end of the calendar year once the Energy rebate work is completed.</p> <p>Position – August 2022 No update received – target date not yet reached.</p> <p>Update received September 2022 but after reporting deadline for September 2022 Audit Committee: Finance are going to run and extract this data from the Finance System which Revs & Bens will then check. It may be completed before 30 October 2022, it really depends on how many are on the list.</p> <p>Position – November 2022</p>	Recovery Team Leader, Revenues Manager and Finance.	31 August 2021	*	<p>31 October 2021</p> <p>31 October 2022</p> <p>31 December 2022</p>

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Debtors 2020/21							
Final report issued June 2021							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>The lists were provide by Finance mid-September but work has not yet commenced as the entire Revs and Bens Service was delivering the Energy Fuel Rebate payments. Work will commence on the lists week commencing 14.11.22.</p>				

Audit Plan 2021/22

NDR 2021/22							
Final report issued March 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>We recommend that:</p> <ul style="list-style-type: none"> A review of existing NDR cases pending write-off is conducted and decisions taken regarding whether or not cases should proceed to write-off. <p>Write-offs are conducted at regular intervals going forward (e.g. quarterly).</p>	Medium	<p>In 2022/23 write-offs will be done on a monthly basis.</p> <p>Position – July 2022 No update received.</p> <p>Position – August 2022 No update received – target date has been reached.</p> <p>Update received September 2022 but after reporting deadline for September 2022 Audit Committee: Resolved</p> <p>Position – November 2022 Resolved</p>	Revenues Manager	31 March 2022	✓	

Safeguarding 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>When temporary staff members are being appointed, the Council should ensure that necessary safeguarding checks have been completed prior to the employee starting work, and that appropriate records are maintained.</p> <p>If there is an expected delay to such checks being performed, a decision</p>	High	<p>HR Management will remind Comensura of the pre-employment checks required by Watford prior to someone starting.</p> <p>HR will carry out spot checks of temporary staff and ask Comensura [or any other provider] to provide evidence of the checks undertaken at least annually.</p>	HR Operations Lead	<p>1 June 2022</p> <p>1 April 2023</p>	<p>✓</p> <p>*</p>	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Safeguarding 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	should be recorded to delay the start date until completed		<p>HR will ensure the specification for a future agency partner includes all requirements for pre-employment checks to be undertaken and the checking process to be in place to ensure compliance.</p> <p>Recruiting Managers across the council will be reminded of the need to ensure all compliance documentation is received prior to commencement of staff in post and the different requirements if agency staff come through Comensura or direct through agency to the council.</p> <p>Position – July 2022 Comensura have been reminded of the pre-employment checks required. Their booking system has the requirement for a DBS check as a pre-requisite. The tender specification for the current tender process for future agency partner has included the requirement for DBS checks to be carried out. HRBPs have reminded managers of the compliance documentation required and this will be raised as new bookings are made.</p> <p>Position – August 2022 All recommendations are complete except the one action in progress (spot checks) This has a due date of 1 April 2023.</p> <p>Position – November 2022 The position regarding spot checks will be taken up with Hays (the new contractor/agency partner who commence their contract with the Council on 05 December 2022).</p>		<p>When required.</p> <p>1 June 2022</p>	<p>✓</p> <p>✓</p>	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Main Accounting 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
03	<p>We recommend that procedure notes are produced for feeder system reconciliations to enable them to be carried out correctly and checked in a timely manner.</p> <p>We also recommend that Benefits system reconciliations are signed and dated by another person in Finance.</p>	Low	<p>Procedure documents will be reviewed and updated/created as required.</p> <p>Timeliness of reconciliation will be monitored and managed as part of the tracking processes referenced in the response recommendation 2, above.</p> <p>Position – July 2022 On target.</p> <p>Position – August 2022 In progress and on target - target date is 31 October 2022.</p> <p>Position – November 2022 In progress – we have a reconciliation tracker and have most of the procedures notes however this has provided an opportunity to rework and improve a small number of processes, which is currently being done as part of this work.</p> <p>Target date is now 31 December 2022.</p>	Finance Section Head / Finance Systems Manager	31 October 2022	*	31 December 2022

Procurement Cards 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	All transaction logs should be signed off by the card holder and a member of management to ensure that transactions are accurate and that there is a reviewer who can confirm	Medium	Existing guidance covers the requirement to retain receipts, and to document net/vat split on their transaction logs. Guidance will be re-circulated with a reminder of the importance of observing these requirements.	Finance Manager – Systems Shared Services	20 May 2022	✓	4 August 2022

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Procurement Cards 2021/22								
Final report issued April 2022								
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline	
	<p>that the transactions are appropriate and in line with Council needs.</p> <p>Receipts for all transactions should be retained to ensure VAT is being accounted for appropriately and there is evidence for the purchases made.</p> <p>VAT should be appropriately accounted for on transaction logs as this can affect the amount of recoverable VAT the Council can claim back, therefore creating unnecessary losses.</p>		<p>In mitigation we can suspend the use of cards where holders do not comply with the requirements. Transaction logs and receipts are reviewed by Finance Officers do not post VAT element if a receipt is not provided.</p> <p>Position - July 2022 New guidance has been written and will be sent out by the end of July.</p> <p>Position – August 2022 Procedure adjusted to reflect all recommendations.</p> <p>TRDC email sent 30/08/22. WBC email written and to be sent 26/09/22.</p> <p>Position – November 2022 New process is now in place covering all recommendations. This is resolved.</p>					26 September 2022
02	<p>Controls should be implemented to mitigate the risk of potential fraud and overspend on budget from multiple people using the same procurement card. This could be in the form of acquiring a finance system to support the use of procurement cards, by providing other card users with their own card or through creating a system with the banks to provide single use e-cards for one-off transactions.</p>	Medium	<p>A reminder of existing rules against the sharing of cards will be circulated.</p> <p>Position – July 2022 New guidance has been written and will be sent out by the end of July.</p> <p>Position – August 2022 Procedure adjusted to reflect all recommendations.</p> <p>TRDC email sent 30/08/22. WBC email written and to be sent 26/09/22.</p> <p>Position – November 2022 New process is now in place covering all recommendations. This is resolved.</p>	Finance Manager – Systems Shared Services	20 May 2022	✓	<p>1 August 2022</p> <p>26 September 2022</p>	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Procurement Cards 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>A review of card holders will be undertaken to ensure cards are held at the appropriate level. This will follow the evaluation of potential system solutions for the management of purchasing cards.</p> <p>If a system solution is pursued, it may result in the ability to use an e-card and/or single-use card technologies which will further mitigate the risk of cards being shared.</p> <p>Position – July 2022 We will be sending communications which will cover sharing of cards and the correct people to have cards by the original target date.</p> <p>Position – August 2022 Procedure adjusted to reflect all recommendations</p> <p>TRDC email sent 30/08/22. WBC email written and to be sent 26/09/22.</p> <p>Position – November 2022 New process is now in place covering all recommendations. This is resolved.</p>		31 October 2022		

Cyber Security 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	1.1 Management should ensure that appropriate monitoring controls are in place for the password	Medium	01 Mar 2022 the Azure AD Password Protection was implemented. Users will not be able to change passwords to weak	Associate Director of ICT	31 March 2023	*	31 March 2024

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Cyber Security 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	<p>monitoring and management activities. These should include but not be limited to the following:</p> <ul style="list-style-type: none"> • brute-forcing of account passwords including password spraying, • login attempts from unexpected geographic areas, • unexpected account lockouts • password database for the deny list hashes, • other unusual behaviour from users. <p>1.2 The above proposed controls, once in place, should be actively reported upon, through the periodic cyber security reports, to the senior management.</p>		<p>passwords nor known passwords nor passwords from our Ban List of passwords.</p> <p>1.1 – requires a third-party tool and associated funding would be required. The implementation of the password protection for Azure AD lowers the risk.</p> <p>1.2 - this would be dependent on the ability to fund with a third-party tool – 1.1.</p> <p>Position – July 2022 Third party tools currently being reviewed and costed. Item not yet due.</p> <p>Position – August 2022 1.1 - Third party tools have been evaluated and Netwrix has been selected as the preferred tool.</p> <p>1.2 – Netwrix had demonstrated the tool in detail and a 30-day trial to test the system further is available.</p> <p>1.3 – Quotation for 1- and 3-year option has been provided.</p> <ul style="list-style-type: none"> • 1-year option - £7,806 • 3-year option - £16,483 <p>1.4 – Implementation of the tool will be dependent on the ability to fund the third-party tool, this will require an approval by ITSG for an additional spend. A paper to review this recommendation and request any growth in budget 2022.</p> <p>Position – November 2022 1.1 – Due to the audit which was performed by DLUHC, the scope of the</p>	and Shared Services			

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Cyber Security 2021/22 Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>security posture has extended. The grant to address the sections of the new recommendations within the scope has been successfully secured.</p> <p>1.2 – The evaluation of the third-party tool has been extended, due to the new requirements within the scope presented post the DLUHC audit.</p> <p>1.3 The new proposed completion dates recommended by DLUHC is end of Q4 March 2024.</p>				
03	Management should conduct regular monthly vulnerability scans across the entire IT estate including endpoint, to identify and mitigate vulnerabilities including software flaws, missing patches, misconfigurations and malwares.	Low	<p>This would require additional budget and would need a growth item approved, as there are licence implications for the Qualys scanner.</p> <p>Position – July 2022 Extension of current third-party tools currently being reviewed and costed. Item not yet due.</p> <p>Position – August 2022 1.1- Third party Qualys had introduced a new module which will enable the management of remote devices through the cloud.</p> <p>1.2 – Both options are currently being evaluated and costed. Decision made will be based on cost, functionality, and management.</p> <p>Position – November 2022 1.1 – Due to the allocation of a new Account Manager at Qualys and the changes within the licensing structure, Qualys are currently reviewing the proposed quotation to align the requirements with the new licensing structure.</p>	Associate Director of ICT and Shared Services	31 March 2023	*	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Cyber Security 2021/22							
Final report issued April 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			1.2 – Workshop with Qualys has been scheduled to discuss the new proposed licensing structure and the modules which are required to enable the management of the devices remotely through the cloud and not relying on the VPN.				

Contract Waivers 2021/22							
Final report issued June 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	We recommend Procurement and Legal advice is sought (and recorded on the corporate form) before waivers are raised and sent to management for approval.	Medium	<p>This will need discussion with Leadership Board (WBC) / Corporate Management Team (TRDC) and if agreed amendment to the existing firmstep forms.</p> <p>Position – July 2022 Not yet due.</p> <p>Position – August 2022 Not yet due</p> <p>Position – November 2022 The amendment of the form has been investigated and does not seem practicable. Requested a comments box for completion from Legal and Procurement. This is in development.</p>	End of September discussion with Leadership Board / Corporate Management Team	30 September 2022	✓	
02	A tracker should be established to record the waiver process and waivers should remain “open” until all relevant evidence is received from	Low	The shared service procurement manager should now receive copies of all exemptions. Agree to prepare an annual waivers report for both authorities.	Procurement Manager	31 March 2023	✓	

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Contract Waivers 2021/22							
Final report issued June 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	services to demonstrate compliance with the Contract Procedure Rules. An annual waivers report should be produced for senior management and members at both authorities to ensure there is accurate and transparent reporting of waiver activity.		<p>Position – July 2022 Not yet due.</p> <p>Position – August 2022 Not yet due.</p> <p>Position – November 2022 This has been produced for both authorities in the Annual spend report.</p>				

Creditors 2021/22							
Final report issued July 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
02	<p>We recommend:</p> <p>1. The Council creates a policy/procedure covering the use of CHAPS and Faster Payments. This will include:</p> <ul style="list-style-type: none"> The criteria which must be met to use CHAPS and Faster payments, The process for requesting and approving these payments, Which officers can request and approve these payments and how delegated limits will be set. <p>2. The Council updates the Payment Voucher request procedure to outline the types of payments which are eligible and ineligible to be made using this method.</p>	Medium	<p>A process note for CHAPS and Faster Payments will be written along with a scheme of delegation, agreed by S151 Officer and published on the intranet.</p> <p>Agreed and will be published as per the above.</p>	Finance Manager (Systems)	26 August 2022	* - part 1 and 2 resolved. Revised deadline for part 3.	<p>31 October 2022</p> <p>31 December 2022</p>

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Creditors 2021/22							
Final report issued July 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	3. The policy and procedures for CHAPS, Faster Payments and Payment Vouchers are communicated/re-communicated to all relevant staff across the Council (e.g., in a corporate communication) and placed on key staff systems such as the Intranet for reference		<p>Agreed they will be published on the intranets and a communication to all staff.</p> <p>Position - July 2022 Not yet due.</p> <p>Position – August 2022 1 is resolved ✓ process note created. 2 is resolved ✓ process updated.</p> <p>3 We will publish revised note and new note on the intranet along with Delegated authority listings.</p> <p>New deadline: 31 October 2022</p> <p>Position – November 2022 Process notes have been written.</p> <p>There are issues with intranet, so these will be circulated by email,</p> <p>Delegated authority lists to be run and agreed.</p> <p>Again, there are issues with intranet so these will be published when intranet issues resolved.</p>				

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Benefits 2021/22							
Final report issued July 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>We recommend that:</p> <ul style="list-style-type: none"> A review of existing housing benefit overpayment cases pending write-off is conducted and decisions taken regarding whether or not cases should proceed to write-off. Write-offs should be conducted at regular intervals going forward (e.g. quarterly). 	Medium	<p>Agreed.</p> <p>Position - July 2022 Not yet due.</p> <p>Position – August 2022 No update received – deadline has been reached.</p> <p>Update received September 2022 but after reporting deadline for September 2022 Audit Committee: Resolved</p> <p>Position – November 2022 Resolved</p>	Recovery Team Leader	31 July 2022	✓	
02	<p>We recommend that the number of officers with administrator privileges on the Academy system should be restricted to a minimum number of individuals to preserve the integrity and security of the system.</p>	Low	<p>Agreed.</p> <p>Position - July 2022 Not yet due.</p> <p>Position – August 2022 No update received – deadline has been reached.</p> <p>Update received September 2022 but after reporting deadline for September 2022 Audit Committee: This is being done under a complete review of all users permissions not just those with admin rights. It is 80% complete.</p> <p>Position – November 2022 Completed</p>	Data & Performance Manager	31 July 2022	✓	30 September 2022

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Council Tax 2021/22							
Final report issued July 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>We recommend that:</p> <ul style="list-style-type: none"> A review of existing Council Tax cases pending write-off is conducted and decisions taken regarding whether or not cases should proceed to write-off. Write-offs are conducted at regular intervals going forward (e.g. monthly). 	Medium	<p>Agreed.</p> <p>Position - July 2022 Not yet due.</p> <p>Position – August 2022 No update received – deadline has been reached.</p> <p>Update received September 2022 but after reporting deadline for September 2022 Audit Committee: Resolved</p> <p>Position – November 2022 Resolved</p>	Revenues Team Leader	<p>31 August 2022 for the review of write-off's pending.</p> <p>Ongoing write off's to be processed monthly starting from July 2022.</p>	✓	

Operational Buildings Compliance 2021/22							
Final report issued July 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
03	<p>The Compliance & Maintenance Officer should generate monthly reports for the Facilities Manager and the Leadership Board to review on the compliance rates in relation to the following health and safety areas:</p> <ul style="list-style-type: none"> Gas Safety Electrical Safety Fire Safety Legionella Safety Lift Safety 	High	<p>FM to provide programme on a monthly basis to Leadership Board. This will include information on risk assessments and progress with remedial actions.</p> <p>Position – August 2022 Compliance report to be provided to senior management on a monthly basis. New asset management system (concerto) will be able to generate regular management reports. FM produce a spreadsheet on current status of compliance that can be provided in the meantime.</p>	Head of Corporate Asset Management / Facilities Manager	31 July 2022	*	<p>30 September 2022</p> <p>16 December 2022</p>

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Operational Buildings Compliance 2021/22							
Final report issued July 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	The reports should outline the risk assessments undertaken, progress, outcomes, remedial actions completed, due and those delayed for greater oversight. The remedial actions should have an assigned action owner and due date for completion.		Position – November 2022 All compliance information has been uploaded on asset management system but testing and training still required for FM. Training to be undertaken in November with reports generated from December.				
04	The Facilities Manager should assign a responsible officer as well as a suitable/achievable deadline for all outstanding recommended actions. The deadlines set should align with the HCC guidance, which is immediate, 1 week, 2 weeks, 1 month and three months for high and medium actions.	High	Monthly review and sign off by senior management on actions and recommendations to be reviewed and signed off by H & S. Position – August 2022 All actions now completed but requires sign off by H&S Adviser (meeting on 30/8/22). Target date not yet reached. Position – November 2022 All actions were completed and have now been signed off by the H & S Adviser.	Facilities Manager	15 September 2022	✓	7 October 2022
06	The Facilities Manager should merge all policies in relation to health and safety in buildings to create an overarching Monitoring Compliance section in the Council Buildings Policy. The Policy should provide detailed guidance on fire safety, electrical safety, water safety, legionella and general health and safety (including Gas, Asbestos and Lift safety). The policy should outline responsibilities and the frequency of the risk assessments (for gas safety, legionella, fire safety and lift safety) to ensure that the Inspectors are aware	Medium	To be updated for ratification at the next H & S Committee meeting. Position – August 2022 To update procedures for ratification at next H&S Committee (date to be confirmed by Head of HR). Target date reached. Position – November 2022 All policies have been updated and are now included in monitoring/compliance guidance for the responsible site manager.	Facilities Manager	31 July 2022	✓	7 October 2022

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Operational Buildings Compliance 2021/22							
Final report issued July 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	of the expected frequency of the inspections. In addition, the author, approval, and the proposed review date should be clearly outlined within the policy to ensure that it is updated regularly to align with government guidance.						
07	<p>An automated process should be implemented for the compliance checks completed by the tenants. This will ensure that all checks are recorded, reported, and escalated where necessary and decrease the risk of manual error.</p> <p>The CAM Team should arrange training sessions with Site Managers to provide guidance on how compliance checks should be completed and recorded.</p>	Medium	<p>A document for building managers / tenants has been produced and a programme of visits explaining responsibilities of building managers/tenants relating to compliance is already underway. We will also share logs of all compliance checks with building managers/tenants.</p> <p>Position – August 2022 FM have produced a document on responsibility of senior manager for buildings and started to roll out programme e.g. Museum already addressed.</p> <p>Position – November 2022 Training for buildings managers was completed in September to ensure they are aware of their responsibilities. FM have produced a document on building compliance that details roles and responsibilities.</p>	Compliance & Maintenance Officer	31 July 2022	✓	30 September 2022

Audit Plan 2022/23

Watford Museum 2022/23							
Final report issued October 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
01	<p>We recommend that the statement of purpose for the Watford Museum provides a clear link and reference to the Council's cultural strategy.</p> <p>We also recommend that the existing delegated authority arrangements are reviewed to ensure that they are sufficiently clear, with a local scheme of delegation created where sub-delegations are in place (for example responsibilities assigned from the Group Head or Head of Service to the Museum Curator).</p>	Medium	<p>The statement of purpose will be developed as the forward plan is revised and to align with the ambitions for the Town Hall Quarter and to link to the cultural strategy.</p> <p>Position – November 2022 Being planned.</p> <p>Museum Governance will be reviewed as part of the process of developing the Arts Council Accreditation Forward Plan and Associated Policies (Action 2) and Town Hall Quarter redevelopment plans.</p> <p>Position – November 2022 Being planned.</p> <p>Interim interventions shall include a rapid review of the constitution to enable key delegations to officers in the following areas:</p> <ol style="list-style-type: none"> 1) Acquisitions/disposals 2) Loans 3) Approval of temporary exhibition programmes 4) Approval of ACE forward plan submission <p>Position – November 2022 This is complete.</p>	Associate Director of Environment	<p>30 April 2023 (subject to Arts Council Submission date)</p> <p>30 April 2023 (subject to Arts Council Submission date)</p> <p>30 November 2023 (subject to Arts Council Submission date)</p>		

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Watford Museum 2022/23 Final report issued October 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
			<p>Longer term a more substantive governance model will be developed in key areas such as exhibitions, audience development and collections management.</p> <p>Position – November 2022 Being planned.</p>		30 April 2023 (subject to Arts Council Submission date)		
02	<p>We recommend that all documents or policies are fully completed or subject to review and update prior to the end of the financial year, with policies passed to the Executive for approval.</p> <p>We also recommend that a log is kept of all policies, including the last and the next review dates, to ensure that they are reviewed in a timely manner in future years.</p>	Medium	<p>Arts Council re accreditation is due for submission in April 2023 at the earliest. (The Arts Council will inform us when they require us to submit). A project will be created using EPMO protocols to oversee delivery and approval of the forward plan and policies, linked to the Museum Project and THQ programme boards and revised governance. Some policies are in development already.</p> <p>Monitoring of policies will be brought into service delivery and as a KPI or service plan output.</p> <p>Position – November 2022 Being planned.</p>	Associate Director of Environment	30 April 2023 (subject to Arts Council Submission date)		
03	<p>We recommend that the recording of collections onto Modes continues to progress and is completed prior to any planned relocation to both improve information for planning revised displays in the new setting, but also to assist with the control of the moving process.</p> <p>The current investigation of the one item identified as missing should be concluded at the earliest opportunity,</p>	Medium	<p>PID is drafted for the Museum Collection Project and resources allocated. Monitoring occurs at Museum Project Board. A vacant position is impacting progress.</p> <p>Position – November 2022 Complete.</p> <p>Complete investigation.</p> <p>Position – November 2022 On hold due to staff absence, deadline will be met.</p>	Associate Director of Environment	<p>Mid 2024</p> <p>31 December 2023</p>		

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Watford Museum 2022/23 Final report issued October 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	with further advice on required actions being sought if the item cannot be located.						
04	<p>We recommend that all staff are reminded of what paperwork needs to be completed for loans including the log which would summarise what items were currently on loan.</p> <p>We also recommend that policies are updated to reflect the approval delegation authorities included within the constitution.</p> <p>Finally, consideration should be given to clarifying within the constitution the value and time thresholds above which loans of objects are required to be authorised, and below this value the local delegation that has been agreed.</p>	Medium	<p>Staff training on loans process to be implemented. Develop log of loans and regularly monitor.</p> <p>Position – November 2022 On hold due to staff absence, deadline will be met.</p> <p>See action against recommendation 1.</p> <p>Position – November 2022 Being planned.</p> <p>See action against recommendation 1.</p> <p>Position – November 2022 Being planned.</p>	Curator	31 December 2023		
05	<p>We recommend that an action plan is put in place to support the identification, control and monitoring of remaining key actions in respect of the accreditation preparation. This should include the actions required, target dates and action owners.</p> <p>The above action plan should also include the recommendations made in this report and progress should be</p>	Medium	<p>See actions against recommendations 2 and 3.</p> <p>Position – November 2022 Being planned.</p>	Associate Director of Environment			

APPENDIX C – AUDIT RECOMMENDATIONS FOLLOW UPS – NOVEMBER 2022

Watford Museum 2022/23 Final report issued October 2022							
Ref No.	Recommendation	Priority	Action to Date	Responsibility	Deadline	Resolved * or ✓	Revised Deadline
	monitored by Senior Managers on a monthly basis.						
06	<p>We recommend that advice is sought from the Council's insurers as to the frequency of review of valuations. Upon completion of any future revaluations, this should also support a review of the existing levels of insurance.</p> <p>Upon the above clarity being obtained, the required frequencies (or process for determining review periods) should be incorporated into the relevant policies and procedures.</p>	Low	<p>Follow recommendation and link to action against recommendation 2.</p> <p>Response from Zurich Commercial Insurance: Our Fine Arts team in Zurich Commercial usually work to a valuation every 3 years, however we would be comfortable with valuations every 5 years. That said I would always apply a flexible common-sense approach to the 5-year average guide. If for instance you know some items are subject to rapid increases in value then obviously, I would look to revalue every 3 years, whereas you may have some other items that don't move much at all in value and these items you could push out to say 7 years and everything else falls in between.</p> <p>Naturally the onus is on the council to prove the value of an item in the event of a loss and this is always made harder after the event if the item is stolen or destroyed with no recent valuations to hand.</p> <p>Position – November 2022 Existing valuations being reviewed by staff and considering commissioning new valuations.</p>	Curator			

APPENDIX D – ASSURANCE AND PRIORITY LEVELS

Audit Opinions		
Assurance Level	Definition	
Assurance Reviews		
Substantial	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	
Not Assessed	This opinion is used in relation to consultancy or embedded assurance activities, where the nature of the work is to provide support and advice to management and is not of a sufficient depth to provide an opinion on the adequacy of governance or internal control arrangements. Recommendations will however be made where required to support system or process improvements.	
Grant / Funding Certification Reviews		
Unqualified	No material matters have been identified in relation the eligibility, accounting and expenditure associated with the funding received that would cause SIAS to believe that the related funding conditions have not been met.	
Qualified	Except for the matters identified within the audit report, the eligibility, accounting and expenditure associated with the funding received meets the requirements of the funding conditions.	
Disclaimer Opinion	Based on the limitations indicated within the report, SIAS are unable to provide an opinion in relation to the Council's compliance with the eligibility, accounting and expenditure requirements contained within the funding conditions.	
Adverse Opinion	Based on the significance of the matters included within the report, the Council have not complied with the funding conditions associated with the funding received.	
Recommendation Priority Levels		
Priority Level	Definition	
Corporate	Critical	Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
	High	Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
Service	Medium	Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.

APPENDIX D – ASSURANCE AND PRIORITY LEVELS

	Low	Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.
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