

Quarter 3 Internal Audit Progress Report

Cabinet Member for Finance, Procurement and Revenues & Benefits

Date: 3 February 2022

Agenda Item:

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Key Decision? No

Local Ward Full Council

Members



**Audit and
Member
Standards
Committee**

1. Executive Summary

- 1.1 This report comprises Internal Audit's progress report for the period to 31 December 2021 (to Quarter 3) (**Appendix 1**).
- 1.2 Quarter 3 audit work performance has identified that 44% of the Audit Plan has been completed against profiled completion of 75%. There have been a number of factors which have impacted on the delivery of audits. Attributable factors include; reduced availability of internal audit staff due to staff leaving the section and implementation of new system processes / changes delayed audit commencement. In addition, the subsequent procurement exercise was not concluded until the start of September.
- 1.3 As Committee will be aware and reported in November 2021, we have procured both a general auditor (TIAA) and IT auditor services (E-tec). Fieldwork started from both service providers in mid-September 2021. Following delivery of these contracts work has been progressing as reflected in **Appendix 1**. The draft reports outlined and reported to this committee in November have now been finalized and reflected in the Appendix attached.
- 1.4 E-tec have now fully completed their contracted work for 2021/2022 and TIAA are progressing with their allocated audits.
- 1.5 The Audit Plan has been reviewed and taking into account the maintenance of audit standards and compliance with Public Sector Internal Standards requirements it is anticipated that that we will complete 80% of the plan by 31 March 2022. It is anticipated that the Elections review will be moved to 2022/2023 and an assessment undertaken of the work required for Housing Benefit Memorandum of Understanding.
- 1.6 To ensure completion of the audit plan all audits for the remainder of the year have been allocated to named individuals or to the general/IT Auditor. This will ensure completion of the audit plan.
- 1.7 The Audit Manager will continue to review current work plans to ensure completion of the 2021/2022 Audit Plan provide updates to Committee and liaise with the Head of Finance & Procurement (Section 151).

2. Recommendations

- To note the attached report.

3. Background

- 3.1. The Accounts and Audit Regulations require councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Audit Standards.
- 3.2. Internal Audit's progress report for the period to Quarter 3 is detailed at **Appendix 1** for members to

consider.

Alternative Options	N/A
Consultation	N/A
Financial Implications	The audit service has been delivered within budget during the year.
Approved by Section 151 Officer	Yes
Legal Implications	There are no specific legal implications.
Approved by Monitoring Officer	Approved
Contribution to the Delivery of the Strategic Plan	Delivery of the audit plan contributes to all aspects of the Strategic Plan, but notably 'a good Council'.
Equality, Diversity and Human Rights Implications	There are no Equality, Diversity or Human Rights issues.
Crime & Safety Issues	There are no Crime and Community Safety Issues.
Environmental Impact	None arising.
GDPR/Privacy Impact Assessment	There are no specific implications.

	Risk Description & Risk Owner	Original Score (RYG)	How We Manage It	Current Score (RYG)
A	Significant / high risk systems of internal control fail and go un-addressed. Audit Manager	Likelihood: Yellow Impact: Red Severity: Red	The audit planning process ensures that audit resources are directed to areas of most significance / highest risk. The audit plan is monitored and progress is reported.	Likelihood – Green Impact - Yellow Severity of risk - Green (tolerable)

Background documents	Audit & Member Standards Committee routine reports, internal audit reports.
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Relevant web links	
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Internal Audit Progress Report (To Quarter 3)
December 2021



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01 Summary of Internal Audit Work Undertaken

If you have any questions about this report, please contact Andrew Wood, Audit Manager andrew.wood@lichfielddc.gov.uk

The matters raised in this report are the ones that came to our attention during our internal audit work. While every care has been taken to make sure the information is as accurate as possible, internal audit has only been able to base these findings on the information and documentation provided. Consequently, no complete guarantee can be given that this report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be needed. This report was produced solely for the use and benefit of Lichfield District Council. The council accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification.

Appendix 1

01 INTRODUCTION

BACKGROUND

This report summarises internal audit activity and performance for the period to 31 December 2021.

SCOPE AND PURPOSE OF INTERNAL AUDIT

The Accounts and Audit Regulations require councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

This progress report and opinion forms part of the framework of assurances that is received by the council and should be used to help inform the annual governance statement. Internal audit also has an independent and objective consultancy role to help managers improve risk management, governance and control.

Internal audit's professional responsibilities as internal auditors are set out within Public Sector Internal Audit Standards (PSIAS) produced by the Internal Audit Standards Advisory Board.

ACKNOWLEDGEMENTS

Internal audit is grateful to the heads of service, service managers and other staff throughout the council for their help during the period.

02 INTERNAL AUDIT WORK UNDERTAKEN

The internal audit plan for 2021/22 was approved by the Audit & Member Standards Committee in March 2021. The plan is for a total of 16 audits.

Quarter 3 work has been undertaken with the resources provided by the Principal Audit and that procured through TIAA and E-tec Business Services. As previously reported this started in mid-September 2021.

Performance indicators (Section 05) show there is a reduced coverage of the plan during quarter two (44% achieved against a profiled 75%). As Committee are aware two members of Internal Audit staff left the section in the quarter one of the financial year. The reduced completion rate of audits is being monitored and reviewed on a regular basis by the Audit Manager. The procurement exercise has provided further resource to ensure completion of the audit plan and a number of audits are scoped and in progress at the end of quarter3, this is detailed in Appendix 1 of this report.

To ensure completion of the audit plan all audits for the remainder of the year have been allocated to named individuals or to the general/IT Auditor.

The audit findings of each review, together with recommendations for action and the management response are set out in our detailed reports. A summary of the reports we have issued during the period is included at **Appendix 01**.

03 OPINION

SCOPE OF THE OPINION

Appendix 1

In giving an opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at an opinion, following matters have been taken into account:

- The outcomes of all audit activity undertaken during the period.
- The effects of any material changes in the organisation's objectives or activities.
- Whether or not any limitations have been placed on the scope of internal audit.
- Whether there have been any resource constraints imposed upon us which may have impinged our ability to meet the full internal audit needs of the organisation.
- What proportion of the organisation's internal audit needs have been covered to date.

INTERNAL AUDIT OPINION

On the basis of audit work completed, our opinion on the council's framework of governance, risk management and internal control is reasonable in its overall design and effectiveness. Certain weaknesses and exceptions were highlighted by our audit work. These matters have been discussed with management, to whom we have made recommendations. All of these have been, or are in the process of being addressed.

SPECIFIC ISSUES

No specific issues have been highlighted during the period.

FRAUD & IRREGULARITY

One matter has been reported to Internal Audit and is currently under investigation.

CONSULTANCY & ADVICE

The audit team may be requested by managers to undertake consultancy and advice on governance, risk management and internal control matters. During the period to 31 December 2021, the following was undertaken:

Attending project board for payroll and new finance system.

- Review of draft Contract Procedure Rules.
- Attending elections core meeting.
- NFI data match investigations.
- Review of legal arrangements around Fradley Challenge.
- Attending Staffordshire Counter Fraud Partnership.
- Fraud Awareness Week participation.
- Participating member at Discretionary Housing Panel Appeal.

04 FOLLOW UP

Internal audit follow up all high priority actions and those arising from no and limited overall assurance, manager's confirmation applies to the rest. There were eight high priority recommendations due to be followed up during the period, of which two were implemented (see KPI section 05).

Appendix 1

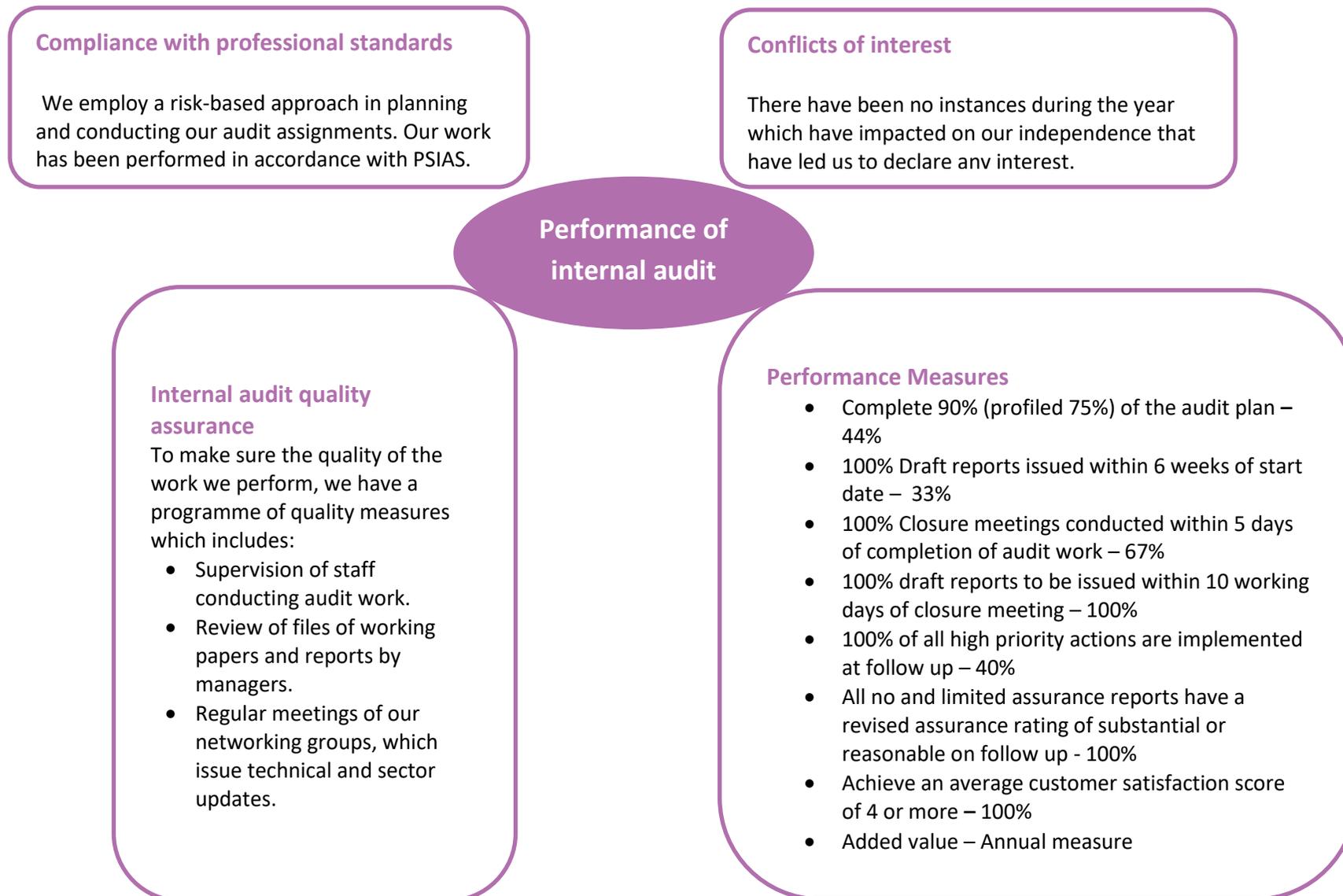
Of those receiving a no or limited assurance opinion which require follow up, a summary of progress to date on these audits is given at Appendix 01.

Currently there are 92 outstanding recommendations at 31 December 2021, shown in the table below:

Action Priority Rating	Total Open Actions at 1 April 2021	Actions Raised Since April 2021	Total Overall	Total Closed out at 31 Dec 2021	Total Open at 31 Dec 2021	% Implemented in the period
High	10	0	10	4	6	40%
Medium	67	23	90	24	66	27%
Low	18	10	28	8	20	29%

Appendix 1

05 PERFORMANCE OF INTERNAL AUDIT



Appendix 1

APPENDIX 01: SUMMARY OF INTERNAL AUDIT WORK UNDERTAKEN

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
Core Financial Systems	Debtors	Risk based review covering the adequacy and effectiveness of controls around debtors, including account set up / amendment, invoice requisitioning, invoicing, fees and charges and recovery. To accommodate the change to the new Civica Financials Live financial system.	Q3	Audit allocated to TIAA Ltd. Audit scoped.	
	Assets & Inventory	Risk based review covering the adequacy and effectiveness of controls regarding the Council's assets and inventory.	Q4	Audit allocated to TIAA Ltd. Audit scoped and fieldwork commenced	
	Grants	Risk based review of the adequacy of controls surrounding grants awarded to the authority. To include compliance with accountable body agreements including arrangements for third party compliance where appropriate.	Q2	Grants made by the Council must be compliant with the Council's Guidance to External Funding and Finance Regulations. Whilst not all departments have a procedure/policy that has been approved by Cabinet, they do however have clear processes in place to ensure that all grant funding applications must meet the required criteria in order to be eligible for grant funding, applications. The grant fund application process requires all organisations to provide appropriate information to ensure that value for money can be demonstrated. Appropriate monitoring information was held on file for all relevant organisations reviewed.	 <p>Reasonable Assurance H - 0 M - 2 L - 1</p>

Appendix 1

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				Regular progress reports have been received from the contractors and reported to the Council and others as required (Salix). Payments made have been fully supported with authorised invoices/payment requests and have been made in line with contractual agreements. The Finance Department confirmed that all income and expenditure in relation to these grants have been correctly coded	
	Council Tax	Risk based review of council tax including assurance over the adequacy of controls around the maintenance of systems recording taxable properties and liable persons, billing, discounts and reliefs, collection, refunds and write offs.	Q4	Audit allocated to TIAA Ltd	
Strategic & Operational Risks	Strategic Risk Register	Risk based review of the adequacy and effectiveness of the controls in place to mitigate the Council's strategic risks.	Q4		
	Pandemic risks	'Flash' audits of dynamic risks arising from the Council's pandemic response. To include continuity and recovery arrangements, business grants, productivity and performance.	Q1-Q4	<p>Flash Covid 19 Risk Assurance - Governance</p> <p>Control measures to mitigate against the risk of potential governance failings arising from the Covid-19 crisis a year on from the start of the pandemic, were found to be adequate and effective. A number of good practice areas were noted:</p> <ul style="list-style-type: none"> The system implemented by the Authority for remote governance was in accordance 	 <p>Substantial Assurance No recommendations</p>

Appendix 1

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>with the Local Authorities and Police and crime Panels (Coronavirus) (Flexibility of Local authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.</p> <ul style="list-style-type: none"> • Remote meetings were set up quickly and effectively using Zoom US. • A communications action plan to roll out virtual committee meetings was adopted. • Internal and external training was provided to staff and members providing an understanding of Zoom. The first live remote meeting took place on 5th May 2020 (Planning Committee). • ‘Virtual Meetings – Guidance and Tutorials’ procedure notes were created setting out meeting procedures (before and during), viewing meeting documents, voting and polling, etc. Additionally, reminder guidance is sent out to all Councillors prior to a meeting. • Urgent decision arrangements were in place and managed in line with the Constitution. There was one urgent decision in January 21 in relation to the award of grant funding. • Meetings are live streamed through Youtube. Social Media (Facebook and Twitter) was utilised to update followers of upcoming meetings including signposts to agendas and those who have subscribed to 	

Appendix 1

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>LDC's Youtube Channel receive notifications.</p> <ul style="list-style-type: none"> From the 7th May 2021 traditional face to face meetings resumed. This has been reflected in the work undertaken by Health & Safety to ensure updated Government guidance is being met. E.g. Risk Assessments for all venues being considered for meetings. Hybrid meetings (live streaming of face to face meetings) are not yet set up but members of the public are now able to attend in public or review recorded meetings on Youtube. <p>With the continuation of Council meetings occurring albeit in a pre-Covid format the following areas are suggested as a forward focus:</p> <ul style="list-style-type: none"> Covid specific risk assessments should be regularly reviewed and amended where new hazards are identified to ensure they are in line with Government Legislation. Members have expressed a wish for continued virtual and hybrid meetings. The Council does not currently have the required equipment to facilitate hybrid meetings. On-going management of expectations around broadcasting meetings is one of the rising risks within the strategic risk register. Further progress 	

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Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>should be made to implement hybrid meetings.</p> <p>Covid 19 Risk Assurance –Productivity</p> <p>Control measures to mitigate against the risk of productivity being adversely impacted by the Covid-19 crisis were found to be adequate and effective within IT, Joint Waste and the Housing service areas. A number of good practice areas were noted:</p> <ul style="list-style-type: none"> • A suite of KPI’s for each service area is monitored and reviewed on a regular basis by managers. During the lockdown Housing showed a peak in B&B use due to government requirements for rough sleepers to be off the street and a temporary closure of accommodation. IT had an increase of work requests through their service desk. • Performance and Development Reviews (PDR’s) continued to be completed and were 80% for both the Corporate Services and Regulatory, Housing and Well-being service areas. However completion for Joint Waste was limited (25%) due to Covid and the requirement for ‘Bubbles’ for crew members. • Housing monitor officer caseloads and productivity through their database 	<div data-bbox="1899 422 1989 518" data-label="Image"> </div> <p>Substantial Assurance No recommendations</p>

Appendix 1

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>reporting function and produce quarterly government returns.</p> <ul style="list-style-type: none"> • Performance of service areas has been managed by weekly reporting and monitoring. This is completed via Leadership Team Meetings with updates / issues discussed. Regular meetings are held within teams to discuss workload, wellbeing and duties. • Service delivery has been maintained coupled with Covid specific tasks i.e. reducing crew sizes (bubbles) in Joint Waste to minimise interactions and for Housing, a telephone was provided to rough sleepers without internet/ telephone access to enable a telephone interview. For IT the rotation of on-site and off-site staff was consciously chosen to provide resilience. • Covid-19 has accelerated the pace of change with ICT Services implementing new systems and features to support remote working i.e. MS Office 365 and moving to the cloud. <p>Whilst the Covid Pandemic continues and there remains a revision to working practice, a forward focus is suggested on lessons learned to ensure service delivery is maintained and productivity is managed effectively with KPI's continuing to be reviewed. Additionally, 1-2-1's and weekly Teams meetings will ensure</p>	

Appendix 1

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				productivity is maintained. PDR's which provide the opportunity of communication between managers and employees should be fully completed, particularly for Joint Waste where the restrictions have previously prevented this occurring.	
	Replacement Financial System	Programme assurance based review of the replacement financial system programme to Civica Financials Live. To include income management system replacement. Programme assurance includes programme planning, governance structure and controls, delivery, change management, RAIDD management (Risk, Action, Issue, Decision, Dependency), testing and reporting.	Q4		
	Payroll transition	Assurance based review on the effectiveness of payroll controls following the transition from Stafford Borough Council to Stoke City Council, the new payroll agency provider.	Q3	Audit Allocated to TIAA Ltd. Audit brief issued.	
	Development Control (Planning)	Risk based review of systems of internal control for planning (using CIPFA control matrices), to include applications, appeals, fee	Q2	The Development Management (Planning) System is designed with controls in place to mitigate the major risks and were found to be adequate and effective.	 Reasonable Assurance

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Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
		management. Audit carried forward from 2020/21.		<p>There are documented procedure notes that are available to staff and a suite of planning information accessible on the Council’s website to residents. Planning applications are available to view on the Council’s website, also providing opportunity for residents to comment on an application. Testing noted that officers pro-actively seek views through requesting feedback from statutory consultees, neighbours, placing of site notices or media advertising. The Uniform system is pre-populated with required consultees however spatial attributes require reviewing separately for instance, on Easytrees and Local View with the technical officers having to choose relevant consultees. The aim is to pre-populate spatial information onto Uniform.</p> <p>Decisions are independently reviewed by a more senior officer and the applicant/agent is notified electronically, the decision also uploaded to the website through Public Access. Appeals are received on notification from the Planning Inspectorate. The Council is required to provide information within set timescales. Testing confirmed the process had been followed. When an appeal decision is received it is distributed to all planning staff for discussion and a change of process would be introduced, if required.</p> <p>A review of new starters noted that qualifications are sufficient for the role and that detailed training is provided. The employee will follow the Council’s</p>	<p>H- 0 M- 5 L- 2</p>

Appendix 1

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>Learning Passport or a specific accelerated training plan aimed for technical officers.</p> <p>For both applications and pre-applications, the correct fee had been received. Income is monitored through monthly meetings between the Planning Development Manager and the Accountant. Planning fee income is reported to Cabinet through the Money Matters reports. There are 4 KPI's that are updated quarterly (the latest being May 21). Performance is also reported through National Indicators to the Ministry of housing, communities and local government (MCHLG). A suite of monitoring information is also available through Enterprise. Target timescales are monitored and the system can also be used to monitor individual officer's case load and performance.</p> <p>Some weaknesses in control were found in the achievement of targets set for pre-applications and planning applications. The KPI's are currently not reported internally and the service plan (2021/22) which includes KPI's and risks, is not yet finalised. There are functionality weaknesses with the IT supporting systems. Implementation of the recommendations in the action plan will enhance arrangements and address these risks.</p>	
	Shared Services	Risk based review of controls in place for effective delivery of shared services e.g. waste management,	Q2	<p>Joint Waste</p> <p>A Joint Waste Service Committee Constitution provides the overarching agreement which sets out objectives, roles and responsibilities, delegations</p>	 Reasonable Assurance

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Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
		<p>legal services, building control, internal audit.</p>		<p>and governance arrangements for the joint waste service committee. A business plan including actions, risks, staffing and finances was produced in 2018/19. The Staffordshire Waste Partnership (of which both Councils are part) has a joint strategy covering all the districts, County Council and Stoke.</p> <p>Financial information is collated by LDC and meetings are held between the accountants at both authorities and budgets are monitored and discussed with the General Manager and the Chief Waste Officer (Chief Executive) at TBC.</p> <p>Liaison is on-going between the LDC and TBC through email/ telephone and there is an awareness of incidents in real time. Regular meetings are in place should there be fundamental service changes, both Councils are involved.</p> <p>Feedback from users is received through 'Your views and feedback' and are recorded on pentana. A review showed 5 complaints since April 2021.</p> <p>LDC host the Joint Waste Service and through discussions with officers at TBC (Chief Waste Officer, Customer Services and Accountant) it was evident that there is a good working relationship in place. Comments from TBC confirm that they are aware of the current state of service provision, are engaged in service development, performance and operation. Regular updates are received and staff are involved. It is a true joint service.</p>	<p>H- 0 M- 5 L- 1</p>

Appendix 1

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>Some weaknesses were noted, although a Constitution is in place the governance arrangements in terms of the frequency of the joint waste service committee meetings is not being followed. A revision is required where there is reference to the Memorandum of Agreement which is not in place.</p> <p>A business plan and rolling annual action plan have not been produced since 2018/19 and there is no formal year end review of performance against KPI's, action status, finance etc. Service level agreements are not in place with transportation, finance or policy/ education. Risks are identified but are not regularly reviewed. Formal meetings are not minuted.</p> <p>Legal Shared Services</p> <p>The Shared Service - Legal System is designed with controls in place to mitigate the major risks and were found to be adequate and effective.</p> <p>A comprehensive formal agreement is in place, which sets out the scope of services, the cost and contributions of each council, the Governance Arrangements and the Terms of Reference of the board. Board meetings are held regularly between the 3 members. Details of the service and instruction forms are available to staff on the intranet. A review of the first year of the service has been completed by the 3 Councils.</p> <p>During 2021 there has been a large turnover in solicitors with current vacancies. Demand for</p>	<div style="text-align: center;">  <p>Reasonable Assurance</p> <p>H-0</p> <p>M-4</p> <p>L-4</p> </div>

Appendix 1

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>urgent cases and planning advice has increased and the service may not be sustainable with the current resource available. Staffing issues have been discussed by all 3 Councils and an additional charge has been requested to recruit further solicitor resource and a Paralegal has been employed from unspent external lawyer costs. At LDC a funding bid has been requested and the capacity and resilience concerns have been discussed at Leadership Team with options being considered.</p> <p>Some weaknesses were noted in relation to the use of instruction forms and their counter-signing. Indicators should be introduced and further information on case status received to monitor the performance of the service. Performance monitoring would also be enhanced through pro-actively requesting customer feedback. The guidance on the intranet would benefit from a review to reflect current practice. Finally future reviews of the service should be discussed at Leadership Team. Implementation of the recommendations in the action plan will enhance arrangements and address these risks.</p>	
	Elections	Risk based review of elections processes and in particular financial returns.	Q2	Due to Peer Review and structural changes, move to plan for 2022/2023.	
	Climate Change	Risk based review looking at the Council's preparation to de-	Q3	Audit allocated to TIAA Ltd	

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Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
		carbonisation / climate change agenda.			
ICT	IT Microsoft 365	A risk based review IT applications hosted in cloud together with One Drive storage		Draft report issued to IT awaiting management responses.	
ICT	Website Management and Security	A risk based review of the management and security of the Council's website.	Q2-4	Draft report issued to IT awaiting management responses.	
ICT	Remote Access - Additional work to the originally agreed plan.	A risk based review of the management of remote working arrangements.	Q3	Draft report issued to IT awaiting management responses.	
Governance, Fraud & Other Assurance	Disabled Facilities Grant	Assurance statement	Q3	Work completed and assurance statement finalised and submitted to Staffordshire County Council	Complete
	Housing Benefit Memorandum of Understanding	Assurance statement to enable the Chief Finance Officer sign off to DWP.	Q3	Review to determine work required in this area.	
	Counter Fraud	Work to support the mitigation of fraud risk, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.	Q1-Q4	Ongoing	
	Annual Audit Opinion	Production of the Annual Audit Opinion.	Q2		
	Management and Planning	Management, planning and assurance reporting to Leadership Team and Audit & Member Standards Committee.	Q1-Q4	Ongoing	
	Ad hoc / Consultancy / Contingency	Contingency allocation to be utilised upon agreement of the Chief Finance Officer.	Q1-Q4	Ongoing	

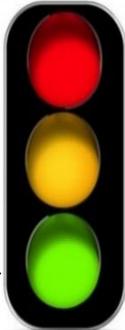
Appendix 1

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Risk Management	Supporting the Council's risk management systems.	Q1-Q4	In progress and continuing, see Risk Management report at this Committee.	
	Election Support	Support to May 2021 Elections	Q1	Complete. Auditors provided support to the May 2021 Elections across a number of roles.	
Follow up all no and limited assurance reports and all high priority recommendations.	GDPR	Limited Assurance Follow up	Q1	A third follow up audit has now been undertaken and the full follow up audit report was issued to accountable officers and members of the Committee on 20 May 2021. In summary: Of the 2 outstanding actions (1 high and 1 medium). It can be confirmed that 1 has now been fully implemented with the remaining 1 (1 high) partially implemented.	 Substantial Assurance
	GDPR	Limited Assurance Follow up	Q2	A fourth follow up audit has now been undertaken and the full follow up audit report was issued to accountable officers and members of the Committee on 18 October 2021. All recommendations have now been implemented.	 Substantial Assurance
	Procurement	Limited Assurance Follow up	Q1	Originally 9 recommendations were made, 8 of which were agreed to be implemented by management. The findings of the follow up review show 5 of the recommendations have been implemented and 3 have been partially implemented.	 Reasonable Assurance
	Beacon Park	Limited Assurance Follow up	Q1	Originally 4 medium risk recommendations were made. The findings of this follow up review show 3 of the recommendations have been implemented, with 1 not implemented but has a due date not until January 2022.	 Reasonable Assurance

Appendix 1

ASSURANCE AND RECOMMENDATION CLASSIFICATIONS

Overall Audit Assurance Opinion	Definition
Substantial	There is a sound system of internal control designed to achieve the organisation's objectives. The control processes tested are being consistently applied.
Reasonable	While there is a basically sound system of internal control, there are some weaknesses which may put the organisation's objectives in this area at risk. There is a low level of non-compliance with some of the control processes applied.
Limited	Weaknesses in the system of internal controls are such as to put the organisation's objectives in this area at risk. There is a moderate level of non-compliance with some of the control processes applied.
No	Significant weakness in the design and application of controls mean that no assurance can be given that the organisation will meet its objectives in this area.

Priority	Definition
	High priority recommendation representing a fundamental control weakness which exposes the organisation to a high degree of unnecessary risk.
	Medium priority recommendation representing a significant control weakness which exposes the organisation to a moderate degree of unnecessary risk.
	Low priority (housekeeping) recommendation highlighted opportunities to implement a good or better practice, to add value, improve efficiency or further reduce the organisation's exposure to risk.