

INTERNAL AUDIT

Progress Report to Audit Committee

2014/15 Quarter 1

30 June 2014



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1. Introduction

1.1 The Role of Internal Audit

- 1.1.1 Internal Audit (IA) provides an independent assurance and consultancy service that underpins good governance, which is essential in helping the Council achieve its strategic objectives and realise its vision for the borough of Hillingdon. It is also a requirement of the Accounts and Audit (England) Regulations 2011 that the Council undertakes an adequate and effective IA of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.
- 1.1.2 The UK Public Sector IA Standards (PSIAS) which came into force on 1 April 2013, are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of IA across the public sector. They stress the importance of robust, independent and objective IA arrangements to provide senior management with the key assurances they need to support them both in managing the organisation and in producing the Annual Governance Statement.

1.2 The Purpose of the Internal Audit Progress Report to Audit Committee

- 1.2.1 This report presents the Council's Corporate Management Team (CMT) and Audit Committee with summary information on all 2014/15 quarter one IA assurance and consultancy work covered during the period 1 April to 30 June 2014. It also provides an opportunity for the Head of Internal Audit (HIA) to highlight to CMT and the Audit Committee any significant issues arising from IA work, as well as any changes to the 2014/15 IA Plan since its approval in March 2014.
- 1.2.2 IA would like to take this opportunity to formally record its thanks for the co-operation and support it has received from the management and staff of the Council during the period.

2. Executive Summary

- 2.1 The delay in finalising the 2013/14 planned programme of work has had a negative impact upon the commencement of 2014/15 IA reviews during the quarter one period. However, IA work on the 2014/15 IA plan commenced on 2 April and planning has now been initiated on all quarter one audits. Overall the IA service has been strengthened over the quarter one period with enhancements to its methodology, skills mix and IT software to help deliver value to the Council.
- 2.2 The HIA is confident that further efficiencies brought by the new audit software will in future significantly reduce slippage and positively impact delivery of the IA plan. Improving the efficiency of the IA process in this way creates greater capacity for IA to add value across the organisation. It also reduces the management time required in the IA process and IA is grateful to management for their co-operation in this area. Developing a more collaborative approach to IA work across the Council will help reduce the risk of IA 'over-auditing' and also ensure that going forward IA resource is more focussed on the greatest risks facing the authority.
- 2.3 As part of IA's commitment to continuous improvement of the services it provides, IA has undertaken a variety of consultancy work from the contingency allocation within the IA Plan. Attached at [Appendix B](#) is the list of 2014/15 consultancy requests as well as a list of additions and timing deferrals to the 2014/15 IA Plan. The planned programme of IA work has been discussed by the HIA with the relevant senior managers, including CMT. However, there have been a significant number of deferrals (4) within the quarter at the request of management. We are actively seeking to bring forward other audits to ensure IA resource is effectively utilised throughout the year to enable the delivery of the IA Plan, and associated assurances, to key stakeholders.

- 2.4 A key area of IA assurance work that has been successfully carried out in this quarter is in relation to Chantry School. Whilst the draft report for this is still in preparation, IA is able to confirm that a **NO** assurance opinion will be given on this audit. As part of this review IA found major control weaknesses surrounding the School's governance arrangements, financial management processes, personnel procedures (including recruitment) and ICT arrangements (including data security). CMT and the School's Interim Executive Board have responded positively to the emerging IA findings and improvement action is already well under way. The IA report on Chantry School is due to be finalised in the next few weeks and the HIA will provide an oral update to the Audit Committee at its meeting on 30 July 2014.
- 2.5 The HIA recognises that going forward the IA service needs to continue to improve its performance, particularly with regard to delivery of the IA Plan. However, significant steps have been taken by the IA service to achieve its strategic objectives. In particular, the IA planning is now fully risk based and the approved 2014/15 IA Plan provides sufficient flexibility and contingency to allow for new and emerging risks to be covered. Its successful delivery is largely dependent on available IA resource as well as how quickly the new initiatives within IA become fully embedded.
- 2.6 Further details of the IA work carried out in the quarter one period are included in section 3 of this report.

3. Analysis of Internal Audit Activity in 2014/15 Quarter 1

3.1 2014/15 Internal Audit Assurance Work

- 3.1.1 All of the IA assurance reviews carried out in the 2014/15 quarter one period are individually listed at [Appendix A](#). It details the assurance levels achieved (in accordance with the assurance level definitions outlined at [Appendix C](#)) and provides an analysis of recommendations made (in accordance with the recommendation risk categories outlined at [Appendix D](#)).
- 3.1.2 Due to the focus on finalising the 2013/14 IA Plan within the early part of quarter one, at the date of this report, no 2014/15 IA assurance reviews have yet reached final report stage. However, good progress has been made with the quarter one allocation of the IA Plan with **23%** at planning stage, **54%** at fieldwork stage and **23%** at draft reporting stage. Nevertheless, IA performance in relation to timely delivery of the IA Plan needs to continue to improve going forward.
- 3.1.3 [Appendix A](#) highlights progress of the **13** IA assurance reviews planned for this quarter. Whilst IA is on track to complete these audits in a reasonable timescale, there remains a significant challenge ahead for the IA service to ensure timely completion of the 2014/15 IA Plan. Given the significant level of transformational change going on across the organisation and the subsequent risks that are created, both CMT and the Audit Committee can take reasonable assurance from the results of the IA assurance work completed in quarter one.

3.2 2014/15 Internal Audit Consultancy Work

- 3.2.1 IA is gradually increasing the amount of consultancy work that it carries out across the Council. This includes IA staff attending working and project groups, whilst ensuring they are clear about whether they are attending in an assurance or advisory capacity. This type of approach will help increase IA's knowledge of corporate developments which can feed into the risk based deployment of IA resource on assurance work. Also, participation in project/ working groups will help individual IA staff develop, whilst at the same time increasing the value IA provides to the Council. There is also scope to ensure that any work IA carries out is more closely aligned to the Transformation work which continues to be carried out across the Council.

3.2.2 During quarter one, IA carried out a range of consultancy work including:

- advice in relation to the 2013/14 Annual Governance Statement, including active participation in the Corporate Governance Working Group;
- participation in the Hillingdon Information Assurance Group;
- attendance at a number of other corporate project groups (i.e. the Oracle Programme Board, the School's Expansion Programme, etc).
- participation in the Corporate Risk Management Group; and
- participation in the Public Health Steering Group.

3.2.3 As detailed at [Appendix A](#), we also conducted **six** specific pieces of consultancy and **two** pieces of grant verification work this quarter, **five** of which have been finalised as memos and at the date of this report, **three** of which are work in progress. Due to the nature of consultancy work, we do not provide an assurance opinion or formal recommendations for management action. Instead we provide advice and suggestions for senior management to consider, although **the methodology of our consultancy work is still under development.**

3.2.4 The IA consultancy review of Purchase Requisitions - Chargeable Reactive Maintenance Works under £250, found that chargeable works under £250 undergo some level of management scrutiny prior to payment. However, the process for review, approval and contract management is all conducted by a single officer and we found minimal evidence of formal senior management oversight. It is against this backdrop that IA has suggested a number of improvements that senior management is in the process of considering.

3.2.5 The IA consultancy review of Domestic Violence Homelessness Process confirmed that Housing Officers have adopted the correct approach. Specifically, domestic violence claimants' initial requests for accommodation are prioritised. However, for those claimants who have longer-term accommodation needs, our judgement is that **Housing Officers should be investigating the longer-term claims more proactively and sensitively to gather more information in relation to the domestic violence case.** The Council's Multi Agency Safeguarding Hub (MASH) had a soft launch in November 2013 with a hard launch due to take place on 1 October 2014. There are three issues which are in the process of being resolved prior to the hard launch:

- Confirm MASH personnel (specifically to agree the core, extended and virtual teams);
- Ensure connectivity between the MASH Protect ICT software and ICS Protocol; and
- Arrange premises which provide firewalled, confidential space for MASH partners to operate.

3.3 Follow-up of Previous Internal Audit Recommendations

3.3.1 IA continues to monitor all **HIGH** and **MEDIUM** risk recommendations raised through to the point where the recommendation has either been implemented, or a satisfactory alternative risk response has been proposed by management. IA does not follow-up **LOW** risk IA recommendations as they tend to be minor risks i.e. compliance with best practice, or issues that have a minimal impact on a Service's reputation i.e. adherence to local procedures. It will also take a disproportionate amount of time for IA to robustly follow-up **LOW** risk recommendations.

3.3.2 The implementation of recommendations raised by IA is now monitored solely by one member of the IA team. Having this single point of contact for this area of work allows the rest of the IA team to focus on delivery of the IA Plan and also ensures that organisationally IA has a more consistent and streamlined approach to the process of following-up IA recommendations. This approach has achieved extremely positive results for the Council's overall control environment, with the vast majority of recommendations now promptly implemented by management.

- 3.3.3 The implementation of IA software (TeamMate), detailed under para 3.4 below, will further enhance IA follow-up work through a dedicated follow-up module within the software. This allows IA to monitor the progress and status of all recommendations and management action plans established whilst placing greater responsibility on management, as owners of the risk, to provide progress updates.
- 3.3.4 Implementation status updates on the IA software may be entered by IA team members and/or by action owners based on authorised access levels. The plan is that email notifications, either automatic or manually triggered, will be used as reminders to management to help ensure timely responses and follow-up action.
- 3.3.5 Follow-up work within this quarter has been undertaken on all outstanding IA recommendations arising from 2011/12, 2012/13 and 2013/14 coverage. The results from our follow-up work are reported within the 2013/14 Annual IA Report and Opinion Statement. During this quarter we have also undertaken verification testing on **HIGH** and **MEDIUM** risk recommendations to confirm and support management's assertion that recommended actions have been successfully implemented. Again, this is referred to in the 2013/14 Annual IA Report and Opinion Statement.

3.4 Other Internal Audit Work 2014/15

- 3.4.1 During the quarter, IA has been involved in the implementation of a new audit software tool, TeamMate. This will help improve the efficiency of IA's processes through the use of technology, whilst implementing a paperless IA approach at Hillingdon. Furthermore, this audit tool will enhance IA's risk based approach as well as helping to further develop and enhance the IA methodology.
- 3.4.2 TeamMate has been designed as an IA software tool to significantly reduce time spent on those elements that provide less value by empowering users at all levels to spend less time documenting and reviewing, and more time providing value-added services. Studies have shown that on average, auditors spend in excess of 40% of their time documenting and reviewing working papers and preparing their reports. TeamMate users report average productivity increases of 20-25% in the first year of TeamMate use.
- 3.4.3 Also, within the quarter we have successfully tendered for the delivery of the West London Waste Authority (WLWA) annual IA Plan of approximately 30 days per year for the next 3 years. This is a positive step for IA which will provide additional revenue to the Council as well as significant experience to the IA team. We are confident that the delivery of these 30 IA days per year, equating to less than 1% of the total IA resource at Hillingdon, will not affect the quality of delivery of our core responsibilities to the Council, CMT and the Audit Committee.

3.5 Internal Audit Performance

- 3.5.1 The new IA Key Performance Indicators (KPIs) previously agreed with CMT and the Audit Committee are:
- KPI 1 – **HIGH** risk IA recommendations where positive management action is proposed;
 - KPI 2 – **MEDIUM** risk IA recommendations where positive management action is proposed;
 - KPI 3 – **LOW** risk IA recommendations where positive management action is proposed;
 - KPI 4 - **HIGH** risk IA recommendations where management action is taken within agreed timescale;
 - KPI 5 - **MEDIUM** risk IA recommendations where management action is taken within agreed timescale;
 - KPI 6 - Percentage of IA Plan delivered to **draft report** stage by 31 March;

- KPI 7 - Percentage of IA Plan delivered to **final report** stage by 31 March;
- KPI 8 - Percentage of draft reports issued as a final report within 15 working days;
- KPI 9 - Client Satisfaction Rating; and
- KPI 10 - IA work fully compliant with the **PSIAS** and **IIA Code of Ethics**.

3.5.2 As at 30 June 2014, no 2014/15 IA assurance reports have been issued as final reports and therefore we are unable as yet to fully report on performance against the new suite of IA KPIs. Nevertheless, we believe that these KPIs are more meaningful and will provide sufficient challenge to IA. They measure the quality, efficiency and effectiveness of the IA service and thus assist us in providing an added value assurance and consulting service to our stakeholders.

4. Forward Look

- 4.1 Looking ahead to quarter two, IA faces a number of challenges including the first audits delivered utilising the new IA software. Resulting from this will also be a learning piece for IA and officers on the monitoring, follow-up and tracking of IA recommendations. In addition, IA will have completed the first tranche of thematic school reviews and be able to reflect upon the new approach to IA coverage of Hillingdon schools.
- 4.2 The IA service will, over the next quarter, be undertaking the process of updating its IA Strategy enabling us to align our objectives to the organisation. The new IA Strategy will have a five-year time horizon and have a road map based on the Council's overall strategy, changing stakeholder expectations, regulatory requirements and the role of the other risk and assurance functions across the Council.
- 4.3 There are no other matters that the HIA needs to bring to the attention of CMT or the Audit Committee at this time.

Muir Laurie ACCA, CMIIA
Head of Internal Audit

30 June 2014

APPENDIX A**DETAILED INTERNAL AUDIT WORK UNDERTAKEN IN 2014/15 QUARTER 1 (1 April 2014 to 30 June 2014)**

| Key: | |
|---------------------|-------------------------------------|
| IA = Internal Audit | NP = Notable Practice |
| H = High Risk | CFQ = Client Feedback Questionnaire |
| M = Medium Risk | |
| L = Low Risk | ToR = Terms of Reference |

2014/15 IA Assurance Reviews (carried out since 1 April 2014):

| IA Ref. | IA Review Area | Status as at 30 June 2014 | Assurance Level | Risk Rating | | | | CFQ Received? |
|--|---|------------------------------------|-----------------|-------------|---|---|----|---------------|
| | | | | H | M | L | NP | |
| A1 | Schools – Recruitment Procedures | Draft report in progress | - | | | | | |
| A2 | Health Contributions / CCG (C&YP Services) | Background planning in progress | - | | | | | |
| A3 | Health Contributions / CCG (Adult Services) | ToR issued and fieldwork commenced | - | | | | | |
| A5 | IAS Data Quality (Adult Services) | Background planning in progress | - | | | | | |
| A7 | Housing - Temporary Accommodation | ToR issued and fieldwork commenced | - | | | | | |
| A9 | Schools - Budgetary Control | ToR issued and fieldwork commenced | - | | | | | |
| A10 | Business Continuity | ToR issued and fieldwork commenced | - | | | | | |
| A11 | Performance Management | ToR issued and fieldwork commenced | - | | | | | |
| A13 | Northgate - Contract Management | ToR issued and fieldwork commenced | - | | | | | |
| A14 | Software Licensing | Draft report in progress | - | | | | | |
| A15 | Members' Declarations of Interests | Background planning in progress | - | | | | | |
| A16 | Planning Applications - Community Infrastructure Levy (CIL) (formally titled Planning Advice and Appeals) | ToR issued and fieldwork commenced | - | | | | | |
| A36 | Chantry School | Draft report in progress | - | | | | | |
| Total Number of IA Recommendations Raised in 2014/15 Q1 | | | | | | | | |
| Total % of IA Recommendations Raised in 2014/15 Q1 | | | | | | | | |

APPENDIX A (cont'd)**2014/15 IA Consultancy Reviews (carried out since 1 April 2014):**

| IA Ref. | IA Review Area | Status as at 30 June 2014 | CFQ Received? |
|---------|--|--|---------------|
| C1 | Domestic Violence Homelessness Process | Final IA consultancy memo issued 11 April 2014 | |
| C2 | Purchase Requisitions - Chargeable Reactive Maintenance Works under £250 | Final IA consultancy memo issued 15 April 2014 | |
| C3 | Standby Payments | ToR issued and fieldwork commenced | |
| C4 | Cemeteries Process | Final IA consultancy memo issued 18 June 2014 | |
| C5 | Planning Applications - prior approvals and low fee income generation | ToR issued and fieldwork commenced | |
| C6 | Ruislip High School | ToR issued and fieldwork commenced | |

2014/15 IA Verification Reviews (carried out since 1 April 2014):

| IA Ref. | IA Review Area | Status as at 30 June 2014 |
|---------|-------------------------|------------------------------|
| GC1 | Troubled Families Grant | IA memo issued 29 April 2014 |
| GC2 | Adoption Reform Grant | IA memo issued 27 May 2014 |

APPENDIX B**REVISIONS TO THE 2014/15 INTERNAL AUDIT PLAN****IA reviews added to the Operational Plan:**

| IA Ref. | Planned IA Review Area | Review Type | Review Sponsor | Scope / Rationale |
|------------------|--|-------------|--|--|
| Quarter 1 | | | | |
| A16 | Planning Applications - Community Infrastructure Levy (CIL) | Assurance | James Rodger, Head of Planning, Green Spaces and Culture | As part of initial discussions on the planning application and appeals audit we received a request to split this audit into three separate pieces of work; two assurance and one consultancy. This assurance piece, replacing the audit of planning application and appeals, will review the strategy and processes in place to manage the transition from Section 106 Agreements (S106) to the Community Infrastructure Levy (CIL). |
| A36 | Chantry School | Assurance | Jean Palmer, Deputy Chief Executive and Corporate Director Residents Services | Request received from the School's Interim Executive Board to provide some independent assurance on the school's internal control, risk management and corporate governance arrangements. |
| C1 | Domestic Violence Homelessness Process | Consultancy | Jean Palmer, Deputy Chief Executive and Corporate Director Residents Services | The Deputy Chief Executive and Corporate Director Residents Services, in liaison with Cllr Simmonds (the Deputy Leader of the Council), requested IA to conduct a consultancy review of the number of people claiming homelessness through domestic violence and establish whether these claimants are known to the Multi Agency Safeguarding Hub. |
| C2 | Purchase Requisitions - Chargeable Reactive Maintenance Works under £250 | Consultancy | Jean Palmer, Deputy Chief Executive and Corporate Director Residents Services | The Deputy Chief Executive and Corporate Director Residents Services requested IA to review the requisition process for chargeable reactive maintenance works under £250 payable to the Council's main contractor. |
| C3 | Standby Payments | Consultancy | Fran Beasley, Chief Executive and Corporate Director of Administration | Request received from the Employee Relations Manager to assist the internal review being undertaken to help embed a robust control framework. |

APPENDIX B (cont'd)**IA reviews added to the Operational Plan**

| IA Ref. | Planned IA Review Area | Review Type | Review Sponsor | Scope / Rationale |
|---------|---|--------------------------|---|--|
| C4 | Cemeteries Process | Consultancy | James Rodger, Head of Planning, Green Spaces and Culture | Request received from the Head of Planning, Green Spaces and Culture to provide advice on the flow of information and communication throughout the interment process. |
| C5 | Planning Applications - prior approvals and low fee income generation | Consultancy | James Rodger, Head of Planning, Green Spaces and Culture | As part of initial discussions on the planning application and appeals audit we received a request to split this audit into three separate pieces of work, two assurance and one consultancy. This consultancy piece will help identify improvements and suggest best practice for the department's prior approvals and low fee generating application process. |
| C6 | Ruislip High School | Consultancy | Dr Martina Lecky, Head teacher, Ruislip High School | Ruislip High School is an academy school within the London Borough of Hillingdon. They have requested IA to carry out a piece of consultancy work in relation to the procedures and controls in place for IT inventory at the school. It is intended that our findings and recommendations will be used by management at the school to help strengthen areas of potential weakness in controls in this area. |
| GC1 | Troubled Families Grant | Grant Claim Verification | Merlin Joseph Director Children & Young People's Service | The Council receives a payment by results grant from the Department for Communities and Local Government (DCLG) for each identified 'turned around' troubled family. IA checked that the grant claim was only made for families where there was sufficient evidence of improvement in the last six months as per the payment by results criteria. |
| GC2 | Adoption Reform Grant | Grant Claim Verification | Merlin Joseph Director Children & Young People's Service | The Council received the grant to provide support towards expenditure lawfully incurred. IA checked that the grant claim expenditure incurred was in accordance with the conditions of the grant, with sufficient evidence to support this. |

APPENDIX B (cont'd)**IA reviews added to the Operational Plan**

| IA Ref. | Planned IA Review Area | Review Type | Review Sponsor | Scope / Rationale |
|------------------|--|-------------|--|--|
| Quarter 2 | | | | |
| C7 | Primary Care Contracts | Consultancy | Jean Palmer, Deputy Chief Executive and Corporate Director of Residents Services | Request received from the Interim Director of Public Health, following IA attendance at the Public Health Steering Group, to undertake a review of the process of developing primary care contracts. |
| A37 | Planning Applications and Appeals for Major Projects | Assurance | James Rodger, Head of Planning, Green Spaces and Culture | As part of initial discussions on the planning application and appeals audit we received a request to split this audit into three separate pieces of work, two assurance and one consultancy. This assurance piece will review the planning applications and appeals process for major projects. |

IA reviews deferred from Operational Plan 2014/15

| IA Ref. | Planned IA Review Area | Review Type | Review Sponsor | Scope / Rationale |
|------------------|----------------------------------|-------------|--|--|
| Quarter 1 | | | | |
| A4 | ICS Data Quality (C&YP Services) | Assurance | Merlin Joseph, Director of Children and Young Peoples Services | At the request of the Director, this has been deferred for at least 3 months due to staffing and operational pressures. |
| A6 | Ofsted Improvement Action Plan | Assurance | Merlin Joseph, Director Children & Young People's Service | Timing of audit deferred to Q2 due to recent appointment of Interim Head of Children's Services. |
| A8 | Corporate Construction | Assurance | Jean Palmer, Deputy Chief Executive and Corporate Director of Residents Services | Timing of audit to be aligned to restructure of the service to provide assurance that the control framework is effective following a period of change. |
| A12 | Mortuary | Assurance | Jean Palmer, Deputy Chief Executive and Corporate Director of Residents Services | At the request of the Manager, this has been deferred for at least 6 months due to staffing and operational pressures. |

APPENDIX B (cont'd)**IA reviews deferred from Operational Plan 2014/15**





| IA Ref. | Planned IA Review Area | Review Type | Review Sponsor | Scope / Rationale |
|------------------|------------------------|-----------------------|---|---|
| Quarter 3 | | | | |
| CF3 | E-Invoices | Core Financial System | Paul Whaymand, Corporate Director of Finance | Timing of audit deferred from Q3 to Q4 due to unavailability of Corporate Payments Manager at the proposed timing of the audit. |

APPENDIX C**INTERNAL AUDIT ASSURANCE LEVELS AND DEFINITIONS**

| Assurance Level | Definition |
|--------------------|---|
| Substantial | There is a good level of assurance over the management of the key risks to the Council objectives. The control environment is robust with no major weaknesses in design or operation. There is positive assurance that objectives will be achieved. |
| Reasonable | There is a reasonable level of assurance over the management of the key risks to the Council objectives. The control environment is in need of some improvement in either design or operation. There is a misalignment of the level of residual risk to the objectives and the designated risk appetite. There remains some risk that objectives will not be achieved. |
| Limited | There is a limited level of assurance over the management of the key risks to the Council objectives. The control environment has significant weaknesses in either design and/or operation. The level of residual risk to the objectives is not aligned to the relevant risk appetite. There is a significant risk that objectives will not be achieved. |
| No | There is no assurance to be derived from the management of key risks to the Council objectives. There is an absence of several key elements of the control environment in design and/or operation. There are extensive improvements to be made. There is a substantial variance between the risk appetite and the residual risk to objectives. There is a high risk that objectives will not be achieved. |

1. **Control Environment:** The control environment comprises the systems of governance, risk management and internal control. The key elements of the control environment include:
 - establishing and monitoring the achievement of the authority's objectives;
 - the facilitation of policy and decision-making;
 - ensuring compliance with established policies, procedures, laws and regulations – including how risk management is embedded in the activity of the authority, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their authority and duties;
 - ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness;
 - the financial management of the authority and the reporting of financial management; and
 - the performance management of the authority and the reporting of performance management.
2. **Risk Appetite:** The amount of risk that the Council is prepared to accept, tolerate, or be exposed to at any point in time.
3. **Residual Risk:** The risk remaining after management takes action to reduce the impact and likelihood of an adverse event, including control activities in responding to a risk.

APPENDIX D**INTERNAL AUDIT RECOMMENDATION RISK RATINGS AND DEFINITIONS**

| Risk | Definition |
|--|--|
| HIGH  | The recommendation relates to a significant threat or opportunity that impacts the Council's corporate objectives. The action required is to mitigate a substantial risk to the Council. In particular it has an impact on the Council's reputation, statutory compliance, finances or key corporate objectives. The risk requires senior management attention. |
| MEDIUM  | The recommendation relates to a potentially significant threat or opportunity that impacts on either corporate or operational objectives. The action required is to mitigate a moderate level of risk to the Council. In particular an adverse impact on the Department's reputation, adherence to Council policy, the departmental budget or service plan objectives. The risk requires management attention. |
| LOW  | The recommendation relates to a minor threat or opportunity that impacts on operational objectives. The action required is to mitigate a minor risk to the Council as a whole. This may be compliance with best practice or minimal impacts on the Service's reputation, adherence to local procedures, local budget or Section objectives. The risk may be tolerable in the medium term. |
| NOTABLE PRACTICE  | The activity reflects current best management practice or is an innovative response to the management of risk within the Council. The practice should be shared with others. |