



ABERDEEN
CITY COUNCIL

Internal Audit Report

Creditors System

Issued to:

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Steven Whyte, Head of Finance
Craig Innes, Head of Commercial and Procurement Services
Simon Haston, Head of IT and Transformation
Graham Stubbins, Finance Manager Systems
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Sandra Massey, IT Technology Services Manager
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EXECUTIVE SUMMARY

The eFinancials system is used to manage the Council's payment of supplies and services. During the year to 31 March 2015, the system was used to pay approximately 209,000 invoices with a total value of £588.5 million. In the current financial year to 20 August 2015, approximately 77,000 invoices valued at £230 million have been paid.

The objective of the audit was to ensure that appropriate control is being exercised over the Creditors System, including contingency planning and disaster recovery, and that interfaces to and from other systems are accurate and properly controlled.

This review found that the controls over the system operation were working well and that there is a contingency plan in place in the event of a system failure. Regular system back-ups are undertaken and the system was recently successfully restored from a system back-up.

Recommendations to ensure that staff manuals are updated, that all staff complete Data Protection and Information Security training and that a review is undertaken of the variances between the order and invoice amounts for one particular supplier have been agreed by the Service.

1. INTRODUCTION

- 1.1 The eFinancials system is used to manage the Council's payment of supplies and services. It is supplied by Advanced Business Solutions. A contract for these services has been in place since 1998.
- 1.2 During the year to 31 March 2015, the system was used to pay approximately 209,000 invoices with a total value of £588.5 million. In the current financial year to 20 August 2015, approximately 77,000 invoices valued at £230 million have been paid.
- 1.3 The objective of the audit was to ensure that appropriate control is being exercised over the Creditors System, including contingency planning and disaster recovery, and that interfaces to and from other systems are accurate and properly controlled.
- 1.4 The factual accuracy of this report and action to be taken with regard to the recommendations made have been agreed with Garry Stevens, Financial Services Manager, Graham Stubbins, Finance Manager Systems and Sandra Massey IT Technology Services Manager.

2. FINDINGS AND RECOMMENDATIONS

2.1 Written Procedures

- 2.1.1 Comprehensive written procedures which are easily accessible by all members of staff can reduce the risk of errors and inconsistency. They are beneficial for the training of current and new employees and provide management with assurance of correct and consistent practices being followed, especially in the event of an experienced employee being absent or leaving.
- 2.1.2 As well as an on-line learning course on eFinancials, there are also a number of user guides available in Word format which can be accessed through the Zone. Two manuals aimed at Service users for Invoice Processing and Purchase Order Processing are currently out of date. Whilst the processes they describe are considered accurate, some information such as contact information requires reviewing.

Recommendation

The Service should review and where necessary update the user manuals.

Service Response/Action

Agreed.

Implementation Date

April 2016.

Responsible Officer

Financial Services
Manager.

Grading

Important within audited area.

- 2.1.3 The Accounts Payable team have a number of written procedures describing their daily procedures, including guides to using InfoSmart and running reports in eFinancials. The manuals are clear and the processes described were followed by Internal Audit in order to recreate the journey of an order through the purchase-to-payment procedure and this was done without difficulty.

2.2 General

- 2.2.1 80% of invoices paid by the Council are processed directly by the Accounts Payable Team; the remaining 20% are processed in the first instance through six Service specific systems (Care First, Caps Uniform, TALIS, Total Consilium, Confirm and Tranman). These systems are used by Services to place orders and to record Service specific information. Invoice payment information is interfaced from each of these systems. See section 2.4 below. There is one interface from eFinancials, this is to InfoSmart.
- 2.2.2 Of the invoices processed by the Accounts Payable team, approximately two thirds (65% in 2014/15) are supported by purchase orders placed by through PECOS (Professional Electronic Commerce Online System), an ordering system that is used by approximately 100 Scottish public sector organisations, which interfaces to eFinancials. Of the remaining 35%, the Service has advised that whilst the majority are for recurring services where a purchase order is not required, such as utility bills, there are instances where Service's will, in breach of Financial Regulations, not raise a purchase order. The non-use of purchase orders will be considered within transactional audits planned for the current financial year.
- 2.2.3 At present, when an invoice is processed and matched to the relevant order within eFinancials, the order is recorded as being complete and marked as closed. As there is no interface of information from eFinancials to PECOS, orders remain open within PECOS. As a result order details can be amended at any time within PECOS, even if they have been closed in eFinancials. An amendment to an order in PECOS which has

been closed in eFinancials will be flagged as an exception by the interface process and investigated by the Financial Systems team.

- 2.2.4 An exercise is completed quarterly to identify outstanding open orders in eFinancials. The Financial Systems Team contact the Service responsible to confirm whether the order can be closed off. This ensures that monitoring information contains either expenditure or valid outstanding commitments.

2.3 Remote Access & Support

- 2.3.1 Support for eFinancials is provided by the software vendor ABS and by WellData, an IT support services company. The IT Operations Management Standard para 8.9 requires that *'Where 3rd party network providers supply services it must be established at the outset that our confidentiality, integrity and availability requirements can be met and SLA and contracts are well defined'*. Remote access arrangements were previously managed on behalf of the Council by ATOS IT Services UK. At present there is no signed agreement for either ABS or WellData. The Service is currently in the process of taking back responsibility for granting remote access and with that ensuring that a remote access agreement is held for all systems that require one. The Service anticipates having this completed by June 2016. A recommendation is included here for tracking purposes.

Recommendation

The Service should ensure that a remote access agreement is held for all systems that require one.

Service Response/Action

Agreed. Currently in progress.

Implementation Date

June 2016

Responsible Officer

IT Technology Services
Manager

Grading

Significant within audited
area.

- 2.3.2 Support calls are raised by the Finance Systems Team through the online web tool Webfirst and external access is granted as required; the third party must provide a static IP address. Requests for patches and upgrades are sent to ABS via the Finance Systems Team. ABS apply these remotely and the fixes are then verified for completeness and stability and recorded on a spreadsheet by the Finance Systems Team.

2.4 System Interfaces

- 2.4.1 The Financial Systems Team undertake daily checking procedures to ensure the completeness and accuracy of the interface information input to eFinancials from the Service systems and PECOS as well as the output interface to InfoSmart. After each Interface has run, a system generated email or email from the system administrator is sent to the eFinancials system team to advise that the interface has been processed.

- 2.4.2 The emails show batch numbers and total values as well as details of individual invoices included in each batch. The interfaced data is initially automatically input to holding tables in eFinancials, following which a process is run by the Financial Systems Team to upload the information onto eFinancials. An email is then sent from ICT confirming the batch number, number of invoices and total values in the interfaces which have been uploaded. A report is run by the Financial Systems Team creating a spreadsheet with tick boxes to be compared with the 2 emails, creating a 3 way match for batch number, number of invoices and value. A review was undertaken of a selection of interfaces run on 25 August 2015. The information was complete and the values interfaced between systems matched.

2.5 System Access

- 2.5.1 Access is granted to eFinancials by the Financial Systems Team on receiving a new user form, available on the Zone, which has been authorised by a line manager. A spreadsheet of users is maintained and checked regularly against a leavers report. The system automatically logs an audit trail of user activity which the user cannot amend or delete. A sample of 10 user access requests was examined and compared to the system access provided. All access forms had been properly authorised, and were input timeously and accurately.
- 2.5.2 It is not currently possible to automatically lock user access after a period of inactivity, which would reduce the risk of the system being accessed inappropriately. Council staff are required to undertake a data protection course "Data Protection Essentials" and information security training 'For Your Eyes Only' which mitigates this risk. Of the 17 staff employed within the Accounts Payable Team, 10 had completed information security training, whilst only 1 had completed the data protection training.

Recommendation

The Service should ensure that all staff complete the required training in data protection and information security.

Service Response/Action

Agreed.

Implementation Date

December 2015.

Responsible Officer

Financial Services
Manager.

Grading

Significant within audited
area.

- 2.5.3 It is important that authorised users are granted appropriate access levels commensurate with their role, whilst simultaneously giving due consideration to segregation of duties. Access levels are assigned to users when their profile is first set up by the Financial Systems Team. Levels assigned range from permitting read-only access, to permitting access to input and amend supplier data as well as the processing of invoices.
- 2.5.4 Whilst it is possible to segregate duties and set up a user with system access to either amend supplier data or process invoices, currently all staff who are required to undertake these tasks have access rights to undertake both. Staff with this level of access are instructed to restrict their activities on any one day to one or the other, in order to manually segregate these duties. A report is run on a weekly basis by the Team Leader showing what data has been amended, in what way and by whom, and this is reviewed and retained to ensure that any changes are trackable. A copy of this report was reviewed and found to provide a clear audit trail, and only the designated staff with responsibility for changing standing data had done so.
- 2.5.5 A list of all users with current access to input data to eFinancials was obtained and examined. Levels of access were found to be appropriate for the tasks carried out. All users were checked through PSe (Payroll system) and are currently employed in the described roles.
- 2.5.6 The Accounts Payable team is currently divided into two sub-teams; one with primary responsibility for inputting invoices, who all have access level 30, and one with primary responsibility for processing invoices and supplier data, 4 of whom have level 73. The team managers have expressed a wish to give all team members the same role and level of access to allow greater flexibility within the Team. This would however remove the segregation of duty control currently in operation and would require additional scrutiny of the report referred to in para 2.5.4. Whilst this is an operational decision that will be taken

by the Service, Internal Audit would advise retaining the current levels of segregation of duties.

2.6 Supplier Data

2.6.1 The new supplier process is managed by Commercial and Procurement Services (C&PS). Forms requesting new supplier set-up are available on the Zone; parts 1 to 3 should be completed by the requisitioner and the supplier, approved by the requisitioner's line manager and forwarded to C&PS for approval before being sent to the Accounts Payable and PECOS teams to approve the supplier and add the details to the relevant systems. If an individual is to be set up as a supplier where no PECOS order is available, there is a specific form which is sent to the Accounts Payable team to input to eFinancials. A sample of 10 new supplier requests was reviewed. All were properly authorised and the information input accurately to the creditors system.

2.6.2 When notification is received from any supplier that an amendment to their bank details is required a letter is sent to the address currently held in the system requesting confirmation of both the old details and new details in writing. This conforms to good practice advised by the National Anti-Fraud Network. A sample of twenty supplier amendments was reviewed. In two cases evidence supporting the amendment had not been retained, which means that there is no assurance that the amendments were appropriate or correctly input. The Service has advised that they will improve staff training and monitoring to address this issue.

Recommendation

The Service should ensure that evidence supporting amendments to supplier standing data is retained.

Service Response/Action

Agreed. Staff will reminded of this requirement at team briefings.

Implementation Date

November 2015.

Responsible Officer

Financial Services
Manager.

Grading

Important within audited area.

2.6.3 At present the Accounts Payable team has officers dedicated to specific tasks, with a clear separation of processing invoices and amending supplier data, as discussed in 2.5.7 above. In addition to the report on segregation of duties previously mentioned, there is also a weekly report reviewed by the Team Leader on new and amended suppliers, allowing changes to be tracked.

2.6.4 Suppliers can access a secure portal to eFinancials and send messages to the Accounts Payable team, see invoice status and get copies of remittances. The team do not accept phone calls from suppliers, only these messages or voicemails. Services are expected to handle the bulk of correspondence with suppliers, including resolution of disputes.

2.7 Invoice Processing

2.7.1 The EU directive for Electronic Invoicing in Public Procurement came into effect on 16 April 2014 and is to be implemented into national law by amendment to the Scottish Regulations Public Contracts (Scotland) Regulations 2012 no later than 27 November 2018. Local authorities have a further 12 months after this date to comply. The Directive requires contracting authorities to be able to receive e-invoices and make payment electronically for all contracts regulated under the EU Procurement Directives. However, while the acceptance of e-invoices by all contracting authorities is mandatory, the

exchange of invoices in other formats will still be allowed if both the contracting authority and supplier agree.

2.7.2 To ensure compliance the Council is using Cloud Trade. The Cloud Trade solution enables invoices from any supplier to be received by email in a variety of formats (PDF, xml, HTML, EDI). The solution then extracts the key invoice data, interprets the data into an invoice format, validates the data against pre-determined workflow (eg PO number, VAT number etc.) and then exports the invoice and posts, via xml, to eFinancials. The system has been in operation since October 2014. When an invoice is received the AP team are sent a notification, the data is transferred to eFinancials and, if matched, automatically scheduled for payment.

2.7.3 In July 2015 an Early Payment Discount Scheme (EPDS) was introduced. The scheme, operated by Oxygen Finance, involves electronic invoices from participating suppliers generally being paid within one or two days of receipt when there is a straight match, and within ten days when there is a mis-match to gain the maximum rebate. The invoice submitted by the supplier does not reflect the discount. The discount is calculated after the captured invoice information is passed to Oxygen Finance and is processed as a credit note within the creditors system. Such invoices must be submitted through the Cloud system. Oxygen receive a proportion of the rebate created by the discount. The operation of this scheme will be reviewed by Internal Audit at a later date.

2.7.4 As of July 2015 there are 3 ways in which invoices are input to eFinancials:

1. By mail: scanned into InfoSmart using DB Capture – may need to be validated
2. By email: PDF stripper captures data and inputs to InfoSmart, or directly to eFinancials if validation not required
3. Through CloudTrade (e-invoicing): data stripped from e-documents and uploaded to holding area in eFinancials

As a result, every invoice received by the Accounts Payable team is stored electronically within InfoSmart and given an index card to allow searching. Paper invoices are stored for 6 weeks and then securely destroyed. Invoices processed through feeder systems are not held in InfoSmart but stored by the originating Service.

2.7.5 Invoices which are scanned through DB Capture, which uses OCR technology to capture the data, are reviewed by an officer when there is an error in the invoice image validation. In all other cases where suppliers have been set up on DB Capture, invoice templates have been set up to allow the system to automatically identify references and values. DB Capture can then check calculations for accuracy, ensure that PO numbers match information in eFinancials, look for duplicate invoice numbers and identify the due date so that invoices can be prioritised. The system flags possible errors so that the Accounts Payable team can manually amend or remove duplicates.

2.7.6 If staff action is required during invoice processing a task is added to the relevant officer's InfoSmart workflow. Officers have daily targets for processing, which are monitored by the Team Leaders. The Accounts Payable team are able to re-direct tasks to an alternative officer's workflow if necessary. Invoices are held in a master queue in InfoSmart and are added to an individual's workflow once processing of the previous invoice is completed. This ensures that staff cannot predict which invoices they will be processing. It also allows for staff to focus on one specific invoice at a time, which could help in the reduction of errors.

2.7.7 If invoices relating to purchase orders placed through PECOS (referred to within the system as POP) are matched, they should be accepted automatically once the invoice information is entered to the system. Information from PECOS is interfaced to eFinancials 5 times a day and placed in a holding area until 3.30 pm, when a "matching" job is

processed. For an invoice to be processed successfully, the system will look for a three way match between the purchase order, goods received and invoice.

- 2.7.8 The current error tolerance limit is £2.00 for all suppliers except Brakes the catering supplier, for which the tolerance level is £50. The tolerance limit has been set at this level following discussions with Services, who accept that there may be variances in the types of foodstuffs and quantities delivered from that ordered, and are satisfied with the tolerance level. Whilst it is acknowledged that the Services are accepting of the tolerance level of variances, the actual variances should be kept under management review.

Recommendation

A review of the number of variances between the order and invoice amounts relating to goods purchased from Brakes should be undertaken and if significant in numbers, this should be raised with C&PS for discussion with the supplier.

Service Response/Action

Agreed. A reconciliation of the values above or below the £50 tolerance was undertaken some time ago, and the cost to the Council overall was negligible. We will look to have a further reconciliation undertaken as per request. It is very difficult where there are foodstuffs on order based on quantities to get this correct. Many invoice values for Brakes are low value, so the £50 tolerance is a huge benefit to us in getting invoices paid first time. We are seeing nearly 80% of their invoices matching first time through Cloud, so the resultant saving in staff time and cost of dealing with high volumes of invoices not matching first time is drastically reduced.

Implementation Date

March 2016.

Responsible Officer

Financial Services
Manager.

Grading

Important within audited area.

- 2.7.9 After the matching job has been run, eFinancials interfaces the results with InfoSmart, either attaching voucher information to an index card for accepted invoices, or returning details of mis-matches which are then sent to the requisitioner as a task to be resolved and re-input.
- 2.7.10 Most invoices should be supported by purchase orders; for a small number this is not appropriate (e.g. utility bills). Invoices with no PO (“non-POP”) must be approved and given a financial code before payment. Either they come to the Accounts Payable team with this already completed by an authorised signatory or they will be sent for authorisation within InfoSmart to the workflow of a relevant officer within the requisitioning Service. Invoices from the Cloud identified by the system as not having a purchase order (non-POP) are transferred across to InfoSmart every 30 minutes to be processed.
- 2.7.11 Once accepted for processing, invoices are organised into batches ready to be posted for payment, and batch header documents are created within eFinancials. This may be done automatically or manually. Batches are divided according to whether they are POP or non-POP invoices; spot checks are made on non-POP invoice batches before payment by Team Leaders. A batch is chosen and opened, an invoice is selected, then the voucher number is searched within InfoSmart to ensure that it has been properly authorised and the totals are correct. Records are not kept of these checks as this would make the task too time consuming. The batches are then approved for payment by a Team Leader or the Financial Services Manager. POP invoices and those received from feeder systems are pre-approved as part of the authorisation processes within PECOS and the feeder systems and so are not checked; these are posted for payment by one of the Team Leaders on a daily basis.

2.7.12 A weekly report is run by the AP Team Leader to identify unauthorised and mismatched invoices. This is then compared to previous reports and sent to all named Services and to the Accountancy team. Invoices which remain outstanding from previous reports are marked in red for urgent action.

2.8 Credit Notes & Disputed Invoices

2.8.1 The eFinancials system will not allow credit to be processed on an invoice once payment to the supplier has been made. If a credit note is received after the related invoice has been paid, a credit balance will be retained against the supplier's account in eFinancials and this will be set against a future invoice. Requests for refunds are sent to suppliers that are used infrequently.

2.8.2 Any invoice which cannot immediately be matched within the set tolerances as detailed in para 2.7.8 is marked as disputed and payment is stopped. A dispute marker code is added in eFinancials and from that point on it will not be automatically processed; it must be manually approved and added to a payment batch once the marker has been removed. Only a member of the Accounts Payable team can add or remove a dispute marker; this is done once confirmation is received from the Service that any differences have been investigated and resolved.

2.8.3 Invoices marked as disputed are not included in late payment performance statistics; they are monitored through task processing and invoice processing reporting by the AP Team Leader to ensure that mismatch "disputes" are cleared quickly and that genuine disputes are being investigated by the Services concerned. All genuinely disputed invoices should have dates and details in the comments field in their InfoSmart record input by the originating Service to allow the process to be tracked.

2.9 Payment Terms

2.9.1 The Service aims to pay invoices within 30 days of receipt, to avoid potentially having to pay late payment interest and to reimburse the recovery costs of the creditor in accordance with the Late Payments of Commercial Debts (Interest) Act 1988 as amended. Prompt payment also prevents a negative impact not only on the Council's Statutory Performance Indicators but also on the Council's business relationships with suppliers.

2.9.2 The Financial Services Manager receives a monthly report from the Financial Systems Team on how many invoices were paid within 30 days of receipt, which is a statutory performance indicator. This data is also sent to Audit Scotland on an annual basis. Per this report, as at June 2015, 99.15% of undisputed invoices had been paid promptly, a figure which compares to previous years (2014/15 – 99.2%, 2013/14 – 99.1%).

2.10 Payments Processing

2.10.1 Payment runs may be initialised by any member of the Accounts Payable team. eFinancials reports are run to pick up all invoices posted for payment and generate payment batches. Every payment batch has a batch number and every payment item within a batch has a payment voucher number; these should not be confused with invoice voucher numbers. A text file is produced showing the totals for the different payment types and this is scanned and saved to the team file in the C drive.

2.10.2 Invoices may be added or removed from batches at this stage. If amendments are made screenshots are taken of the alterations and printed out, reasons are added in manuscript, and the printouts are scanned and saved in the team file. It is not possible to change the amount to be paid on an invoice by amendment.

- 2.10.3 Once payments are batched the processing date is input (next working day). Finally a job is run to produce and print payment documents.
- 2.10.4 Payment by BACS is encouraged as it is deemed to be the most efficient and cost effective method of payment. Approximately 95% of suppliers currently receive payments by BACS and 5% by cheque. Payment by cheque tends to be of a "one off" to individuals reluctant to pass on bank details, or where the requested bank details cannot be obtained.
- 2.10.5 BACS payments are due up to 3 working days from the date instructed, and can be initiated by officers with access to the relevant responsibility. Data is sent securely to Bottomline Technologies (suppliers of secure financial messaging services) to transfer BACS files over the internet to the relevant banking institutions. It is then possible for those officers with sufficient access to go into the BACS website to check if payments have been made properly.
- 2.10.6 Five employees have been set up with the authority to transmit BACS payment runs and each of these has a unique BACS transmission account that is controlled through cards, card readers and passwords. There is an audit trail of the BACS payment that is transmitted by each employee via the recording of the applicable ID number on the BACS Summary Receipt.
- 2.10.7 Cheques are produced to a timescale for 2nd class mail; they are printed in the Accounts Payable team office and the cheque number is input to eFinancials before the cheque is sent. The details are reported as described below.
- 2.10.8 Payment reports are produced on the different payment types. These are printed, scanned to the team folder in the C drive and then securely destroyed; it is necessary to keep these confidential as the BACS report contains bank account details. Copies of the payments lists were obtained and the details were verified to eFinancials.

2.11 Reconciliations

- 2.11.1 There is one Creditors control account and no suspense account. Data on the monies to be transferred from the main Council Bank Account to the Creditors Payment Account is faxed to the Treasury Unit team by the Accounts Payable Team Leader on a weekly basis.
- 2.11.2 The Bank Reconciliation team run a report on a daily basis reconciling the Creditors Payment Account fund figures to the cost centre totals in the ledger. Any variations are investigated and then corrected by journal.

2.12 Erroneous Payments

- 2.12.1 In addition to controls within eFinancials, the Service has an agreement with an external provider, AP Forensics, to check processed invoices for duplicates. An extract is taken from eFinancials of all invoices approved for payment 3 days previously. The files are sent to APF, stored and matched. An error and duplicate report is produced daily which rates the possibility of error. The potential duplicates are considered and where necessary investigated further; the voucher number on the report allows for the identification of the invoice within Info Smart.
- 2.12.2 Amounts paid in error will be recovered from the next payment to the supplier if possible, otherwise a letter will be sent requesting repayment. At present only the two Accounts Payable Team Leaders have access to this system. A review of 15 possible duplicates found that all were unique invoices and appropriately paid. The Service advised that the proportion of genuine duplicates found by the system is quite small, due to the controls already in place. When duplicates are identified the AP team will take steps to recover the payment and the Service concerned is given advice.

2.13 System back up and business continuity plans

- 2.13.1 The risk of a major business IT system failure is currently reflected within the Corporate Governance Operational Risk Register. The potential impact of eFinancials being unavailable is that suppliers are not paid and is specifically referenced in the document. The internal controls identified are business continuity and disaster recovery, and adoption of an enterprise approach to the whole IT eco-system.
- 2.13.2 A full backup of the eFinancials database is undertaken daily by the IT Service using Oracle Recovery Manager (RMAN), which, as part of the backup process will run a restore process without actually restoring any files, thus verifying the validity of the back up. In addition to the daily backup once a week the database is stopped and a cold backup is taken. This is the safest way to back up because it avoids the risk of copying data that may be in the process of being updated. However, a cold backup involves downtime because users cannot use the database while it is being backed up. The cold backup is undertaken on Sunday when the system is not being used and therefore does not impact users. The backup files are checked for consistency and, therefore, validity on a Monday. An example of both types of backups were reviewed and were found to have been completed successfully.
- 2.13.3 Server system back up is provided and managed by ATOS IT Services UK. Full backups are undertaken weekly and incremental backups are performed every second day. An annual Disaster Recovery exercise is undertaken by ATOS and the Council covering all systems, the last being in November 2014.
- 2.13.4 The Disaster Recovery and Business Continuity Plan is held by the Grampian Emergency Planning Unit which is a shared service team which co-ordinates the emergency planning for Aberdeen City and Aberdeenshire Councils. eFinancials is considered within the Finance Service Business Continuity Plan and describes the process to be followed in the event of loss or partial loss of access to computers.

AUDITORS: D Hughes
M Beattie
L Jarvis

Appendix 1 – Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.