

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	27 June 2017
TITLE OF REPORT	Internal Audit Reports – Follow-up of Agreed Recommendations
REPORT NUMBER	IA/17/011
DIRECTOR	N/A
AUTHOR	David Hughes

1. PURPOSE OF REPORT

- 1.1 This report advises the Committee of progress made by Services with implementing recommendations that were agreed in Internal Audit reports issued since April 2015.

2. RECOMMENDATION

- 2.1 The Committee is requested to review, discuss and comment on the issues raised within this report and the attached appendices.

3. BACKGROUND / MAIN ISSUES

- 3.1 Appendices A and B show progress made by Services with completing agreed Internal Audit recommendations, based on assurances received from officers tasked with their implementation and independent checks where appropriate. Where all recommendations contained in individual reports issued before 1 April 2017 have been completed, these are no longer shown in the appendices.
- 3.2 Where recommendations have not been completed by their original due date, reasons are provided along with the grading applied to the recommendation in the original Internal Audit report. An explanation of the gradings used is shown at appendix C.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of

this report.

6. MANAGEMENT OF RISK

- 6.1 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports. Recommendations are made to address the identified risks and Internal Audit follows up progress with implementing those that are agreed with management. Those not implemented by their agreed due date are detailed in the attached appendices.

7. IMPACT SECTION

- 7.1 **Economy** – The proposals in this report have no direct impact on the local economy.

- 7.2 **People** – There will be no differential impact, as a result of the proposals in this report, on people with protected characteristics. An equality impact assessment is not required because the reason for this report is for Committee to review the position with Services implementing agreed Internal Audit recommendations. The proposals in this report will have no impact on improving the staff experience.

- 7.3 **Place** – The proposals in this report have no direct impact on the environment or how people friendly the place is.

- 7.4 **Technology** – The proposals in this report do not further advance technology for the improvement of public services and / or the City as a whole.

8. APPENDICES

- 8.1 Appendix A – Position with Agreed Recommendations as at 9 June 2017 – Summary.

- 8.2 Appendix B – Position with Agreed Recommendations as at 9 June 2017 – Detail.

- 8.3 Appendix C – Grading of Recommendations.

9. REPORT AUTHOR DETAILS

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APPENDIX A

POSITION WITH AGREED RECOMMENDATIONS AS AT 9 JUNE 2017

SUMMARY

The following table provides a summary of progress being made by Services with completing agreed recommendations. On 23 February 2017, the Committee was advised that, as at 10 February 2017, there were 51 recommendations which were due to have been completed by 31 December 2016 which were not fully complete. This has reduced to 34. The total not fully complete, which had an original due date of before 30 April 2017, is 72. Full details relating to progress, on a report by report basis, are shown in appendix B.

Recommendations							Grading of Overdue Recommendations		
SERVICE	Agreed in reports shown in Appendix B	Due for completion by 31.12.16	Confirmed complete by Service	New in January to April 2017	Confirmed complete by Service	Not fully complete by original due date of 30.04.17	Major	Significant	Important
Cross Service	93	55	49	26	15	17	0	12	5
Communities, Housing and Infrastructure	122	90	72	13	8	23	2	11	10
Corporate Governance	61	19	14	35	23	17	0	8	9
Education and Children's Services	39	31	27	6	3	7	0	6	1
Health and Social Care Partnership	48	23	22	23	16	8	0	7	1
Total	363	218	184	103	65	72	2	44	26

APPENDIX B

POSITION WITH AGREED RECOMMENDATIONS AS AT 9 JUNE 2017

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

CROSS SERVICE

AC1604	Corporate Policies and Procedures	March 2016	2	2	0	2	2 Important
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The overdue recommendations were due to be implemented by the end of March 2017. The position with these is as follows:

Recommendation	Position
2.1.4 – The Council should hold a full categorised list of all policies and procedures via which all officers can access relevant information for their role and activities they intend to carry out (graded “important within audited area”).	A revised corporate template has been agreed and is in use. A number of policies / procedures have been developed into an e-induction module for all new staff. All other policies / procedures are being developed across Services with progress being monitored through the project team and the Governance Review Board has agreed to extend this to the end of August 2017
2.1.5 – The Council should ensure a timetable is put in place for implementation of a policy framework for all Council policies (graded “important within audited area”).	The Governance Review Board is monitoring progress of this project through the wider Governance Review Programme and has agreed to extend the collation / housekeeping aspect to the end of August 2017.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

CROSS SERVICE (continued)

AC1615	Timesheets	January 2016	25	25	23	2	2 Significant
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The position with the overdue recommendations is as follows:

Recommendation	Position
2.4.6 (1c) was due to be implemented in July 2016 – On-line timesheet to be implemented which will have built in rules that will help ensure that payments are made in accordance with the rules and conditions of service (graded “significant within audited area”).	<p>As reported previously, this has been delayed due to competing priorities and because testing identified issues with the formulas. It was anticipated that a pilot would begin in October 2016 with full implementation in January or February 2017. The Service advised that this was launched in Customer Services in February 2017 and that it was planned to roll this out across other services once the pilot feedback is fully assessed.</p> <p>The latest update from the Service is that the system has been developed, tested and the roll-out has commenced in Corporate Governance. HR will work with Directorates to roll this out further in a phased and systematic way but it will not be completed until at least the end of August 2017.</p>
2.4.6 (2) was due to be implemented in July 2016 – Spot checks will be put in place on an ongoing basis to ensure the correct application of guidance in relation to payment for non-standard hours (graded “significant within audited area”).	<p>As reported previously, this is now going to be addressed through the on-line timesheet in Your HR. In view of this, and the issues detailed at 2.4.6 (1c) above, this will now be implemented in January or February 2017.</p> <p>The latest update from the Service is that this is included in the design and roll-out of the overtime module and, as with 2.4.6 (1c) above will not be fully implemented until at least the end of August 2017.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

CROSS SERVICE (continued)

AC1621	ALEOs	February 2016	10	6	6	0	0
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AC1623	Compliance with Procurement Legislation	June 2016	28	28	23	5	5 Significant
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The position with the overdue recommendations is as follows:

Recommendation	Position
2.1.12 was due to be implemented in June 2016 – C&PS in conjunction with Finance should review Financial Regulations to clarify whether and what exceptions to the requirement to raise a Purchase Order are allowed (graded “significant within audited area”).	<p>As reported previously, Commercial and Procurement Services has advised that a draft list of exceptions has been prepared and requires to be finalised with Finance colleagues. Reference to the list of exceptions will be included in the next update to the Financial Regulations which is currently being prepared. A revised completion date of 31 March 2017 would fit with this review.</p> <p>The latest update from C&PS is that this remains in progress as part of the Financial Regulations. Governance colleagues have advised that these are currently scheduled to be reported to the Finance Policy and Resources Committee in September 2017.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
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CROSS SERVICE (continued)

Recommendation	Position
<i>(AC1623 – Compliance with Procurement Legislation – Continued)</i>	
2.4.7 was due to be implemented in September 2016 – The Service should ensure that spend on supplies which are likely to be used by more than one school is forecast so that appropriate Committee approval and tendering can be completed for aggregate spend (graded “significant within audited area”).	<p>As reported previously, the Service is in the process of identifying expenditure across the schools. It was anticipated that this would be completed by March 2017 and that expenditure across other Directorates would have to be considered.</p> <p>The latest update from the Service is that, as there is not currently a system to allow identification of collected spend on an item by item basis, it is more appropriate at this moment in time to adopt a common sense approach to tackling the issue of compliance in overall school spend. The Service is therefore targeting the commodities that all schools would have a requirement for eg transport for school trips. In the case of school trips, there is significant spend not currently covered by contract and the creation of a contract would significantly reduce the time taken by schools when seeking quotes for transport.</p>
2.5.4 was due to be implemented in March 2017 – C&PS should review the status of implied contracts, determine appropriate actions with the Service, and seek Committee approval (graded “significant within audited area”).	Commercial and Procurement Services has advised that this will now be complete in September 2017 as Service reviews are required to be completed first.
2.6.4 was due to be implemented in June 2016 – C&PS in conjunction with Finance should review whether revision and re-authorisation of Purchase Orders is necessary for minor changes to content and value (graded “significant within audited area”).	As 2.1.12 above.
2.6.6 was due to be implemented in June 2016 – C&PS will issue guidance clarifying the raising of purchase orders and any exceptions (graded “significant within audited area”).	As 2.1.12 above.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
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CROSS SERVICE (continued)

AC1712	Agency Staff	February 2017	14	12	8	4	2 Significant 2 Important
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The following five recommendations were due to be implemented by the end of February 2017:

Recommendation	Position
2.1.2 - Completion guidance for the 'Authorisation for Use of Agency Worker' form should be updated in order to formalise the arrangements for engaging agency workers as an alternative to recruiting through the corporate recruitment process. (graded "important within audited area")	HR has advised that the form has been revised and is awaiting approval. This should be done by the end of June 2017.
2.1.3 - Written procedures should be expanded to include standardised procedures for the processing of timesheets and the induction process. (graded "important within audited area")	HR has advised that the procedures have been revised and are awaiting approval. This should be done by the end of June 2017.
2.4.2 - Services should ensure the induction of agency workers is carried out, and is evidenced (graded "significant within audited area").	HR has advised that feedback is awaited from Business Partners on induction requirements and content of checklist. Information on audit recommendations has been communicated to hiring managers. This recommendation will be fully implemented by the end of August 2017.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

CROSS SERVICE (continued)

Recommendation	Position
<i>(AC1716 – Agency Staff – Continued)</i>	
2.4.3 - Completion of agency worker induction checklists should be recorded and monitored centrally within Services (graded “significant within audited area”).	HR has advised that feedback is awaited from Business Partners on induction requirements and content of checklist. Information on audit recommendations has been communicated to hiring managers. This recommendation will be fully implemented by the end of August 2017.

AC1716	Timesheets and Allowances	February 2017	9	8	4	4	3 Significant 1 Important
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Progress with implementing the four recommendations that are overdue is as detailed below.

Recommendation	Position
2.2.6 (1) was due to be implemented by the end of March 2017 - HR should determine the most appropriate way of resolving the issue of incorrect payments being made via the Non-Standard Working Week Allowance (graded “significant within audited area”).	HR has advised that the briefing to deal with this is still to be done. It will now be done by the end of June 2017.
2.2.6 (2) was due to be implemented by the end of March 2017 - incorrect payments should be resolved, complying with Financial Regulations in respect of identified overpayments (graded “significant within audited area”)	HR has advised that the checking process is complete and that recovery of overpayments will commence in June 2017.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
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CROSS SERVICE (continued)

Recommendation	Position
<i>(AC1716 – Timesheets and Allowances – Continued)</i>	
2.4.6 (1) was due to be implemented by the end of February 2017 – HR should determine the best approach to ensuring that additional holiday pay is only claimed when eligible hours have been worked (graded “significant within audited area”).	<p>The Service response in the audit report was as follows: Within YourHR a button has been set up with definition of regular, this has to be chosen for the additional holiday payment to be made. This will be in place when the first group of staff are introduced to electronic timesheets.</p> <p>The latest update from the Service is that this is included in the design and roll-out of the overtime module. HR will work with Directorates to roll this out further in a phase and systematic way but it will not be completed until at least the end of August 2017.</p>
2.8.2 was due to be implemented by the end of April 2017 - HR should consider designating specific periods as annual leave for term-time staff in order to provide greater clarity (graded “important within audited area”).	HR has been leading on a project dealing with this issue and a proposal was issued to relevant managers and Trade Union colleagues in April 2017. It has been agreed that the recommended course of action will be implemented and this will be finalised by the end of June 2017 for implementation in the 2017/18 academic year.

AC1717	Compliance with Procurement Legislation	February 2017	5	0	0	0	0
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Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

COMMUNITIES, HOUSING AND INFRASTRUCTURE

AC1602 AW	Craft Workers Terms and Conditions	October 2015	9	9	3	6	2 Major 4 Significant
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All of the recommendations in this report were due to be implemented by the end of June 2016. The position with the overdue recommendations is as follows:

Recommendation	Position
2.2.6 – The Service should renegotiate the Agreement based on current working practice (graded “major at a service level”).	<p>As reported previously, the Service advised that all recommendations were being progressed through discussion and negotiation, and that it was anticipated they would all be resolved by December 2016. The Service then advised that they were discussing a renewed craft agreement with trade workers and unions. Meetings had taken place and others were due in January leading into February. The Service was hopeful that an agreement can be signed as soon as possible in 2017.</p> <p>The latest update from the Service is that the craft agreement has to be agreed at a regional level by the unions. At this stage, until other union matters are resolved, progress has stalled. It is hoped that these discussions will resume in the near future.</p>
2.3.13 – The Service should complete the roll out of the hand held system to ensure that periods of stand-by are covered (graded “significant within audited area”).	<p>As reported previously, this had been partially implemented and piloted and would be fully implemented with the new craft agreement.</p> <p>The latest update from the Service is that the craft agreement has to be agreed at a regional level by the unions. At this stage, until other union matters are resolved, progress has stalled. It is hoped that these discussions will resume in the near future.</p>

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COMMUNITIES, HOUSING AND INFRASTRUCTURE (continued)

Recommendation	Position
<i>(AC1602AW – Craft Workers Terms and Conditions – Continued)</i>	
2.3.14 – The Service should consider whether such payments remain appropriate (graded “significant within audited area”).	As reported previously, this is being reviewed as part of the new craft agreement, as per 2.2.6 above.
2.3.15 – The Service should recharge the cost of such call-outs to the tenant (graded “significant within audited area”).	As reported previously, this was being reviewed as part of the new craft agreement, as per 2.2.6, above, and discussions will take place with housing management. The latest update from the Service is that, although the repairs identified in the audit were of a rechargeable nature, the Service Directorate has decided not to recharge the tenant at this time. As the amounts involved were relatively small, this recommendation will be treated as implemented.
2.3.16 – The Service should consider whether calls that have been cancelled within a short period of having been lodged should be verified to confirm the identity of the caller (graded “significant within audited area”).	As reported previously, this was being reviewed as part of the new craft agreement, as per 2.2.6, above, and discussions will take place with housing management. The latest update from the Service is that this will be addressed when additional IT is introduced to the call out service.
2.5.6 – The Service should review procedures in place to ensure compliance with Working Time Regulations (graded “major at a corporate level”).	As reported previously, this was being reviewed as part of the new craft agreement, as per 2.2.6, above.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
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COMMUNITIES, HOUSING AND INFRASTRUCTURE (continued)

AC1605 AW	Building Services Recharges	July 2016	11	11	8	3	3 Important
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The position with the overdue recommendations is as follows:

Recommendation	Position
2.4.4 was due to be implemented in December 2016 – The Service should ensure that a formal procedure is developed, to provide guidance to staff dealing with enquiries relating to invoices issued (graded “important within audited area”).	As reported previously, the Service has advised that they do not have staffing to implement this at present. Additional staffing resource has been requested and, if approved, will be in place by August 2017.
2.4.6 (i) was due to be implemented in December 2016 – The Service should investigate the reasons for the errors identified in the above paragraph and should ensure that any systematic errors are resolved to reduce future occurrences (graded “important within audited area”).	As per 2.4.4, above.
2.4.6 (ii) was due to be implemented in December 2016 – The Service should ensure that statistics relating to resolved complaints are reported to Management to determine if there are issues which require to be addressed (graded “important within audited area”).	As per 2.4.4, above.

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COMMUNITIES, HOUSING AND INFRASTRUCTURE (continued)

AC1608	Trade Waste	January 2016	14	14	10	4	2 Significant 2 Important
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The position with the overdue recommendations is as follows:

Recommendation	Position
2.1.9 was due to be implemented in June 2016 – The Service in conjunction with Finance should review the charging system for extraordinary uplifts (graded “important within audited area”).	As reported previously, the Service has advised that it has developed a revised timetable for delivery of this element to dovetail with the introduction of the Council-wide Digital Platform. To proceed with work on the existing system that would quickly be redundant is not considered a good use of resources. The Waste and Recycling Service is one of the first areas for integration with the Digital Platform and it is anticipated that this action will be complete by June 2017.
2.1.10 was due to be implemented in September 2016 – The Service should implement reconciliations between records of work completed, work invoiced, and income received, to ensure that income has been received for the provision of all goods and services (graded “significant within audited area”).	As reported previously, the Service advised that the Bartec system is being introduced which is designed to resolve the issues. For similar reasons to 2.1.9, this action would be completed by April 2017. The latest update from the Service is that delays to completing this action are due to resource availability as a result of the roll out of the waste changes, software updates and the knock on impact of the Council’s digital platform project delays. It is anticipated that the action will be completed by September 2017 subject to the Council’s digital platform project remaining on schedule. The service is now working closely with the digital platform project team to complete this work.
2.1.12 was due to be implemented in September 2016 – The Service should introduce checks to ensure the accuracy and completeness of all invoices raised (graded “significant within audited area”).	As 2.1.10, above

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
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COMMUNITIES, HOUSING AND INFRASTRUCTURE (continued)

Recommendation	Position
<i>(AC1608 – Trade Waste – Continued)</i>	
2.1.13 (a) was due to be implemented in June 2016 – The Service should review the cost of uplifts against charge rates, and determine whether or not it is appropriate for reduced charges to be offered to either attract or retain customers (graded “important within audited area”).	As reported previously, the Service has advised that a review of costs of uplifts cannot be completed until data derived from the Bartec Collective System have been gathered and validated. Use of a non-standard charging rate is rare at this time and therefore the Service considers that the impact of deferring this action until confidence in its outcome can be gained is low. The recommendation will be implemented by the end of March 2017. The latest update from the Service is that delays to completing this action are linked to the response to recommendation 2.1.10 above.

AC1618	Vehicle and Driver Records	April 2016	22	22	20	2	2 Significant
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The position with the overdue recommendations is as follows:

Recommendation	Position
2.1.2ii was due to be implemented in November 2016 - Fleet should work with Services to determine their ongoing fleet requirements, in line with these principles, in advance of any further significant procurement exercises (graded “significant within audited area”).	As reported previously, the Service has advised that surveys were sent out to all Services in late 2016 requesting information on vehicle and plant usage. The returns indicated that all Services required their vehicles for the maximum time with no spare capacity. The results of the telematics trial detailed below will help inform decisions with initial results anticipated by September 2017.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

COMMUNITIES, HOUSING AND INFRASTRUCTURE (continued)

Recommendation	Position
<i>(AC1618 – Vehicle and Driver Records – Continued)</i>	
2.1.2iii was due to be implemented in November 2016 - Fleet should seek to identify 'excess' vehicles promptly in order to maximise resale value where vehicles are not required (graded "significant within audited area").	As reported previously, in January 2017, the Communities, Housing and Infrastructure Committee approved a telematics trial that will take place on 10 vehicles over a 3-6 month period. Should this trial prove successful, Fleet will present the results and seek further approval to implement a telematics system for all fleet vehicles and plant. The results of the trial will demonstrate vehicle performance, driver behaviour and utilisation; the benefits will include increased utilisation and potential fleet reduction saving cost pressures on maintenance, fuel and department budgets. Initial results are anticipated by September 2017.

AC1702	Building Services Procurement	June 2016	9	9	7	2	1 Significant 1 Important
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The position with the overdue recommendations is as follows:

Recommendation	Position
2.3.1 was due to be implemented in December 2016 – An exercise should be undertaken to improve supplier data and restrict ordering to framework or contract suppliers (graded "important within audited area").	As reported previously, the Service has advised that work is on-going with this and that some IT changes are necessary along with consultation with other users of the system. This will now be complete by October 2017.
2.3.4 was due to be implemented in December 2016 – The Service should ensure that systems are updated as soon as possible after framework agreements are renewed so that only current framework and contract suppliers are shown (graded "significant within audited area").	As reported previously, the Service has advised that a strategy has been agreed, but an instance of this transition period (which is unavoidable when new framework agreements are adopted) has not yet come up, in order to test the new process. It has been agreed with Commercial and Procurement Services to use the transition period with the new domestic gas servicing contract in October 2017, so the Service will be able to monitor progress then.

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COMMUNITIES, HOUSING AND INFRASTRUCTURE (continued)

AC1703	Cleaning Payroll	June 2016	14	14	11	3	3 Important
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The position with the overdue recommendations, which were due to be implemented by the end of January 2017, is as follows:

Recommendation	Position
2.4.5 (b) - The Cleaning Service in conjunction with HR should undertake a review of the overtime rates payable to all staff, with a view to matching the rate payable to the job covered rather than the employees' regular hourly rate (<i>graded "important within audited area"</i>)	<p>Management response in IA report - The Service (HR) currently has a number of projects that will be looking further at overtime analysis and multiple contracts and it is anticipated that these issues will be picked up as a result. These are due to commence in June 2016.</p> <p>HR has advised that YourHR has recently been rolled out in Corporate Governance and the Office of the Chief Executive, and will be rolled out further in June assuming that no issues are identified. It is anticipated that this will be complete by December 2017.</p>
2.5.3 – HR will explore possibility of using YourHR to monitor staff contracted hours and rotas, create a database of employees available to work extra hours and when, record the team extra hours are worked in and provide data to cleaning management (<i>graded "important within audited area"</i>)	The Service has already determined that a database won't be suitable, but other functionalities within the recommendation will be considered after the Overtime Module is rolled out. However, the start of this has now been delayed until August 2017.
2.5.4 - The Service should ensure that timesheets are authorised by the Team Leader who can substantiate that the hours have been worked (<i>graded "important within audited area"</i>)	This was going to be achieved through the launch of the Online Overtime and Additional Hours Module in YourHR. However, this has now been delayed until August 2017.

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COMMUNITIES, HOUSING AND INFRASTRUCTURE (continued)

AC1705	Roads Payroll	August 2016	22	21	18	3	2 Significant 1 Important
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The position with the overdue recommendations is as follows:

Recommendation	Position
2.2.19 (1a) was due to be implemented in March 2017 - Payroll should ensure all payments, including those made in arrears, are at the rate applicable on the date the work was carried out (graded “significant within audited area”)	HR has advised that overtime claims are planned to go through YourHR in the next few months and this will resolve the issue. It is anticipated that this is likely to happen by the end of August 2017.
2.2.19 (1b) was due to be implemented in November 2016 – Payroll should ensure all payments, including those made in arrears, are at the rate applicable on the date the work was carried out (graded “significant within audited area”).	<p>Response in IA report – Other Elements – We will go back to our current Payroll provider and ask if there is anything that can now be done.</p> <p>As reported previously, the system provider has implemented a part fix for this and is working on a full resolution which should be complete by the end of February 2017.</p> <p>The latest update is that the system provider has provided a fix and this needs to be tested before being implemented. It is anticipated that this will be done soon.</p>
2.2.13 was due to be implemented in February 2017 - The Service should review options to ensure all relevant duties (including supervision, administration and vehicle checks) can be completed within contractual hours (graded “important within audited area”)	The Service has advised that this will now form part of a wide restructure of the Roads Service which is underway. Once the two senior posts are recruited to, the working patterns will be part of the formal review for the remainder of the Service. It is anticipated that this will take to the end of December 2017 to complete.

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COMMUNITIES, HOUSING AND INFRASTRUCTURE (continued)

AC1714	Land and Buildings	February 2017	9	0	0	0	0
AC1720	Vehicle and Driver Records	March 2017	12	3	3	0	0

CORPORATE GOVERNANCE

AC1610	Budget Monitoring	November 2016	9	8	7	1	1 Significant
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Progress with the overdue recommendation is detailed below:

Recommendation	Position
2.5.8 was due to be implemented in April 2017 – Finance should ensure adherence to the scheme of virement is clearly documented and adhered to (graded “significant within audited area”)	High level virement guidance is included in the Budget Monitoring Procedures document and following further review by Internal Audit the Service has agreed to add more detail by 31 July 2017.

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CORPORATE GOVERNANCE (continued)

AC1614	Risk Management	November 2015	10	10	5	5	3 Significant 2 Important
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The position with the overdue recommendations is as follows:

Recommendation	Position
2.1.5 was due to be implemented in October 2016 – In order to meet its intention to monitor progress with the completion of training modules the Council should put arrangements in place to capture and report data as stated (graded “significant within audited area”).	As reported previously, the Service advised that data on numbers of people completing the risk management training course is available but had yet to be reported. Other training was in progress including the role of the officer in a political environment and third tier manager training on risk and assurance.
2.1.6 was due to be implemented by the end of March 2016 – The Strategic Risk Register should be updated, approved and reported to the Audit, Risk and Scrutiny Committee (graded “significant within audited area”).	<p>As reported previously, there was to be a strategic risk register (SRR) and a corporate operational risk register. The operational register would be drawn from those risks with corporate impact which are recorded in the service risk registers. The corporate operational risk register was to be reported to the Audit, Risk and Scrutiny Committee in June 2016 and the SRR was to follow. The SRR is now reported to CMT regularly although CMT had yet to make a decision on reporting to the Audit, Risk and Scrutiny Committee.</p> <p>The latest update from the Service is that the position has changed with this recommendation. In February 2017, CMT approved 2017 the completion of a single corporate risk register at the top tier of management, to be considered and reviewed by CMT (stewardship) monthly. This has been in place since February. No decision has been taken on reporting the register into the public domain due to the sensitive nature of the content including commercial sensitivity. Legal advice has been obtained to support the non-disclosure of the register beyond CMT at the current time.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

CORPORATE GOVERNANCE (continued)

Recommendation	Position
<i>(AC1614 – Risk Management – Continued)</i>	
2.1.7 was due to be implemented by the end of March 2016 – Performance Dashboards held on The Zone should be populated with the required data (graded “important within audited area”).	<p>As reported previously, all risk registers will be uploaded to the relevant dashboards once agreed. Performance dashboards are being reviewed as part of the Performance Management Framework Review.</p> <p>The latest update from the Service is that the Corporate Governance Risk Register continues to be reported on the directorate’s performance dashboard. The register is reviewed regularly and following each review, the new version is uploaded. The next review will take place in June. Dashboard development more widely is subject to the Performance, Risk and Improvement Programme which had its inaugural meeting in April 2017.</p>
2.1.13 was due to be implemented by the end of March 2016 – The Risk Management Manual should be reviewed and updated where appropriate (graded “important within audited area”).	<p>As reported previously, the strategy was to be revised through work with consultants on the governance review and the manual would then need to be revised after that. The strategy was due to be reported to the Audit, Risk and Scrutiny Committee in September 2016 and the manual revision would be complete by September 2016. The revised strategy was then to be reported to Committee in November with the manual being revised in 2017. The Audit, Risk and Scrutiny Committee was advised in November 2016 that the risk system review had concluded and the associated implementation plan was being reported to the Audit, Risk and Scrutiny Committee in November 2016. Work on the revised strategy and manual are about to start and it is expected that the strategy will be reported in the first half of 2017.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
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CORPORATE GOVERNANCE (continued)

Recommendation	Position
<i>(AC1614 – Risk Management – Continued)</i>	
2.1.13 continued	The latest update from the Service is that the risk and assurance review identified confusion over some risk terminology and there have also been significant developments in the risk management software. Guidance is now being prepared to cover both of these areas and will be made available in June to all officers involved in risk management and will replace the existing manual on the Council's intranet. The Risk Management Strategy will be prepared in late summer 2017, in order to take account of the development required post council elections including the agreement of a risk appetite statement for ACC.
2.1.19 was due to be implemented by the end of April 2016 – A Risk Management annual report should be prepared and presented to the Audit, Risk and Scrutiny Committee (graded “significant within audited area”).	<p>As reported previously, this had been delayed to the September 2016 meeting of the Committee to allow for inclusion of a benchmarking exercise. At that time, the benchmarking exercise had not commenced and it was intended to report to the November 2016 meeting of the Audit, Risk and Scrutiny Committee. The Committee was advised in November 2016 that the benchmarking data had been received in draft form only and, as a result of having not received final data, the exercise has been delayed further.</p> <p>The latest update from the Service is that the output of the benchmarking exercise has been aligned with the priorities in the risk and assurance review project which is under way. The project was previously reported to Audit, Risk & Scrutiny Committee before the output was received and it was agreed that updates would be provided to future meetings as the project progressed. This will still be the case. The project is now part of the wider Performance, Risk and Improvement Programme.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
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CORPORATE GOVERNANCE (continued)

AC1616	Bank Reconciliations	November 2016	3	3	1	2	2 Important
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The two overdue recommendations were due to be implemented in April 2017:

Recommendation	Position
2.1.4 – The Service should document the way in which the fund types and Methods of Payment (MOP) are configured detailing how each impacts on the Bank Reconciliation module and reconciliation process (graded “important within audited area”)	The Service has advised that fund types and MOPs were documented as agreed but action to set out in the document the rationale behind the system configuration for funds and MOP types has been agreed with internal Audit and will be completed by 31 July 2017.
2.3.5 – The Service should simplify the combined analysis by fund daily bank reconciliation and provide reasons for reconciling differences between the cashbook and ledger (graded “important within audited area”)	The Service has advised that work to simplify the reconciliation has progressed but further discussion regarding actions to complete this recommendation is ongoing and will be completed by 31 July 2017.

AC1619	Social Work Tendering	April 2016	14	13	12	1	1 Significant
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Progress with the overdue recommendation is as follows:

Recommendation	Position
2.2.3 (i) was due to be implemented in March 2017 – Social Work should ensure that a commissioning strategy is in place in all areas and that procurement plans are robust (graded “significant within audited area”) .	The Service has advised that a draft commissioning plan is expected to be available for public consultation by the end of July 2017.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

CORPORATE GOVERNANCE (continued)

AC1707	Data Protection	September 2016	14	13	6	7	3 Significant 4 Important
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The position with the overdue recommendations is as follows:

Recommendation	Position
2.5.6 (a) due March 2017 - The SIRO should work with all relevant Services to develop and deliver all appropriate Council staff with refresher training which includes the areas of Data Protection related information security and information management standards, on a three yearly basis (graded "significant within audited area")	The Information Governance Group are currently developing a training & awareness campaign, which is expected to be piloted in July 2017. This campaign will be testing a new approach to the delivery of training & awareness activity, and as such will supplement, and not replace existing mandatory training until the effectiveness of this approach is measured and evaluated. It remains the case in the meantime that staff are expected to refresh their data protection training by completing appropriate existing OIL training.
2.5.6 (b) due March 2017 - The SIRO should consider what appropriate measures should be implemented to measure all forms of Data Protection training. As per the recommendation made by the ICO in its 2013 Report, formal KPIs, overseen by CMT, should be introduced to measure mandatory Data Protection training completion. Additionally, this should also include how instances of non-compliance shall be dealt with (graded "significant within audited area")	The Information Governance Group are currently developing a training & awareness campaign, which is expected to be piloted in July 2017. This campaign will be testing a new approach to the delivery of training & awareness activity, and as such will supplement, and not replace existing mandatory training until the effectiveness of this approach is measured and evaluated. Progress including uptake will be reported quarterly by the Information Governance Group through the Governance Review Board to CMT, from the meeting on 29 June 2017 onwards.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

CORPORATE GOVERNANCE (continued)

Recommendation	Position
<i>(AC1707 – Data Protection – Continued)</i>	
2.8.4, due March 2017 - Consideration should be given to using the Corporate Asset Register to track IT equipment throughout its life, recording current status, owner and location. Where the name of the end user or location is not known, notes explaining the situation should be recorded in the Register (graded “significant within audited area”)	Currently assets are still being managed through IT Asset DB and Infrastructure. Project is underway to import and manage asset lifecycle this year. The implementation date has been extended to December 2017.
2.11.1 due December 2016 - Consideration should be given to updating the ICT Acceptable Use Policy to include links to other ICT procedures (graded “important within audited area”)	The Service has advised that the policies have been updated and are due for submission to CMT on 29 June 2017 as part of the Information Management Policies review of the Information Governance programme work.
2.12.6 (a) due March 2017 - Work should not be carried out with a third party without a valid, signed contract in place. Services should be advised to seek the advice of the Legal Team within CPS, when engaging with a new supplier to ensure appropriate Data Protection clauses are included in the contract (graded “important within audited area”) .	Commercial and Procurement Services has advised that guidance notes have been published and training is being prepared for delivery which will cover these points. This will be done by the end of September 2017.
2.12.6 (b) due April 2017 - The Council should exercise their contractual rights to carry out contract compliance audits to provide assurance of Data Protection Act compliance (graded “important within audited area”) .	As for 2.12.6 (a) above.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

CORPORATE GOVERNANCE (continued)

Recommendation	Position
<i>(AC1707 – Data Protection – Continued)</i>	
2.15.6 due March 2017 - Clear guidance should be introduced surrounding charging fees for Subject Access Requests. As per the ICO recommendation, the Council should consider implementing a central log of Subject Access Requests (graded “important within audited area”)	The Service has advised that, as part of the Council’s broader transformation programme, complaints and information request handling (including subject access) will be consolidated into a central team, and processing will be managed through the Council’s customer experience platform, which will provide a central log of subject access requests. This is expected to be implemented by the end of December 2017.

AC1708	InfoSmart System	August 2016	7	7	6	1	1 Important
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The position with the overdue recommendation is as follows:

Recommendation	Position
2.2.3 (b) was due to be implemented in December 2016 – CPS should liaise with ICT to identify an individual to act as system owner, who should ensure that performance management reports are provided as required by the contract (graded “important within audited area”).	As reported to Committee in February 2017, an individual has been identified to act as system owner and performance reporting is included in the current contract review and will be aligned to C&PS requirements (co-user Planning no longer utilising the system). The review will be complete by the end March 2017. The latest update from C&PS is that the review of the contract remains on-going and is now due to be completed by July 2017.

AC1715	Treasury Management	February 2017	4	0	0	0	0
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Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION AND CHILDREN'S SERVICES

AC1604 AW	Payment Controls in Children's Social Work	February 2016	19	18	13	5	4 Significant 1 Important
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Progress with the overdue recommendations is as follows:

Recommendation	Position
2.2.14 (i) was due to be implemented in September 2016 – The Service, in conjunction with Finance, should review the interface from CareFirst to ensure full invoice numbers are transferred to the financial system (graded "significant within audited area").	As reported previously, the Carefirst system supplier has confirmed that they will be increasing the field length for invoice numbers in the first quarter of 2017 as part of the release of the next version of the system. This will, therefore, be implemented by June 2017.
2.2.15 was due to be implemented in June 2016 – relates to Financial Services reviewing and rationalising supplier numbers to ensure that there are no duplicates (graded "important within audited area").	As reported previously, implementation of the enhanced reporting tool that would have enabled this recommendation to be completed has been delayed. The Service is working with the provider, Finance and ICT colleagues to resolve the issues and expect that this will be achieved by the end of November 2016. The Service then advised that this should be complete by the end of February 2017. The latest update from C&PS is that implementation of the reporting tool remains ongoing and it is anticipated that this will be in place by the end of September 2017. In the interim, duplicate suppliers are being identified and dealt with as they come to light as part of normal monitoring.
2.2.27 (ii) was due to be implemented in August 2016 – The Service should review controls over payments for block-funded care (graded "significant within audited area").	Progress with implementing this is being discussed between Internal Audit and the Service.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION AND CHILDREN'S SERVICES

Recommendation	Position
<i>(AC1604AW – Payment Controls in Children's Social Work – Continued)</i>	
2.2.30 (i) was due to be implemented in April 2017 – The Service should set up service agreements and pay invoices for all Fostering and Residential Care through CareFirst (graded "significant within audited area").	The Service has implemented a system via CareFirst which manages payments to ACC foster carers. Further work is ongoing to develop the system to other ACC carers (adopters and kinship carers). The development of CareFirst to manage payments to external fostering agencies is ongoing and is due to be completed by end of 2017.
2.2.30 (ii) was due to be implemented in April 2017 – The Service should review options for improving control and assurance over payments to fostering agencies (graded "significant within audited area").	As for 2.2.30 (i) above

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION AND CHILDREN'S SERVICES (continued)

AC1605	Secondary Schools	April 2016	17	17	16	1	1 Significant
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Progress with the overdue recommendation is as follows:

Recommendation	Position
2.6.7 was due to be implemented in August 2016 – The service should ensure class contributions, and waived charges are consistent across all schools, that calculations supporting the values are retained, and all monies collected are receipted and paid directly into the council bank account timeously (graded "significant within audited area").	<p>As reported previously, the Service is currently investigating practice in schools and returns received to date suggest that there is diversity in practice. It may require a working group to determine a common approach and this will be resolved by March 2017.</p> <p>The latest update from the Service is that a circular was issued to all schools in June 2016 in relation to the collection of income and this covered receipting of income and payment into bank accounts. This was reinforced by the training sessions held for school staff between August 2016 and January 2017. However, consistency in charges for class contributions remains outstanding. The outcome of the working group may well be a Policy document which would need to be considered at Committee thereby extending the timescales for completion of this recommendation to October 2017.</p>

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

EDUCATION AND CHILDREN'S SERVICES (continued)

AC1718	Primary Schools	February 2017	3	2	1	1	1 Significant
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The overdue recommendation was due to be implemented by the end of March 2017:

Recommendation	Position
2.3.1 – The Service should reregister with the Nursery Milk Reimbursement Unit and claim grant monies available (<i>graded "significant within audited area"</i>)	The Service has re-registered with the Nursery Milk Unit in relation to both school nurseries and day care provision and are currently developing the claims procedure for individual schools that will enable the Service to claim the subsidy from June 2017.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

HEALTH AND SOCIAL CARE PARTNERSHIP

AC1617	Self-Directed Support	October 2016	21	21	18	3	3 Significant
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Progress with the overdue recommendations is detailed below:

Recommendation	Position
2.1.2 was due to be implemented in October 2016 – The Service should ensure the appropriate Committees are provided with updates on progress with implementing the timetable for Self-Directed Support (<i>graded “significant within audited area”</i>).	As reported previously, the Service advised that this would be completed in January 2017. The latest update from the Service is that a workshop had to be held with the Integration Joint Board and, following the Council elections, there are other training priorities for the Board members. In view of this, updates on progress will not now be provided to the appropriate Committees until December 2017. A report has been discussed by Education & Children’s Services Committee on Self Direct Support.
2.1.5 was due to be implemented by the end of January 2017 - The Service should ensure it can demonstrate that appropriate options have been offered to all eligible service users (<i>graded “significant within audited area”</i>).	The Service has advised that all new users are being offered the four options whilst existing users will be offered the four options at their reviews. A timetable will be developed for achieving this and presented to the next SDS Board in July 2017 for approval.
2.4.2 was due to be implemented by the end of March 2017 - The Service should finalise and implement the Contributing to Your Care and Support Policy and guidance (<i>graded “significant within audited area”</i>).	The Service has advised that the draft guidance that has been produced and is being reviewed. The policy and guidance will not be implemented until the end of October 2017.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.04.17	Confirmed Implemented by Service	Not implemented by original due date	

HEALTH AND SOCIAL CARE PARTNERSHIP (continued)

AC1701	Purchasing and Creditors	November 2016	14	12	12	0	0
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AC1709	Care First System	November 2016	13	13	8	5	4 Significant 1 Important
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Progress with the six overdue recommendations is detailed below:

Recommendation	Position
2.1.4 was due to be implemented in April 2017 – The CareFirst Team should ensure that it complies with Standing Orders and procurement regulations in terms of the Service’s Case Recording System for Social Care Clients. (graded “significant within audited area”) .	The Service has advised that terms for an extension to the contract for three years to March 2020 have been agreed and Committee approval will be sought for this in September 2017.
2.4.4 was due to be implemented in April 2017 – The CareFirst Team should put in place a checklist of daily, weekly, monthly, quarterly and annual tasks which are necessary to maintain control of the CareFirst System. Those responsible for these tasks should indicate that they have been performed (graded “significant within audited area”) .	The Service has advised that this will now be complete by the end of September 2017 as the CareFirst team has been prioritised on other tasks.
2.7.4 were due to be implemented in April 2017 – The Service should ensure that Business Continuity Plans adequately reference how activities will continue to operate in the event of loss of CareFirst access (graded “significant within audited area”) .	The Service has advised that this will now be complete by the end of September 2017 as the CareFirst team has been prioritised on other tasks.

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
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HEALTH AND SOCIAL CARE PARTNERSHIP (continued)

Recommendation	Position
<i>(AC1709 – Care First System – Continued)</i>	
2.4.11 was due to be implemented in April 2017 – The Service should establish a written protocol to demonstrate where amendments and deletions requested in the CareFirst system require authorisation or supporting detail. (graded “important within audited area”) .	The Service has advised that this will now be complete by the end of September 2017 as the CareFirst team has been prioritised on other tasks.
2.5.6 (ii) was due to be implemented in March 2017 – Finance should review the instances where service users have not been reassessed and charged correctly. (graded “significant within audited area”) .	The Service has advised that further investigation of the work required in order to complete this action has identified that there is considerably more involved than was first anticipated. A significant project is now underway involving Housing, Social Care and Finance to address the past issues and streamline the process to ensure that every applicant is charged accordingly under a set of procedures with specific timelines. The first draft of the Project plan was approved at CMT in April 2017 and further work is ongoing. It is likely that this will not be completed before 30 June 2018.

APPENDIX C

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 / within audited area	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. Financial Regulations have been consistently breached.
Significant within audited area	Addressing this issue will enhance internal controls. An element of control is missing or only partial in nature. The existence of the weakness identified has an impact on a system's adequacy and effectiveness. Financial Regulations have been breached.
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.