



INTERNAL AUDIT REPORT



COVID-19 Recovery 2021/22

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COVID-19 RECOVERY EXECUTIVE SUMMARY

1. Introduction and overall opinion

In responding to the pandemic, local authorities have had to develop new ways of working to support local communities and businesses and ensure that services continue to be delivered whilst safeguarding staff and local residents. The national lock-downs required the rapid establishment of local support systems, remote working arrangements and application of flexible governance and internal control arrangements. Now that national restrictions have been lifted councils are focusing on recovering to business as usual whilst remaining vigilant and ensuring any efficiencies associated with new working practices are retained. This audit included a limited review of the Council's initial response to the pandemic but focused primarily on management of the recovery stage, including re-establishing effective governance and internal control arrangements.

Based on internal audit findings, the Council's arrangements for ensuring all decisions at the initial response stage were properly recorded, taken in accordance with established governance rules and reviewed in a timely manner were generally effective. However, given the wide-ranging powers available to officers in an emergency situation it is important that all decisions are clearly recorded and fully transparent. Some gaps in decision records were identified indicating scope to strengthen controls for ensuring delegated decision forms are fully and accurately completed for all major decisions.

Good arrangements are in place for management of the recovery stage with clear governance structures, comprehensive planning, good communications and effective performance management. These arrangements are all broadly consistent with the other Councils in Internal Audit's client base, albeit the nature and format of the related documentation differs between Councils. Development of the Covid-19 performance dashboard and integration of recovery plans with broader service and team planning processes is a particular strength at Harborough. A full status update report for Members should now be prepared together with a clear exit strategy for moving fully to business as usual.

At this stage no significant new or increased risks have been identified arising from new ways of working, although management should continue to monitor these arrangements as the new agile working policy becomes fully embedded and take appropriate action if any additional risks emerge.

The audit was carried out in accordance with the agreed Audit Planning Record (APR), which outlined the scope, terms and limitations to the audit. The auditor's opinion is summarised below:

Internal Audit Assurance Opinion			
Control Environment	Substantial ●		
Compliance	Good ●		
Organisational Impact	Minor ●		
Risk	High	Medium	Low
Risk 1: Inadequate governance and decision making processes following the introduction of national restrictions in response to the Covid-19 pandemic.	0	1	0
Risk 2: The Council does not have robust plans in place for recovering from the pandemic and moving to business as usual.	0	0	2
Risk 3: Flexibilities and changes to internal controls introduced during the pandemic have not been reviewed or strengthened as part of the recovery stage.	0	0	0
Total Number of Recommendations	0	1	2



2. Summary of findings

Risk 1: Inadequate governance and decision making processes following the introduction of national restrictions in response to the Covid-19 pandemic.

A summary of the Council's initial approach to the pandemic was reported to Council on 29th June 2020 and a Scrutiny Task Group was established to review this in November 2020. An external review by consultants, Entec Si, fed into the scrutiny review and focused on lessons learned. As a result, and at management's request, this audit has not examined the initial response in any detail but has focused on a review of key decisions to ensure appropriate governance arrangements were applied and that any time limited decisions have been properly reviewed.

Recording of decisions

During the pandemic, Covid-19 related decisions and actions have been recorded in formal action logs. A separate log has been maintained for the Strategic and Tactical groups established to manage the Council's response and recovery. The logs record the date and a brief description of the decision together with a list of all ongoing and completed actions and lessons learned to date. At the time of audit over 130 decisions had been recorded in the logs together with over 1,100 completed actions. This provides a clear indication of the fast moving and intense working environment within the Council, particularly in the early stages of the pandemic.

All major decisions were separately recorded by the Director for Law, Governance and Monitoring Officer in a major decision log. This records the date of the decision, decision maker, details of decision and powers used. Officers stated that these decisions were all taken following consultation with the leader and/or portfolio holder and a formal delegated decision record completed. It was further stated that all decisions were taken in accordance with the existing delegation arrangements within the constitution.

Based on review of the 2019 constitution (applicable at the time of the decisions), it was confirmed that the following delegated powers exist:

- *Part 3, Section C1.3 (Joint Chief Executive) paragraph 2. Delegated powers are granted to the Joint Chief Executive (NP) and/or the Joint Chief Executive (BJ) in consultation with the Leader (or in their absence the Deputy Leader) to authorise any action required on any matter which, in the opinion of either of the Joint Chief Executives, is urgent, subject to a report thereafter being submitted to the Executive as soon as is reasonably practicable.*
- *Part 3, Section C1.3 (Joint Chief Executive) paragraph 3. In an emergency, if they consider it necessary in the interest of the efficient administration of the Council's service, the Joint Chief Executive may exercise any of the powers or duties of any other Officer. Either of the Joint Chief Executives are also responsible for any Emergency Planning that needs to be undertaken, and the Council's powers under section 138 of the Local Government Act 1972 to incur expenditure.*
- *Part 3, Section C1.9 (Joint Chief Executive (BJ)) paragraph 2. To incur emergency expenditure for the purposes of maintaining critical services as part of the Council's Business Continuity, determining and allocating street names.*

Finance procedure rules were amended on 29th June 2020 to allow financial regulations to be suspended in the event of an emergency and to give the Chief Executive and Chief Officers delegated powers to take any action deemed necessary, subject to such action and associated expenditure being reported to Cabinet as soon as practicable.



The major decision log has a record of five decisions, four of which were noted as being taken under emergency powers and one under urgent decision powers (see table 1 below).

Table 1 – Major decision log

Date of decision	Decision maker	Details of decision	Powers used
27/03/2020	Joint Chief Executive (BJ)	Financial support for leisure operator.	Emergency powers.
03/04/2020	Joint Chief Executive (BJ)	Rent waiver for council owned property.	Emergency powers.
02/06/2020	Joint Chief Executive (BJ)	Approval of discretionary grants policy.	Emergency powers.
16/06/2020	Joint Chief Executive (NP)	Reintroduction of car parking charges.	Urgent powers.
03/08/2020	Joint Chief Executive (BJ)	Discretionary grants award to nurseries.	Emergency powers.

It is not entirely clear how decisions were classified as major or whether this represent a full and complete record of all major decisions. For example, it is noted that one of the major decisions relates to the reinstatement of car parking charges, although there does not appear to be a record of the initial decision to suspend parking charges. Officers stated that this decision was made by the Strategic Coordinating Group (SCG), albeit not recorded in the major decisions list. The SCG action log provides evidence to confirm this with a decision noted on 24th March 2020 stating "Partners are happy to stop parking enforcement, bags to be placed over car parking machines". The report to Council on 29th June 2020 indicates that this decision was made by the Joint Chief Executive commencing 1st April 2020 for three months. However, no delegated decision form has been completed for this decision despite the significant financial consequences. In addition, whilst the decision to provide financial support for the leisure provider is recorded in emails and other documentation, there is no delegated decision form for this decision and the form for reintroduction of parking charges is un-signed. In addition, some of the delegated decision forms include imprecise references to the relevant powers within the constitution (*see recommendation R1*).

The financial implications of the pandemic and related decisions have been separately recorded in a detailed spreadsheet maintained by the finance team to monitor the gross and net cost to the Council.

Review of decisions

Officers stated that ensuring major decisions were recorded and reviewed at the appropriate time was a joint responsibility but led by the Director for Law and Governance and Monitoring Officer. Based on review of the major decisions list, there were three temporary decisions during the initial response to the pandemic, all of which were reviewed in a timely manner. Specifically:

- Financial support for the leisure contractor was initially approved by the Joint Chief Executive (BJ) under delegated powers for a period of 3 months from 1st April 2020 to 30th June 2020. The decision was reviewed and continued support on an open-book basis was agreed by Cabinet on 6th July 2020 and approved by full council on 27th July 2020.
- A three month deferral of commercial rent payments and waiver of market trader stall fees was approved by the Joint Chief Executive (BJ) on 3rd April 2020. Officers stated that the deferral was not renewed after the initial three month period. However, based on review of the Covid costs spreadsheet it appears that the deferral was extended for a further 3 months until 30th September 2020. Review of Cabinet reports and minutes confirms that the extension was approved by Cabinet on 8th September 2020.



- Although not recorded on the major decisions list or a delegated decision form, officers stated that the initial decision to suspend parking charges was for a limited period of three months and was not extended. The delegated decision form in respect of various actions approved by the Joint Chief Executive (NP) under urgency powers to enable the reintroduction of parking charges from 13th July 2020 provides evidence of review of the initial decision, albeit the form is un-signed.

Based on the above findings, the overall assurance rating for the design of controls is **Substantial Assurance**. The assurance rating for compliance with controls is **Satisfactory Assurance**. Given the wide-ranging powers available to officers in an emergency, it is important that all decisions are fully transparent and properly recorded. The gaps identified indicate that controls could be strengthened by ensuring delegated decision forms are completed for all major decisions in future.

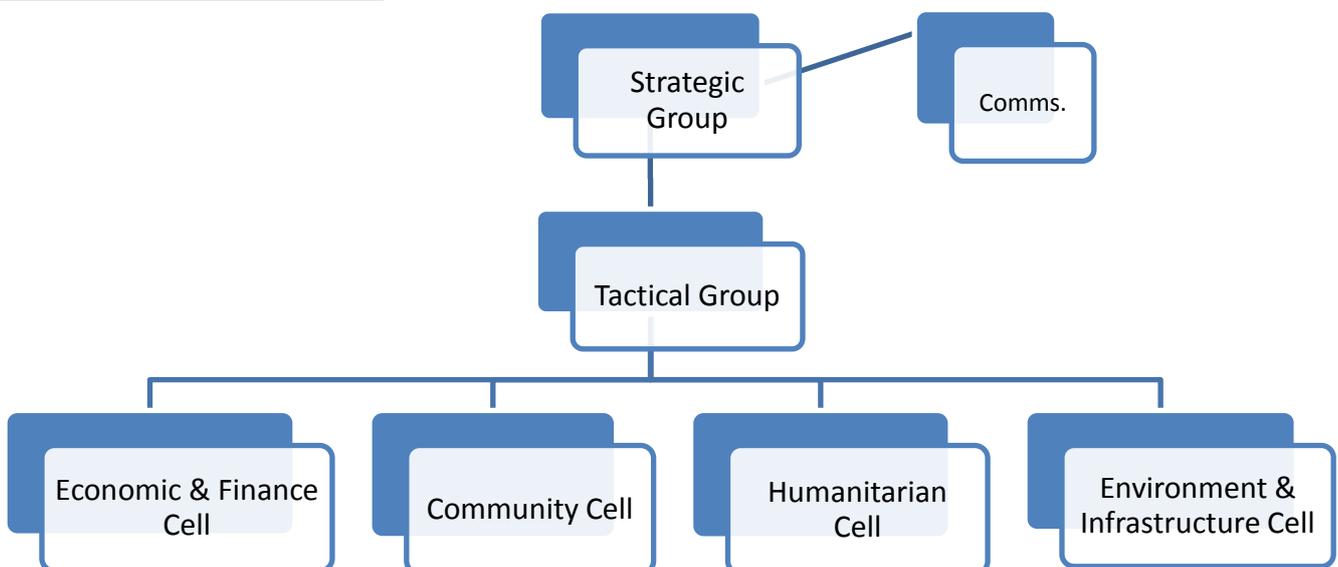
Risk 2: The Council does not have robust plans in place for recovering from the pandemic and moving to business as usual.

Whilst the audit has focused on the recovery stage, it is important to recognise the non-linear nature of the pandemic. Recovery planning originally started in April 2020 but was then paused during the Autumn/Winter as restrictions were re-introduced and the country went back into lockdown and the focus was back on response. Recovery then recommenced in March/April 2021.

Governance arrangements

Throughout the pandemic, governance has been split across two main groups. The first being a strategic group, initially called the Crisis Management Group (CMG) and subsequently renamed as the Strategic Co-ordinating Group (SCG). This group became the Recovery Coordinating Group (RCG) during the recovery stage and is made up primarily of members of Corporate Management Team (CMT) and chaired by the Chief Executive. The group is responsible for strategic decision making and overall oversight and direction of the Council's response and recovery. The second group is the Tactical Coordinating Group (TCG) which has operated throughout the pandemic and was initially chaired by the Director for Communities and Wellbeing and made up of all relevant service managers. TCG is responsible for operational matters and putting the decisions of the strategic group into place. There are also a number of themed cells focusing on key service areas or activities (exhibit 1).

Exhibit 1 – Governance structures





There have also been a number of sub-groups covering important areas such as the community hub, night time economy, community safety and staff wellbeing. Officers stated that these worked particularly well and did a lot of work to support staff, local residents and businesses. These groups have also established strong working relationships with other groups and organisations such as the community safety partnership, local foodbanks, voluntary organisations and parish councils. It is expected that these relationships will be retained and built upon going forward.

Each group/cell has a clear terms of reference, a nominated lead officer and a detailed action plan approved by TCG and SCG. The terms of reference for each group were updated at various stages of the pandemic to ensure an appropriate focus on response and/or recovery. Meeting notes are prepared for all meetings of the strategic and tactical groups and, as reported under risk 1 above, all key decisions and actions recorded in a formal action log. Arrangements for managing and recording meetings at a cell/theme level were left to the discretion of each cell lead, although progress was reported to TCG on a regular basis.

There are also close links and working relationships with various groups and cells established as part of the Leicester, Leicestershire and Rutland (LLR) resilience partnership and Local Resilience Forum (LRF). The Council's governance structures are similar to the LRF structure which also had an SCG and TCG, incident management teams (IMT) and various themed cells, with representation from the Council where appropriate. The Council's Resilience Officer (RO) worked closely with the Council and LRF to provide advice, coordination, information sharing and ensure consistency of approach across the County.

Some officers stated that the large number of groups has at times made it difficult to keep everything connected and on track without being overloaded by meetings, although use of technology has made this more manageable. The frequency of meetings has gradually reduced over time and whilst the strategic and tactical groups continue to meet periodically, the individual theme cells are no longer meeting on a regular basis as the Council has increasingly returned to business as usual. Some officers stated that in their view there is a case to fully revert to normal management structures at this point. Others emphasised that the pandemic is not fully over with relatively high infection rates and possible implementation of the governments "Plan B" over the winter and felt there remained a role for RCG and TCG while the underlying risks remained (*see recommendation R2*).

Plans and documents

As well as the detailed action logs and cell action plans, a clear and comprehensive set of documents have been prepared at key stages of the pandemic, including:

- A service priority list was developed in the early stages of the pandemic and used to inform resource allocation and redeployment, office accommodation needs etc.
- Individual service recovery plans for each service area. These plans include projects and lessons learned and were brought together into a set of combined master lists in May 2020 and used to manage and monitor the recovery process.
- A local lockdown considerations document was prepared in October 2020 to help plan for what the Council would need to consider as it moved between the different local lockdown levels and also what considerations would be required if there were any concurrent incidents.
- An overall recovery plan was approved in May 2021 setting out the governance and management arrangements for the recovery phase together with detailed objectives and RAG (red, amber, green) rated actions plans for each recovery theme/cell.

There were also a number of sub-plans and documents covering key issues such as re-opening of the night time economy, communications plans, agile working policy etc. Plans are also in place to review the Council's office accommodation requirements and ICT policy following implementation of the agile working policy. As well as



recovering to business as usual, these will ensure that any benefits and efficiencies arising from new ways of working are retained and built upon in future.

The Council’s major incident plan has also been updated as part of a routine bi-annual review and various sub-plans (e.g. flooding, avian flu, hazardous materials etc.) are subject to regular review as part of the Council’s membership of the resilience partnership.

Roles and responsibilities

Based on interviews and review of documentation, roles and responsibilities are set out in various ways. As noted above, each governance group has a clear and approved terms of reference setting out its membership, role and objectives. Each recovery theme/cell has a lead officer and associated action plans which include details of the lead/group or service and timescales where appropriate. These action plans are no longer in place now that the theme cells are no longer operational, although any ongoing actions are being built into individual team plans as part of the return to business as usual.

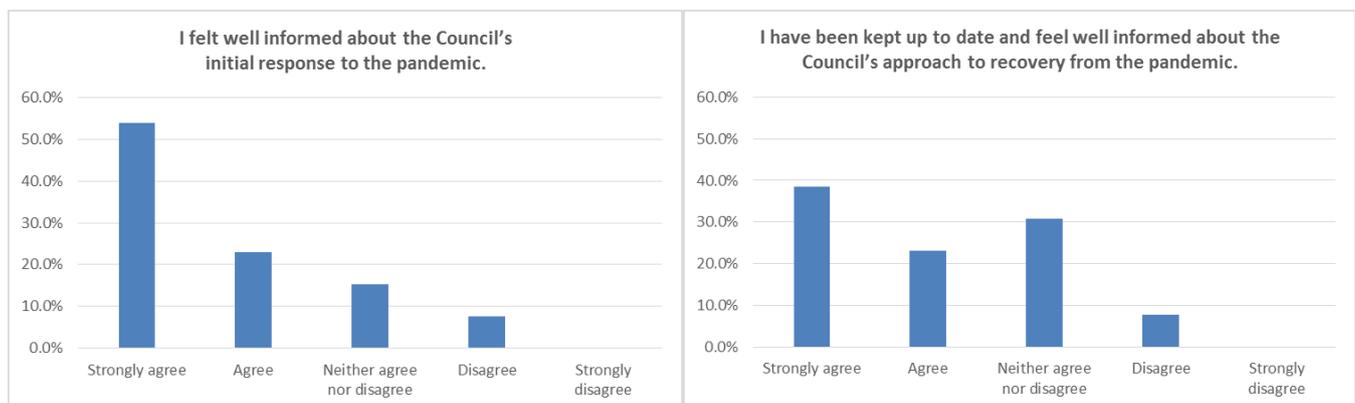
Communications

The communications team has been closely involved in the Council’s response and recovery throughout the pandemic. The Communications Manager attends SCG, RCG and TCG meetings as well as some of the individual recovery cell meetings. The team has also worked closely with the LRF (media and communications cell) at all stages. A formal communications plan is in place and is regularly reviewed and updated. The plan clearly sets out the communication objectives, lead officers, key stakeholders and key messages.

One of the key roles of the communications team has been to keep Members informed of the Council’s response, recovery activities and key decisions. This was done through a number of channels, including a weekly email update, monthly newsletters and periodic all-member virtual briefings by the Chief Executive. There are also routine weekly briefings between the Chief Executive and Leader and Deputy Leader of the Council. As well as providing information and updates, Members have been asked to take an active role in sharing public health messages in their wards, particularly in any infection ‘hot spots’.

Management requested that Internal Audit conduct a survey of Members to determine how well informed they felt during the pandemic. A total of 13 responses were received (38%) and the full results are included in Appendix 2. A clear majority of respondents were positive about the communications arrangements in place throughout the crisis. There was a slightly more positive response to communications at the initial stages of the pandemic compared to the subsequent recovery stage.

Exhibit 2 – Members’ survey





The last full report to Members setting out the current position in respect of the Council's response and recovery from the pandemic was the report to Scrutiny in November 2020. Officers stated that a further report is due to be prepared. The latest Scrutiny work plan (June 2021) indicates plans to prepare an evaluation of the impact of Covid-19 on services and evaluation of recovery, although this is classified as an item 'pending allocation' and no date for the report has been set (*see recommendation R3*).

Staff were originally kept informed of key issues through weekly "Core Briefs" to service managers for discussion during team meetings. With the introduction of remote working and the need to get some messages direct to staff, this was changed to a weekly all staff email. Again, this was initially focused on Covid issues but has been retained and is now more focused on business as usual. Staff were also kept informed through cascading of messages from TCG via service managers and periodic all-staff briefings.

For local residents, during the initial response there was a letter sent to all residents informing them of the availability of support through the community hub and signposting other services and organisations that could help. There is also a monthly resident's newsletter and regular posts on social media with information about council services and key public health messages. Articles have also been published in the local press and on the Council's website, including a range of info graphics with statistics on the Council's response.

There is additional consultation and communications activity undertaken by service managers. For example, the economic development team have carried out a lot of engagement with local businesses covering issues such as business support grants, events, newsletters, job clubs etc. Additional consultations are planned covering the rural strategy, health and wellbeing strategy, children and young people strategy and parks and green spaces. Teams are working together to optimise the consultation process and avoid duplication and this work will feed into the recovery process by informing future service design.

Integration with other corporate planning and improvement processes

Officers stated that, whilst there are links between Covid recovery and other corporate planning and business review processes, these are largely managed as separate projects.

The 2021/22 corporate plan reflects on some of the pandemic related achievements in 2020/21 and establishes some longer term objectives related to the pandemic, such as:

- development of a revised Health and Wellbeing Strategy to reflect both the impact of the coronavirus pandemic and how the Council responds to the needs of its community and the role of the voluntary and community networks;
- continue to provide help, advice and wellbeing support for residents, via the Community Hub, during the coronavirus pandemic; and
- support the recovery of the local economy from the effects of the coronavirus pandemic (business grants, funding, tourism, employment, etc).

Wider policy development initiatives such as the agile working policy, review of the ICT strategy and revision of employment terms and conditions are also linked to, or influenced by, changes to working practices arising from the pandemic. As noted above, any ongoing operational actions such as these are incorporated into team plans as part of the annual corporate and service planning process.

Officers confirmed that any medium to long-term financial implications arising from the pandemic have been incorporated into the Medium Term Financial Strategy (e.g. changes to the leisure contract).



Performance management and reporting

Responsibility for managing progress against individual recovery theme plans lies with the relevant theme lead and cell group members. At all stages of the pandemic, progress against cell/theme action plans has also been reported verbally to TCG and RCG by the relevant lead officer. As the Council has moved towards business as usual, reporting has been on more of an exception basis.

Corporate performance monitoring arrangements have continued throughout the pandemic. A new performance and risk management system (Pentana) has recently been implemented and includes all corporate performance indicators together with a Covid Dashboard that was developed specifically to provide information on how the pandemic is impacting local communities (e.g. number of antisocial behaviour cases, food bank requests, homelessness cases etc). The dashboard is used to inform decision making at RCG and TCG and also to flag up any issues or trends that may need to be escalated or investigated further. The Pentana system is fully accessible to Members and progress against recovery plans, together with key public health data, has been included in Member updates and briefings. As noted above, a formal report to Members summarising the latest position is planned but not yet prepared (***recommendation R3***).

As noted above, ongoing recovery actions are built into individual team plans with key actions and targets also monitored through the Pentana system.

Based on the above findings, the overall assurance rating for the design and compliance with controls for managing the recovery process is ***Substantial Assurance***. Defining a clear exit strategy and providing an update report for Members would be beneficial.

Risk 3: Flexibilities and changes to internal controls introduced during the pandemic have not been reviewed or strengthened as part of the recovery stage.

Based on discussion with officers, all services have been substantially restored and there are no ongoing changes to internal controls or working practices that represent a significant increased risk to the Council. Various high level risks are reported in the corporate risk register and focus on a range of uncertainties related to the medium and longer term financial consequences of the pandemic together with risks associated with lack of capacity to deliver critical services in the event of significant staff absences. These risks are being managed and monitored on an ongoing basis in accordance with the Council's overall risk and opportunity management framework.

No additional testing has been carried out as part of this audit. Key financial systems and controls will be audited as a matter of routine as part of the annual audit plan. Revenues and benefits are subject to separate audit arrangements as part of the partnership agreement and therefore outside of the scope of this audit. Other audit work has been conducted on business support grants, planning enforcement, homelessness, grants to voluntary bodies and other risk areas and will be subject to separate internal audit reports.

Officers confirmed that the main change in working practices relates to the increase in remote working. The Council already had a remote working policy which was developed following refurbishment of the Symington Building in 2013, but this has been further developed into a full agile working policy launched in October 2021. Officers stated that the new policy is based on information and lessons on what worked well during the pandemic so that efficiencies can be retained going forward. Results from a recent staff survey will be used to further refine the policy over the coming months, which will be regularly reviewed until it becomes fully embedded.

Other examples of efficiencies include the development of a joint enforcement team (community safety and environment) to tackle antisocial behaviour and the strengthening of links with the voluntary sector, which will be retained and built upon in the future.



Based on the above findings, the overall assurance rating for the design and compliance with controls to mitigate this risk is ***Substantial Assurance***.

3. Limitations to the scope of the audit

This is an assurance piece of work and an opinion is provided on the effectiveness of arrangements for managing only the risks specified in the Audit Planning Record. The Auditor's work does not provide any guarantee against material errors, loss or fraud. It does not provide absolute assurance that material error; loss or fraud does not exist.

4. Action plan

The following action plan provides recommendations to address the findings identified by the audit. If accepted and implemented, these should positively improve the control environment and aid the Council in effectively managing its risks.



APPENDIX 1

ACTION PLAN

Rec No.	ISSUE	RECOMMENDATION	Management Comments	Priority	Officer Responsible	Due date
R1	The decision to suspend parking charges was not included on the major decisions list, albeit the recorded financial loss is in the region of £400k (3 month suspension, subsequent reduced demand and loss of income from fines). This and the decision to provide financial support to the leisure provider should also have been recorded on a delegated decision form to ensure full transparency. All delegated decision forms should be signed or alternative evidence of approval retained and the correct reference to the constitution quoted.	Introduce additional controls to ensure that all major decisions made by officers under delegated powers are properly recorded on the appropriate delegated decision form, that the forms are signed by the relevant officer (or alternative evidence of approval retained) and the powers used are accurately quoted within the form.	Agreed that a monthly review of delegated decisions will take place by the Recovery group. An agenda item will be added to the last recovery meeting in each month to review the delegated decision list.	M	Chief Executive	16th February 2022



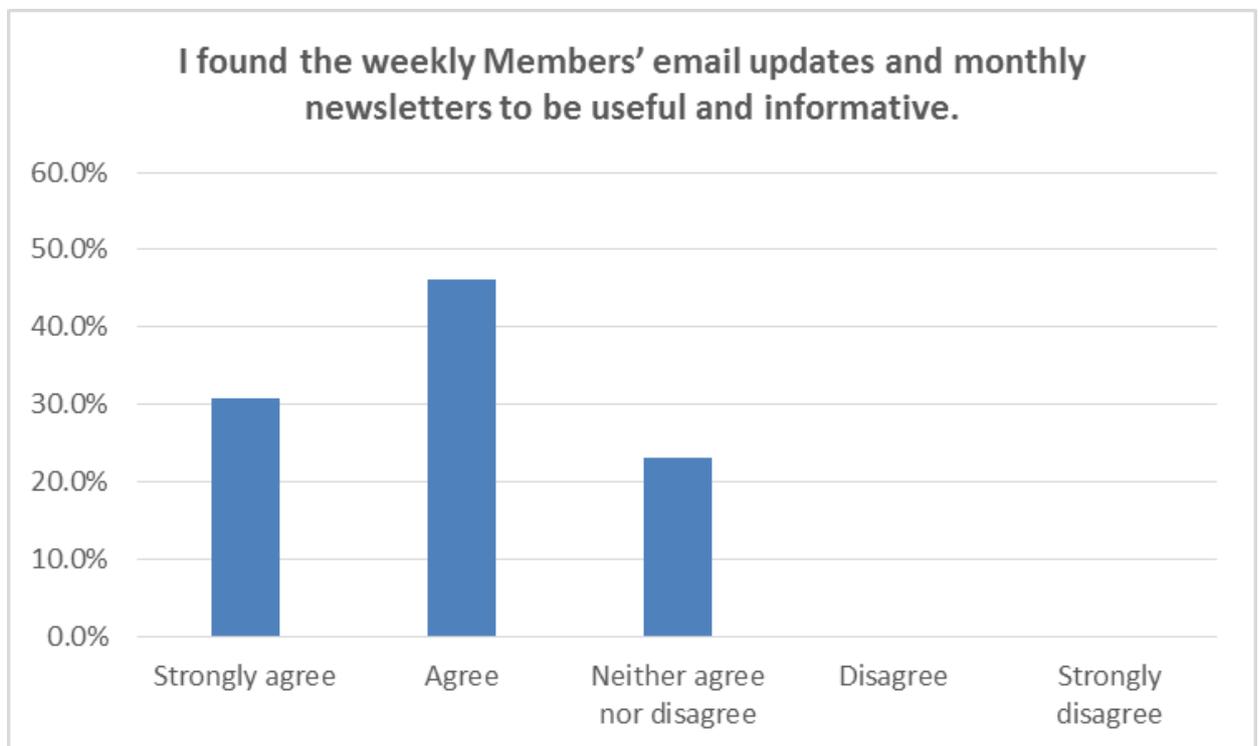
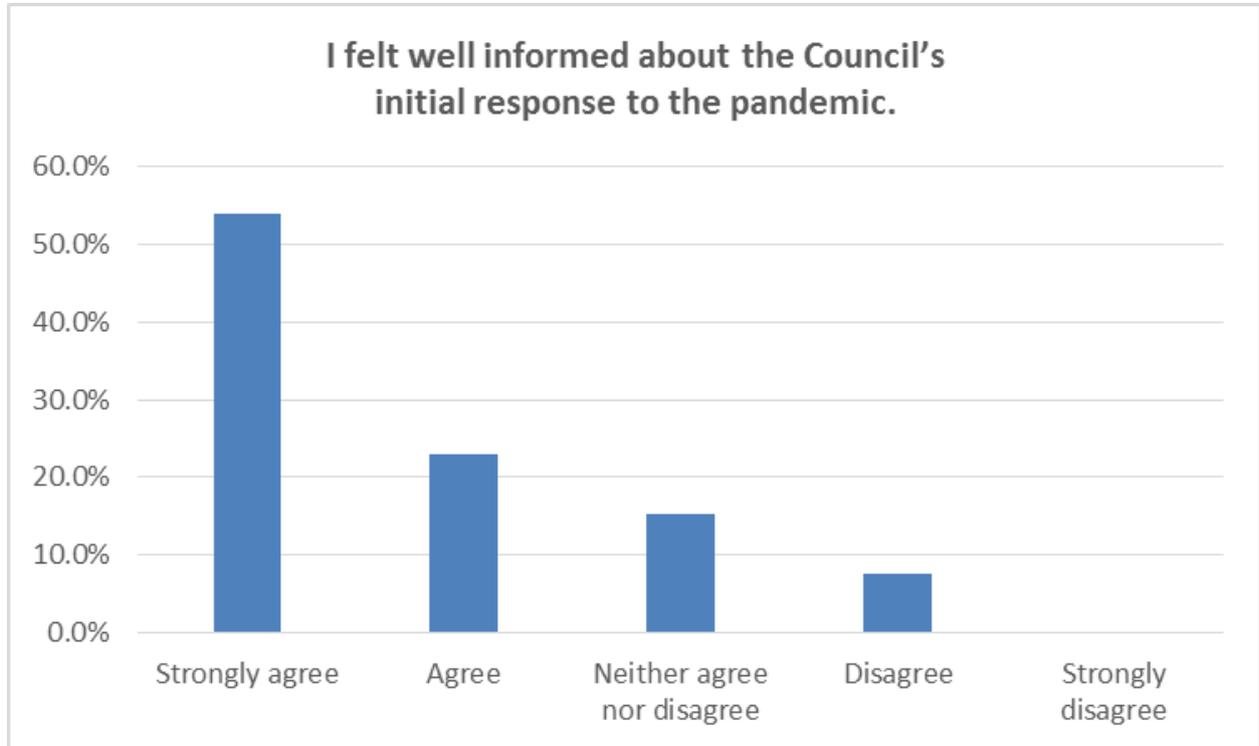
R2	<p>Emergency incident governance structures remain in place albeit the agendas are refocusing on business as usual. At this stage there is no clear exit strategy for standing down the emergency structures and reverting fully to business as usual.</p>	<p>Establish a clear basis and criteria for standing down the emergency governance structures and reverting to normal management arrangements whilst maintaining the flexibility to respond in the event of future outbreaks or additional restrictions.</p>	<p>Standing down the recovery structure will need to include reference to:</p> <ul style="list-style-type: none"> • LRF status; • national Covid alert levels; and • requirements imposed by instructions from Government. <p>Decision to stand down is made by the Recovery Group.</p> <p>When the Recovery Group is stood down the following procedures should be applied:</p> <ul style="list-style-type: none"> • gradual reduction of meeting frequency; • a contingency is put in place to provide a re-establishment process in case the recovery group is required to meet again; and • a debrief session to identify what went well, what did not go well and what we would do differently. <p>Recovery group should be advised of the process to stand down.</p>	L	Chief Executive	16th February 2022
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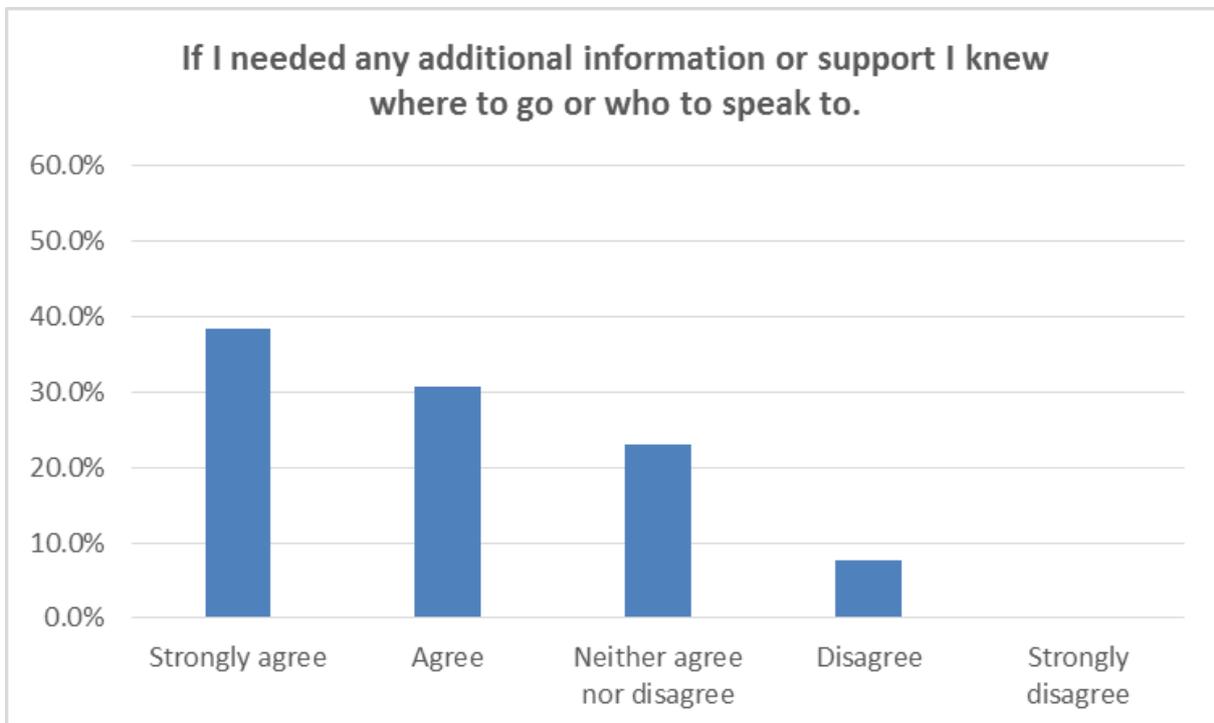
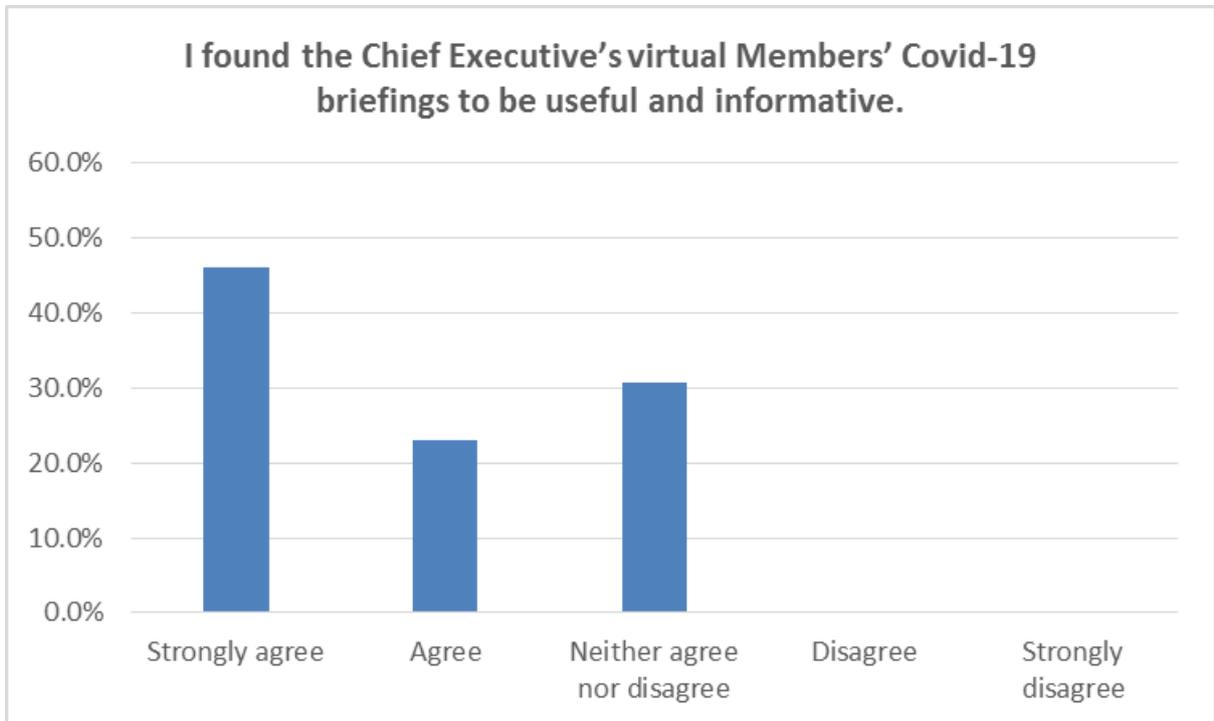


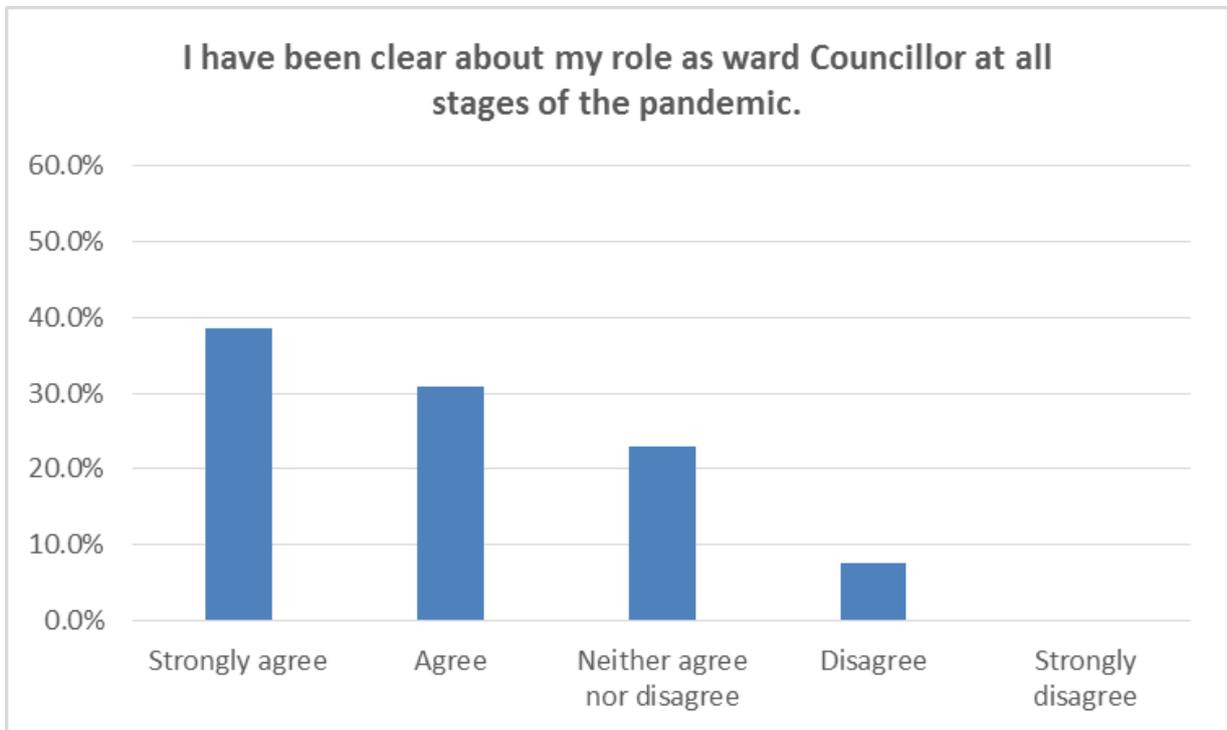
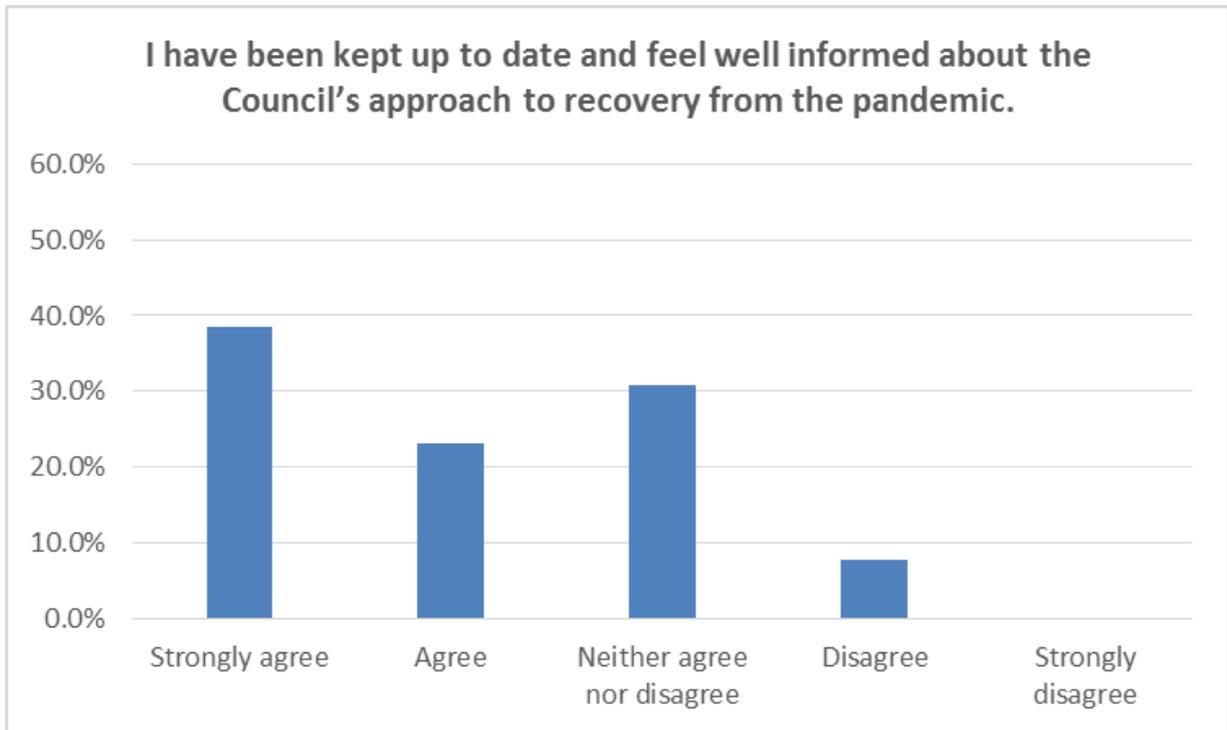
Rec No.	ISSUE	RECOMMENDATION	Management Comments	Priority	Officer Responsible	Due date
R3	Members have been kept informed of the Council's response through regular emails and briefings. A full status update is planned but not yet prepared and no firm date for the report has been established.	Prepare a Covid-19 update report for Members focused on the current status of recovery, evaluation of achievements to date, lessons learned and next steps. Consider publication of a summary on the Council's website to inform local residents and other stakeholders of the current status and future plans.	Scrutiny have requested that a further report is brought to scrutiny around the recovery process. This IA review will input into that process. Following the scrutiny meeting further communications with wider stakeholders can be undertaken. The Scrutiny commission meeting on 3rd March 2022 will agree the date for the report to come to Scrutiny.	L	Chief Executive	3rd March 2022 Scrutiny Commission Meeting.



MEMBERS' SURVEY RESULTS









Is there anything that the Council did particularly well during the initial response and/or subsequent recovery stage?

- Distribution of business grants, Community Hub, setting up of teams meetings promptly.
- Supporting local businesses to such a very high degree. Also the voluntary sector thus enabling them to support others.
- They were well on top of the situation.
- Liaised well with Revs and Bens to get important money out to Business. 1st class.
- As there hasn't been a detailed up-date with all the facts on a regular basis, I couldn't tell you.
- Hub.
- Setting up an Officer to communicate on a Ward Basis would be useful to retain this for all matters.

Is there anything that the Council could have done better during the initial response or subsequent recovery stage?

- Better communication, identifying tangible actions.
- As an authority we should have supplied the information to members more quickly and made greater use of members.
- Be more open and transparent.
- Member communications.



GLOSSARY

The Auditor's Opinion

The Auditor's Opinion for the assignment is based on the fieldwork carried out to evaluate the design of the controls upon which management rely and to establish the extent to which controls are being complied with. The tables below explain what the opinions mean.

Compliance Assurances			
Level		Control environment assurance	Compliance assurance
Substantial	●	There are minimal control weaknesses that present very low risk to the control environment.	The control environment has substantially operated as intended although some minor errors have been detected.
Good	●	There are minor control weaknesses that present low risk to the control environment.	The control environment has largely operated as intended although some errors have been detected.
Satisfactory	●	There are some control weaknesses that present a medium risk to the control environment.	The control environment has mainly operated as intended although errors have been detected.
Limited	●	There are significant control weaknesses that present a high risk to the control environment.	The control environment has not operated as intended. Significant errors have been detected.
No	●	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.	The control environment has fundamentally broken down and is open to significant error or abuse.

Organisational Impact		
Level		Definition
Major	●	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
Moderate	●	The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
Minor	●	The weaknesses identified during the review have left the Council open to low risk. This could have a minor impact on the organisation as a whole.

Category of Recommendations

The Auditor prioritises recommendations to give management an indication of their importance and how urgent it is that they be implemented. By implementing recommendations made managers can mitigate risks to the achievement of service objectives for the area(s) covered by the assignment.

Priority		Impact & Timescale
High	●	Action is imperative to ensure that the objectives for the area under review are met.
Medium	●	Requires actions to avoid exposure to significant risks in achieving objectives for the area.
Low	●	Action recommended to enhance control or improve operational efficiency.