

Appendix B

Table of Internal Audit work in 2016/17

AUDIT ACTIVITY / REVIEW AREAS AND ASSURANCE LEVELS

The following table provides a summary of the Internal Audit Service activities and assurances gained

Ref	Audit Activity	Focus of assignment	Status	Type of Audit & Opinion
Audits outstanding as in the 2015/16 Internal Audit Opinion				
1	Governance Compliance – completion of 2014/2015 audit	HR policy application by service managers: <ul style="list-style-type: none"> • Recruitment & Selection including induction • Capability, Grievance and Disciplinary • Training schemes 	Final Report	Assurance - Satisfactory
2	NNDR (Business Rates)	Year 2 module of 3 year (2015/16) programme	Final Memo	Assurance – Satisfactory
3	Housing Benefit	Year 2 module of 3 year (2015/16) programme	Final Memo	Assurance – Satisfactory
4	Council Tax	Year 2 module of 3 year (2015/16) programme	Final Memo	Assurance – Satisfactory
5	GOSS – Finance Systems	Payroll	Final Report	Assurance – Satisfactory
6	GOSS – Procurement, Insurance, Health and Safety	Health and Safety Audit undertaken as part of Security Audit	Final Report	Assurance – Limited
7	Business Continuity Management	Overall plans, service plans and service manager engagement	Final Report	Assurance – Satisfactory
8	Accommodation and property management	Review of strategy and property management	Final Report	Assurance – Good
9	Security	Review of buildings and personal security	Final Report	Assurance – Satisfactory
10	Contract Management - SLM	Completion of 2014/15 Audit	Final Report	Assurance – Satisfactory
11	Disabled Facilities Grants	Audit of Disabled Facilities Grants	Final Report	Assurance – Satisfactory
2016/17 Internal Audit Plan				
Section 1 – Core Governance and Core Finance Audits				
12	Annual Governance Statement	Support for and review of the production of the Annual Governance Statement and sample elements of the supporting information 2015/16	Complete	Assurance – Satisfactory
13	Audit Committee Effectiveness	Annual review of the Audit Committee against appropriate guidance and standards	Review commenced, no issues identified	Further reviews will be undertaken by SWAP

Ref	Audit Activity	Focus of assignment	Status	Type of Audit & Opinion
14	Internal Audit self-assessment (Annual)	Annual self-assessment of Internal Audit's performance against Public Sector Internal Audit Standards (PSIAS)	Complete	
15	Risk Management	Selection of risks from registers and mitigating controls and actions to test their effectiveness	Final Report	Assurance – Satisfactory
16	ICT Audit Conducted by South West Audit Partnership (SWAP)	Public Services Network (PSN)	Final Report	SWAP Assurance – Reasonable (Satisfactory)
17	ICT Audit Conducted by South West Audit Partnership (SWAP)	Data Handling	Review deferred by Head of Service in consultation with the Chief Financial Officer	Review to be included in 2017/18 EU General Data Protection Regulations
18	ICT Audit Conducted by South West Audit Partnership (SWAP)	Disaster Recovery Planning	In Progress	
19	Council Tax Support	A review of an element of the Council Tax Support process, the programme of activity ensures full coverage of the service over a 3 year cycle	Final Report	Assurance – Good
20	Council Tax	A review of an element of the Council Tax process, the programme of activity ensures full coverage of the service over a 3 year cycle	Final Report	Assurance – Good
21	NNDR (Business Rates)	A review of an element of the NNDR process, the programme of activity ensures full coverage of the service over a 3 year cycle	Final Report	Assurance – Good
	GO Shared Services (GOSS) Audits	Days allocated to the following Audits are CDC's element of the GOSS Audit Plan		
22	Main Accounting, Budgetary Control and Capital Accounting	A review of the element of the operating systems, the planned programme of activity ensures full coverage over a 3 year cycle. Assurances are sought for the GOSS controls operating in respect of its Clients and transactional testing is performed for each of the Clients	Final Report	Assurance – High
23	Treasury Management and Bank Reconciliations		Final Report	Assurance – High
24	Payroll		Final Report	Assurance – Good
25	Accounts Receivable (Debtors)		Final Report	Assurance – High
26	Account Payable (Creditors Audit conducted by SWAP)	Transactional Testing for each client, assurance over GOSS controls to be informed by SWAP auditors (the Forest of Dean DC's Internal Audit Team)	Final Report	SWAP Assurance – Reasonable (Satisfactory)
27	Systems Administration of Agresso Business World (ABW)	A review of the operating systems and the controls in place	Review deferred in consultation with Head of Finance due to planned system build	Audit involvement required during 2017/18 for the design and build of Business World for Publica Ltd

Ref	Audit Activity	Focus of assignment	Status	Type of Audit & Opinion
			for Publica	
28	Human Resources Review to include FoDDC	A review of a Human Resources area. Scope of the audit is the Starters and Leavers process and included HR and ICT processes	Final Report	Assurance – Satisfactory
29	Other GOSS Area – Insurance	A review of Insurance service provided by GOSS to its Clients	Final Report	Assurance – Good
Section 2 – Risk Based Audits				
30	Garden Waste Review to include FoDDC	Review of the processes and systems used for the charging of green waste. Looking at efficiencies, standardising processes etc.	Final Report	Advice note
31	Elections	Review of Election Funds – expenditure, income, reconciliations	Draft Report	
32	Business Rates Pooling Audit conducted by SWAP	Audit of pooled assets (what / how / how are they reported), calculation of appeals. Suggestion from CBC Audit Committee	Final Report	Advisory
33	NNDR (Business Rates) Relief	Review of NNDR Reliefs ensuring that the correct relief has been added to accounts in accordance with legislation	Final Report	Assurance – Good
34	Monitoring of the SLM Contract	Review of the arrangements in place for the monitoring of the SLM Contract – review identified following the completion of the 2015/16 audit	Scope of review changed following discussion with Head of Service. Now to be a continuing support review to the service.	Review to continue during 2017/18
35	Fleet Management	Review of the management of fleet by Ubico on behalf of CDC (and CBC) to include the replacement of vehicles, purchase and recharging	Final Report	Assurance – Satisfactory
36	Food Safety review to include FoDDC	Review of the policies and procedures in place in respect of Food Safety to ensure compliance with the introduction of the new act which comes into effect from 1 April 2016	Review deferred by Head of Service in consultation with the Chief Financial Officer	Review to be undertaken in 2017/18
37	Building Control review to include FoDDC	Gateway review assurance following the work on the company models and the link with traded services. Review of the business case for a Shared Building Control Service to include the charging structure to be applied to the service	Final Report	Assurance – Good
38	Private Water Supplies Audit conducted by SWAP	Review of the policies and processes in place in respect of Private Water Supplies, ensuring compliance with statutory and local legislation (where appropriate) and charging for the services carried out	Review deferred by Head of Service in consultation with the Chief Financial	Review to be undertaken in 2017/18

Ref	Audit Activity	Focus of assignment	Status Officer	Type of Audit & Opinion
Section 3 – Advice and Consultancy				
39	New Housing and Planning Act	Review of the introduction of the New Housing and Planning Act - ensuring the Council is ready / prepared for the new act	On-going	
40	Community Infrastructure Levy (CIL)	Support for the CIL process ensuring that the Council is prepared for the introduction of CIL	On-going	
41	Charging Mechanisms	Review of the charging mechanisms to include statutory and discretionary charges and the potential generating, or increasing income, from some service areas	Review deferred due to the transfer to Publica	
42	Review of the outcomes of the Gloucestershire Joint Waste Committee. Audit conducted by SWAP	A review to ascertain if the Gloucestershire Joint Waste Committee is delivering the outcomes envisaged when it was established Scope of review changed – Consultation undertaken with other partners, where finances are pooled, managed and monitored by a single accountancy function, to identify the positive and negative outcomes, including aspects done well and lessons learnt.	Final Report	Consultation
43	2020 Vision Programme	Support for the 2020 Vision Programme and Projects – Attendance at programme and project boards, workshops	On-going	
44	Change Programmes	Support for other change programmes / projects	On-going	
45	Cash processing and Security	Consultancy in respect of cash processing and security following large cash amount received through Front of House and issues with cashiering machine	Complete	New process implemented
Section 4 – Other				
46	Management	Preparation of IA Monitoring Reports and preparation and attendance at Audit Committee. Annual Audit Planning. Attendance at Governance and Risk Groups. High level programme monitoring. Liaison meetings with CFOs and Management Teams	On-going	
47	Social Media	Follow-up testing of the 2014/15 'Limited Assurance' Audit	Complete	All recommendations have been actioned
48	Risk Management – Income Streams	Follow-up testing of the 2014/15 'Limited Assurance' Audit	Interim Follow-Up Complete	Further Follow-Up planned for 2017/18 as not all recommendations actioned
49	Flood Works	Follow-up testing of the 2015/16 'No Assurance' Audit	Complete	Fundamental recommendation has been actioned.

Ref	Audit Activity	Focus of assignment	Status	Type of Audit & Opinion
				Further follow-up will be planned for 2017/18
50	GOSS – Health and Safety	Follow-up testing of the 2015/16 'Limited Assurance' Audit	Complete	Nine recommendations actioned, four recommendations partly actioned. Further Follow-Up planned for 2017/18 for outstanding recommendations
51	Contract Management	Follow-up testing of the 2015/16 'Limited Assurance' Audit	Final Memo	Further Follow-Up planned for 2017/18 as not all recommendations actioned
52	Enforcement Tender Review	Ad-hoc piece of work. Review of enforcement tenders (CDC, CBC, WODC, TBC, FoDDC) due to one point difference in scoring. Days to be taken from Contingency	Complete	N/A
53	Greenhouse Gas Emissions	Review of the data prepared for submission in respect of the Council's responsibility towards the reduction of greenhouse gas emissions	Complete	N/A
54	Efficiency Measure Rankings	Review of the data prepared for submission in respect of the Council's Efficiency Measure Rankings	Complete	N/A
Section 5 – Follow-up Audits (follow-up of previous years Audits)				
55	Members Allowances			
56	Council Security			Further Follow-Up planned for 2017/18 as not all recommendations actioned
57	Data Protection			Not all recommendations actioned. Further follow-up will be conducted during the EU GDPR audit in 2017/18
58	Freedom of Information			Two recommendations due for completion during 2017/18. All other recommendations actioned.
Section 6 - Other work undertaken by Internal Audit				
59	National Fraud Initiative	On-going support for the scheme	On-going	N/A
60	Audit Management Software	Design and build the new Internal Audit Management Software to our specifications	Complete	N/A

Ref	Audit Activity	Focus of assignment	Status	Type of Audit & Opinion
61	Audit Cotswolds 2020 Proposal	Drafting the proposal for providing the Internal Audit service to 2020 and the four partner Councils	Complete	N/A
62	SWAP Transfer	Officer time allocated to the Internal Audit (Audit Cotswolds) service transfer to SWAP	Complete	N/A
63	Internal Investigation	Auditor time allocated to a complex internal investigation	Complete	N/A
64	Internal Investigation	Audit time allocated to undertake an internal investigation	Complete	N/A

Executive Summary for Payroll 2016/2017**Assurance****Good****Overview and Key Findings**

The audit of Payroll is carried out over a three year cycle. 2016/2017 is the third year of this cycle; the detail of the areas that have been included in the year three audit can be seen below. The areas to be reviewed are drawn from the "Services in Scope" document defining those services which GO Shared Services (GOSS) will provide.

Areas covered in the Year 3 internal control system review are as follows:

- Calculation of payrolls and accuracy assurance
- Reconciliation of deductions from payroll and the distribution to third parties
- Generation and distribution of relevant tax forms
- Year-end reconciliations and transfer of appropriate returns / forms

Key systems controls reviewed every year are:

- Reconciliation of payroll system to the general ledger
- Periodic reconciliation of the payroll system to personnel records
- Periodic circulation of establishment lists to budget holders
- Production and independent review of exception reports – eg. Movement in net pay >10%

In addition we conducted transaction testing on a sample basis to ensure that changes to the payroll system were undertaken in accordance with policy, appropriately authorised, completed accurately and in a timely manner.

We also checked that the recommendation arising from our 2015/2016 audit had been implemented. Our review of the areas covered in Year 3 found that sound processes operated which were in accordance with HMRC requirements.

Our review of key systems controls found there is no regular, routine check whereby officers not involved in payroll processing are required to check ABW periodically. This control is firstly to see whether the names of staff charged to cost centres are recognised (this is to identify "ghost" or "dummy" employees on the payroll), and secondly to check that the pay charged appears reasonably in line with what is expected. We were advised that Finance keep a "watching brief" upon budgets throughout the year, and review staffing budgets at budget time each year. Although these may be classified as compensating controls to some degree they are not formal regular, routine checks.

We also identified that periodic reconciliation of the payroll system to personnel files was not operating. There was some degree of checking undertaken but this does not provide sufficient assurance that payroll records agree to records held in personnel files.

Other than the above we can confirm that key system controls are operating.

We also commented upon potential risks to the Council as a result of the findings of our transactional testing.

We verified that the recommendation arising from our 2015/2016 audit had been implemented.

On the basis of our audit work, and in view of the issues described above, we assign a **Good** level of assurance.

Executive Summary for Insurance 2016/2017

Assurance

Good

Overview and Key Findings

This audit was carried out as part of the core audit programme planned for 2016/17 as approved by the Audit Committees of Cotswold District Council (CDC), Cheltenham Borough Council (CBC), and the Audit and General Purposes Committee of West Oxfordshire District Council (WODC). As GO Shared Services (GOSS) also provides services to the Forest of Dean District Council (FoDDC), this audit also covers insurance management arrangements pertaining to that Council as organised by GOSS.

The areas covered during this audit were as follows:

- Responsibilities
- Insurance Officer
- Procedures
- Review of insurances
- Insurer
- Self-insurance
- Cover
- Sums insured
- Claims
- Recharges
- Performance and reporting
- Risk
- Fraud
- Working with/for other Councils (including 2020)
- Advisory roles
- Empty property insurance

Those issues which we feel specifically need to be brought to management's attention are summarised in the list below.

- There is no written procedural guidance for officers to follow (recommendation made)
- There is no regular, routine reporting of insurance matters to Members at Committee or Council, or to senior officer management teams, in any of the four Local Authorities or Ubico; however we have not found that this is general or common practice so the Local Authorities and Ubico are not out of step in this respect. (recommendation made)
- There is no close coordination involving the Insurance Officer in the risk management processes of the Local Authorities and Ubico. (recommendation made)
- Currently there is no other officer who could carry on the main body of the Insurance Officer's work if he were to be absent for a lengthy period or if he were to leave at short notice. The Head of GOSS has recognised this risk and is considering options to mitigate it, putting funding in place to finance these.
- The Insurance Officer has not been consulted on insurance matters relating to 2020 but we understand that this is planned to take place.

We made three recommendations which are shown, together with management responses in Appendix B. We have been able to provide a **Good** level of assurance.

Executive Summary for Accounts Payable 2016/17	
Assurance	Reasonable – SWAP Assurance Satisfactory – Audit Cotswolds Assurance
<p>Overview and Key Findings</p> <p>As part of the 2016/17 audit plan a review has been undertaken to assess the adequacy of the controls and procedures in place for Accounts Payable (AP) Core Functions.</p> <p>SWAP reviewed controls operated by the GOSS AP service confirming that generally risks are well managed with a number of well controlled areas, but some processes require the introduction or improvement of internal controls, for example, documenting procedures and evidencing checks to ensure the achievement of objectives.</p> <p>Our analysis of compliance with the 'No PO, No Pay' policy can confirm that purchase order (PO) usage has increased. At the time of review we identified 69% of eligible payments were made using purchase orders, we have since been advised that this figure has risen to 91%.</p> <p>Our transactional testing identified that internal controls and improvements to existing measures are required in relation to the identification of duplicate suppliers and payments. We have been advised that increased monitoring and change in process is being addressed.</p> <p>We found that some payments were being made using the sundry supplier code rather than setting the supplier up on the system. Again, this is being addressed by the AP team.</p>	

Executive Summary for Accounts Receivable 2016/17	
Assurance	High
<p>Overview and Key Findings</p> <p>The review of Accounts Receivable (AR) is undertaken over a three year cycle. 2016/2017 is the third year of the three year cycle. The areas covered in this review are detailed below:</p> <ul style="list-style-type: none"> • The recovery timetable • Legal recovery processes • Customer relations <p>Key system controls reviewed annually are:</p> <ul style="list-style-type: none"> • Income management and control (including instalment administration arrangements) • Cancellations and write-offs management and control • Performance management and reporting <p>In addition, we undertook transactional testing covering a range of cost centres at each client to establish that invoices raised by service areas were in accordance with agreed fees and charges, and that appropriate evidence was maintained to support the debt raised. Discussions were held with a number of officers to establish, the processes underpinning the raising of debtor/subscription invoices.</p> <p>We also undertook testing to confirm that evidence was available on customers' AR account to support charges raised on the subscription invoices.</p> <p>Our review of the AR system has found that robust controls are operating which ensure system objectives are achieved. There are no recommendations to be made.</p> <p>On the basis of our findings we can confirm we are able to give a High level of assurance.</p>	

Overview and Findings

This audit has been undertaken using an agreed risk based audit. This means that:

- the objectives and risks are discussed and agreed with management at the outset of the audit
- the controls established to manage risks are discussed with key staff and relevant documentation reviewed
- these controls are evaluated to assess whether they are proportionate to the risks and evidence sought to confirm controls are operating effectively
- at the end of the audit, findings are discussed at a close-out meeting with the main contact and suggestions for improvement are agreed

The scope of this audit covered the rationale/formula used for the 2016/17 and 2017/18 NNDR1 forms in the following areas:

- Bad debt provision
- Appeals provision
- Estimated growth

This is an advisory report. Whilst no significant issues have been identified with the methods that each Local Authority is using, differences have been identified across Local Authorities and it has been concluded that the accounting estimates/assumptions used to model Pool surpluses/deficits and calculate outturn are not consistently applied across the three Local Authorities that have been involved in this review.

Differences in process and rationale have been identified in the estimates/assumptions used to calculate the bad debt and appeals provision. The Authorities may wish to use the information and comparisons provided in this audit report to consider and ensure a more generic way of working is in place.

Whilst a difference has been identified in the process rationale, overall, there is little difference when considering these figures as a percentage of the net rates payable. There is a risk that some authority's calculations may be less accurate than others if a generic way of working is not in place.

Generally, the three authorities follow the same process for calculating growth, however as it would be expected, growth between authorities will differ depending on the local environment for development within each authority.

Improvements are required in the maintenance and retention of working papers across the authorities. It has been identified that clearer audit trails are needed with appropriate explanations and reasoning to ensure it is clear what rationale has been used to obtain figures for the NNDR1 form.

The Local Authorities part of the 2020 partnership, that were part of the scope of this review, may benefit from sharing the results of this audit with the other members of the Pool to identify if there are any further inconsistencies in process.

Overview and Key Findings

By law, local authorities must make available grants for disabled people towards the cost of providing adaptations and facilities which will enable the disabled person to continue to live in their own home. Such grants, known as Disabled Facilities Grants (DFGs), will be paid subject to certain conditions. Expenditure on DFGs is treated as Capital in the Council's accounts.

Capital Grant is received from central Government to help support the Council's spending on DFGs.

Our review covered the following areas:

- Policy
- Publicity
- Procedures
- Application for DFG
- Decision
- Assessment
- Financial assessment
- Housing Improvement Agency
- Works
- Invoices
- Recording and reconciliation
- Recovery
- Budget

We found that in both 2014/2015 and 2015/2016 there were underspends on the DFG budget codes. In discussion about this we were informed that the money is invariably already agreed and committed at the end of each financial year as building works take a long time to complete and subsequently invoiced for.

The service does not maintain any performance indicators.

There are specific issues which need to be addressed:

- Complete the rewriting of the office Procedure Notes (para 3.3.1)
- Reconcile "memorandum" recording systems (spreadsheet, Uniform) with Agresso at regular intervals (para. 3.13.1)

The Housing Team Lead and the DFG Officer are aware of the need to address these.

In the light of our findings we are able to give a **Satisfactory** level of assurance.

Executive Summary for Building Control 2016/17

Assurance

Good

Overview and Key Findings

This audit was carried out in accordance with the 2016/17 Internal Audit Plan, approved by Audit Committee in March 2016. It was our aim to conduct an audit of the Project Management processes established to create a shared Building Control service across Cotswold District Council (CDC), Forest of Dean District Council (FoDDC) and West Oxfordshire District Council (WODC).

The Audit Brief was adjusted to reflect the current status of the project and is therefore now a strategic review of supporting documentation and governance arrangements, with the intention of providing assurance that appropriate project management procedures are in place.

The initial proposals to create a shared Building Control Service were created by 2020 Change Programme officers in collaboration with ERS senior managers. At the time of the audit a Shared Manager had been appointed who had taken on the role of project manager for a 'Service Improvement Plan'.

Documentation supporting the programme was received and reviewed by IA, this included:

- **2020 Business Case** - The 2020 Business Case sets out rationale for aligning local Councils and sharing service provision. It reports the drivers for implementing a shared service that include: financial savings, improved efficiency, increased resilience, greater depth in strategic capacity, while maintaining individual democracy. The Business Case indicated that a shared Building Control Service between five councils could provide a saving of £113k to be delivered 2019/20 onwards
- **Building Control Shared Service Roadmap** - This is the key outlining document that introduces the main methods to be implemented to realise the predicted £93k saving.
- **Shared Building Control PID** - A Project Initiation Document (PID) was produced to formalise the Service Improvement Plan set out within the Roadmap by a 2020 Change officer
- **Building Control Options Appraisal- End of project report** - This reports on the success of the initial options appraisal and whether all objectives were met.

Further documentation was received which provides additional control and to support risk management:

- **Building Control Risk Register** - This was developed in January 2017 to recognise how the Service Improvement plan could impact on daily service delivery
- **GANTT** - The GANTT or 'Project plan' was completed in February 2017 by the Building Control Manager, with input from the Council's Business Improvement Officer. It schedules key elements of the work stream, broken down into the elements: Documents, Service Delivery, Organisation, ICT and Change Management.
- **Graduation of Tasks** - This document was developed in conjunction with the GANTT and provides a detailed list of tasks required as part of each element of the work stream.

IA can confirm that following our review of the supporting documentation, the control documentation, and the process being followed and discussions with key officers, the ERS service are united in working towards their goal of providing a saving of £93,000, while providing a shared working environment between the partner Councils.

We are able to offer a **GOOD** assurance level

Management Response

I'd like to thank Audit Cotswolds for this piece of work. Running through the process has been helpful particularly in aligning the team.

Overview and Key Findings

As part of the 2016-17 audit plan a review to ascertain whether the JWC has delivered what it was established for was agreed. However, this review has been undertaken to consult with representatives from other joint waste partnerships from within the SWAP Partnership, where finances are pooled, managed and monitored by a single accountancy function. This approach would help identify the positive and negative outcomes, including aspects done well and lessons learnt.

The Joint Waste Partnership (JWP) consists of the Gloucestershire County Council, Forest of Dean District Council, Cheltenham Borough Council, Cotswold District Council and Tewkesbury Borough Council. In addition, Stroud District Council and Gloucester City Council are permitted to attend and participate in Joint Waste Committee (JWC) meetings without being part of the JWC. However, participation does not extend to the decision making and voting process of the JWC.

This review has been a fact-finding exercise to increase the JWC knowledge of the way other waste partnerships have progressed whilst operating a pooled financial arrangement. The output as viewed by internal audit is summarised below.

One significant difference identified between the Gloucestershire JWP and the other waste partnerships is that from the outset funds have been pooled. Responses from the Gloucestershire authorities indicate that no other option was considered. However, the JWP has shown progress can be made, although at a much slower pace, which may delay the realisation of savings in the future.

Currently, shared decision making is in respect of the JWC business plan and the actions within it. Any choices for retained decisions to be made for example, budget setting, service charges, collection/disposal method and procurement need to be referred to the partner Councils.

At the 2017-2020 business plan approval meeting (February 2017), a significant step forward was made when the partners concurred that the case for closer service alignment should be considered subject to a business case and risk assessment.

To date the JWC has seen improvements in waste collection, recycling and disposal into landfill, largely in line with government projections. However, there is limited information on financial savings realised, which is an important requirement alongside improved waste management and resilience of the service. The Gloucestershire JWP questionnaire responses support the principle of further integration, with one exception, provided the business case and risk assessment undertaken demonstrated a positive way forward. Furthermore, only one partner did not give a favourable response to financial integration. The other partners were open to the idea provided the business case confirmed this was the correct direction of travel. In addition, in line with the other waste partnerships a fair distribution of costs and savings would be required along with transparency of the information.

One partner suggested collaborative procurement which may be a good trial to identify key issues, highlighting shortfalls which need to be addressed. This approach could be educational, utilising the knowledge of the Gloucestershire JWP and the information from the other waste partnerships as a guide to prevent costly mistakes being made.

There was consensus that the operation could be improved through consistency and standardisation of approach throughout the JWP. It is recognised that to consider any level of standardisation of operations across the authorities the current arrangements need to be understood. Once this exercise is complete an evaluation can be undertaken to determine where conformity can be put in place. In addition, the recruitment of a full-time Head of Service for the JWP is an opportunity to develop a clear routemap to align services and steer the partnership forward.

Assurance Levels 2016/2017

Assurance levels for all audits follow a standard methodology to ensure reliability and validity of Internal Audit opinion. The table below set out the rationale for the opinion and suggested management action timescales.

Assurance Level	IA Opinion - Controls
High	Compliance with policies and procedures is good and adhered to, in the areas reviewed. Internal controls, in place, operate effectively. Risks against the achievement of the client's objectives are well managed.
Good	There is a sound system of compliance and internal control, designed to achieve the client's objectives, in the areas reviewed. The control processes tested are being consistently applied. Although risks are well managed and there is no fundamental threat, internal controls still need to be monitored.
Satisfactory	Some evidence of non-compliance identified and / or weaknesses in the system of internal control, in the areas reviewed. The level of non-compliance could present a risk to the achievement of the client's objectives. Introduction or improvement of internal controls is required.
Limited	Sufficient evidence of non-compliance and / or weaknesses in the system of internal control, in the areas reviewed. Essential action needed by management to reduce the level of risk to the achievement of the client's objectives.
No	No assurance can be given over compliance and / or internal controls. Immediate action needed by management to address the risk issues, in the areas reviewed.
Not Applicable	Assurance level is not applicable due to the nature of the work undertaken.

Priority Ratings 2016/2017

Priority Ratings are attached to each recommendation made in an audit review. The table below sets out the rationale for the priority ratings and the suggested timescale for the implementation or action for the agreed recommendation

Priority Rating	Description
Critical	<p>A significant and serious control weakness in the system of internal control.</p> <p>This will also include, for example: No evidence of policies and procedures, non-compliance with legislation or authority policies or non-compliance with authority financial and procurement rules.</p> <p>Immediate action is essential.</p>
High	<p>A weakness which could undermine the system of internal control and compromise its operation.</p> <p>Action is required as soon as possible.</p>
Medium	<p>An improvement to the system of internal control in order to comply with best practice, or which offers efficiency savings.</p> <p>Action date to be agreed.</p>
Low	<p>Recommendations requiring action by management to improve control, although the achievement of objectives is not fundamentally threatened.</p>
Observation	<p>Observations presented for management consideration only, as they represent a suggested improvement in management of the risks.</p>