

REPORT OF FINANCE MANAGER

SUBJECT:

Gateway: Internal Audit “Block 2” Report

Background:

This is the second report from the Authority’s Internal Auditors and presents the findings and conclusions of their review of the Corporate Governance and Income Generation.

RECOMMENDATION: To note the findings of the report.

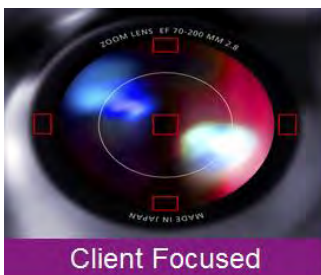
(For further information, please contact Richard Griffiths, extension 4815 or at Richardg@pembrokeshirecoast.org.uk)



Pembrokeshire Coast National Park Authority

Internal Audit Report

Block 2 2015/16



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VERSION HISTORY

Key Stage	Date	Target (Days)	Actual (Days)	Comments
Draft Report v1.0	27/11/15	10	9	
Draft Report v2.0	15/1/16		8	

This report has been prepared for our client and should not be disclosed to any third parties, including in response to requests for information under the Freedom of Information Act, without the prior written consent of Gateway Assure Ltd. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, it is based upon the documentation reviewed and information provided to us during the course of our work. Thus, no guarantee or warranty can be given with regard to the advice and information contained herein. © 2015 Gateway Assure Ltd

INTRODUCTION

OPERATIONAL AUDIT PLAN

- 1.1 This report summarises the outcome of work completed to date against the operational audit plan approved by the Authority’s Audit and Corporate Services Review Committee and incorporates cumulative data in support of internal audit performance and how our work during the year feeds in to our annual opinion.
- 1.2 The sequence and timing of individual reviews has been discussed and agreed with management to ensure the completion of all audits within the agreed Internal Audit Strategy 2015/16; the current planned schedule is shown in Appendix C.
- 1.3 In brief the areas subject to audit on this occasion and the result of those audits are as follows:

Audit Area	Opinion	Recommendations				
		F	S	MA	Total	Agreed
Corporate Governance	Substantial	0	1	1	2	1
Departmental Review – Income Generation	Adequate	0	2	1	3	2

- 1.4 We would like to take this opportunity to thank all members of staff for their co-operation and assistance during the course of our visit.
- 1.5 The results of each audit are reported through the Executive Summary and agreed Action Plan contained within **Appendix A**. A Summary of Opinions and Recommendations is shown as **Appendix B** and progress against the Operational Plan is detailed at **Appendix C**.

STANDARDS

- 1.6 We have performed our work in accordance with the principles of the Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF) and the Public Sector Internal Audit Standards (PSIAS) in so far as they are applicable to you our client. Our working papers are available for inspection.

QUERIES

- 1.7 Should any recipient of this report have any queries over its interpretation or content they should contact the client engagement director either directly or through the client contact as appropriate and we shall be happy to discuss the assignments and provide any detail or explanations necessary.

SCOPE & BACKGROUND

- 1.8 We have reviewed each area in accordance with the scope and objectives agreed with management prior to our visit. Appendix A provides detail of the scope of our work; our conclusions regarding the level of assurance that can be provided and where appropriate the agreed Action Plan to be implemented by management to remedy potential control weaknesses.
- 1.9 Our approach was to document and evaluate the adequacy of controls operating within each system. For each system the key controls operated by management were assessed against the controls we would expect to find in place if best practice in relation to the effective management of risk, the delivery of good governance and the attainment of management objectives is to be achieved. Where applicable, selected and targeted testing has been used to support the findings and conclusions reached.

- 1.10 We report by exception and only highlight those matters that we believe merit acknowledgement in terms of good practice or undermine a system's control environment and which require attention by management.

AUDIT OBJECTIVE & OPINION

- 1.11 The objective of our audit was to evaluate the auditable area with a view to delivering reasonable assurance as to the adequacy of the design of the internal control system and its application in practice. The control system is put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively.
- 1.12 Our opinion is based upon the control framework (as currently laid down and operated) and its ability to adequately manage and control those risks material to the achievement of the organisation's objectives for this area. We provide our opinion taking account of the issues identified in the Executive Summary and Action Plan.

Overall Opinion

- 1.13 Each Executive Summary provides an overall assessment of our findings for each system reviewed and provides an opinion on the extent to which management may rely on the adequacy and application of the internal control system to manage and mitigate against risks material to the achievement of the organisation's objectives for each area.

Conclusion on the Adequacy of Control Framework

- 1.14 Based on the evidence obtained, we conclude for each area upon the design of the system of control, and whether if complied with, it is sufficiently robust to provide assurance that the activities and procedures in place will achieve the objectives for the system.

Conclusion on the Application of Controls

- 1.15 Based on the evidence obtained from our testing, we conclude for each area upon the application of established controls.

Recommendation Grading

- 1.16 Recommendations are graded on a scale of Fundamental, Significant or Merits Attention; **Appendix E** provides further explanation.

VALUE FOR MONEY

- 1.17 Where value for money issues are identified as a result of our work the corresponding recommendation will be annotated with **VFM** in the bottom right hand corner. This is used to identify recommendations which have potential value for money implications for the organisation or which indicated instances of over control.

PREVIOUS AUDIT RECOMMENDATIONS (FOLLOW UP)

- 1.18 Where a previously updated audit recommendation remains outstanding at the time of our review and the original implementation date has passed the corresponding recommendation within Appendix A will be annotated with **PAR** in the bottom right hand corner.

EXECUTIVE SUMMARY

FINDINGS & CONCLUSIONS

- 2.1 The results of our visit to Pembrokeshire Coast National Park Authority (PCNPA) are summarised in this section of the report and are considered in relation to each area reviewed.
- 2.2 The extent of comment in relation to each audit area is restricted deliberately so as to highlight the key issues that we believe need to be drawn to the attention of the Audit and Corporate Services Review Committee and management and are supported by a more detailed analysis of each review that is contained as Appendix A to this report.

Corporate Governance

- 2.3 The scope and objective of the review as agreed with management is summarised in Appendix A.
- 2.4 The Authority's Annual Governance Statement includes a statement confirming compliance with the CIPFA SOLACE recommended framework of governance for local government and associated organisations such as National Park Authorities. There is no structured formal self-assessment in place against the SOLACE requirements to evidence how the Authority considers itself and demonstrates compliance; in our experience such a process complimented by annual review is beneficial to support statements of compliance, as a tool to prompt how changes (internal and external) may impact upon compliance and to use as a basis for ensuring ongoing compliance as and when requirements change and avoid making inaccurate statements. SOLACE was originally issued in 2007 and subsequently updated in 2012.
- 2.5 An appropriate committee structure is in place; with calendar, agendas, papers and minutes published and easily accessible.
- 2.6 Membership of the Authority comprises of appointed members from Pembrokeshire County Council and Welsh Assembly Government; as such the Authority has little control over the skills and experience of its membership. Whilst we appreciate that it is not within the Authority's control we recommend that it determine a 'wish list' of skills which it feels necessary to effectively govern its operations; this can then be matched against the skills possessed by members to identify any skill gaps and influence the appointing bodies to provide members whose skills and experience it is felt would positively improve governance arrangements and support the Authority going forward.
- 2.7 In our comparative review at Brecon Beacons National Park Authority (BBNPA) similar issues to those above have been raised; differences surround the complexity of membership to BBNPA due to its larger number of constituent members, the real time broadcast of Authority and Committee meetings and the use of modern.gov as a document management system.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **substantial assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

Departmental Review – Income Generation

- 2.8 The scope and objective of the review as agreed with management is summarised in Appendix A.
- 2.9 In addition to the head office the Authority has five sites (two castles and three visitor centres) which are income generating. Each site has a specific site manager who has a small amount of autonomy on how the site is run, what the site can do and sell to generate income; we visited four sites as part

of the review and found a range of goods for sale including corporate branded and local crafts sourced from artists and suppliers.

- 2.10 The visitor centre at St Davids displays some local artists' goods for sale on a commission basis; avoiding financial outlay. All other locations stock is purchased outright. The benefit of this approach (financial viability) should be formally reviewed by the Authority to determine whether it is worthy of extending the idea to other locations. It is acknowledged that the Head of Discovery and the site manager for Carew Castel are currently carrying out a review of retail operations.
- 2.11 We reviewed the Authority's web presence at a high level as this is generally accepted as one of the most popular methods of researching an area prior to a visit; we found:
- There are a potentially confusing array of sites for visitors to Pembrokeshire, the National Park and the Coastal Path. The Authority itself has two websites www.pembrokeshirecoast.org.uk and enjoy.pembrokeshirecoast.org.uk; the second of which is much more visually appealing and likely to keep visitors attention but does not make reference to the visitor centres.
 - When you Google 'Pembrokeshire Coast' the enjoy.pembrokeshirecoast.org.uk domain doesn't feature by page 10 of the results and therefore traffic would appear to be directed via the less than prominent link on the corporate page www.pembrokeshirecoast.org.uk.
 - The 'enjoying' tab on the homepage banner of corporate site does not take you to the 'enjoy' site; this is achieved via a link on the second half of the page after scrolling down.
 - Visitor centres can be found on the corporate site but not the 'enjoy' site.
- 2.12 It is therefore felt that the Authority should review its web presence with a view to streamlining and greater promotion of the Authority's own resources to encourage visitor numbers and associated income; it is felt that the 'enjoy' site is more likely to be appealing to visitors and therefore the 'corporate' elements could feed from this site and the Authority should seek to improve the 'enjoy' site presence on Google. The review should also include the promotion of websites and social media presence to visitors whilst actually present at the Park; for example seeking email addresses from visitors to 'push' messages and promotions. The Authority may also benefit from considering an online shop as an alternative route to market for the sale of corporate goods already stocked and which could extend to local crafts.
- 2.13 At both castles and the main visitor centre at St Davids space is available to potentially generate income; there is also a vacant flat at Castle Henllys. We have recommended that the Authority perform a review of its properties considering alternative uses to maximise the income potential; such uses should be aligned with the Authority's marketing and web presence to promote these to potential users.
- 2.14 Given the range of locations and activities we have also recommended the introduction of local risk registers; as risks relating to catering at the visitors centre (even though it is franchised out) would require a different knowledge to the risks associated with allowing filming on location. With significant risks promoted to the corporate risk register as and when appropriate.
- 2.15 In our comparative review at BBNPA we found that PCNPA benefits from a larger number of more significant building assets from which to generate income; however BBNPA benefits from a greater sense of 'destination' and the ability to sell marketing to local businesses. BBNPA has introduced an on line shop which generates a small income for relatively little cost. Both Authorities would benefit from greater publicity identifying the facilities that they can offer to a greater audience.
- 2.16 Neither Authority currently delivers additional activities for visitors such as mountain bikes and water sport hire (or sale); these are pursued by other Authorities such as the Peak District and Lake District.

Taking account of the issues identified above and the recommendations contained within Appendix A, in our opinion the control framework for the area under review, as currently laid down and operated, provides **adequate assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

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APPENDIX A1 – GW 04/16 CORPORATE GOVERNANCE

Management Objective:	To ensure there is an adequate framework of controls with regard to the Authority, and the way it discharges its responsibilities, committees, delegated authorities, planning, and accountability.		
Responsible Officer:	Richard Griffiths – Finance Manager, Alan Hare – Business and Performance Manager		
Areas for consideration:			
<ol style="list-style-type: none"> 1. The Authority has suitably self-assessed itself against CIPFA SOLACE requirements and made suitable statements in respect of compliance with or deviation to within its published annual Governance Statement. 2. Any aspect of non-compliance identified and reported in respect of the Welsh Audit Office’s assessment of compliance with the Local Government Measures (Wales) 2009 is suitably reported within the Authority and suitably disclosed. 3. Aspects of non-compliance are suitably reviewed and action plans put in place to monitor steps required to fully comply (if intended). 4. A member code of practice is in place and suitably promoted within the Authority. 5. There is a suitable structure of formal Committees in place, operating to formal approved terms of reference, to assist the Authority in discharging its responsibilities in an efficient and effective manner; Committee business is suitably scheduled and reported to the Authority to ensure the benefits of delegated responsibilities are realised. 6. Suitable arrangements exist and are evidenced surrounding openness, confidentiality, declaration of interests / perceived conflicts of interest and gifts/hospitality. 7. Formal arrangements are in place regarding the conduct of meetings including Distribution of Papers, Covering Reports, Quoracy and Minutes. 8. Suitable arrangements are in place to ensure the suitability of skills and experience of those on the Authority and Committees (within the confines of its nominating structure); including Skills Audit and Gap Analysis. 9. Arrangements are in place for succession planning, recruitment, induction, and development of members (where applicable). 10. Suitable Authority and Committee appraisal and training arrangements are in place to ensure that individuals and the collective are well prepared to discharge the responsibilities of the Authority. 			
Limitations to scope:			
The review will concentrate upon management controls in place to ensure that the Authority meets its corporate governance responsibilities and minimises the risk of not complying with recognised good practice. The review will not provide opinion over strict or legal compliance with all governance requirements.			
Overall opinion:	Substantial	Adequacy of control framework:	Good
		Application of control:	Good

Main Recommendations	Priority	Management Response	Implementation Plan
<p>1. SOLACE Self-Assessment</p> <p>We recommend that the Authority maps itself against the CIPFA SOLACE requirements to demonstrate how it complies and how it can evidence compliance with SOLACE; this will provide assurance over the accuracy of the Authority's statement on compliance within its Annual Governance Statement.</p> <p>The self-assessment should be reviewed annually to ensure it continues to reflect practice and updated whenever the SOLACE framework is refreshed.</p>	M	<p>The Authority already undertakes a review of arrangements against CIPFA Code of Good Practice as part of the process of completing its Annual Governance Statement.</p> <p>We propose to continue to do this and amend as appropriate if CIPFA amend the Code.</p>	<p>Responsibility:</p> <p>Target date:</p> <p>No further action proposed</p>
<p>2. Member Skills</p> <p>We recommend that the Authority undertake a member skills audit; identifying desirable skills and experience of members and assessing the actual skills and experience of members to identify any 'skill gaps' which may be used to influence the future appointment of members.</p> <p>The process should be regularly reviewed and particularly when there is significant change of Strategy / Business Plans, remit, regulation, risk and membership.</p>	S	<p>The Authority has limited opportunity to influence the appointment of Members. Although we have procedures in place for a number of years which asks Members to identify their strengths (and weaknesses), and establishes where Members feel they need more development/information.</p> <p>However, as part of its Member Review process a Skills Audit can be undertaken. This will inform future training requirements and can be passed onto the Welsh Government when they appoint Members</p>	<p>Responsibility: Democratic Services and Administration Manager</p> <p>Target date: 31 December 2016</p>
<p>The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.</p>			

APPENDIX A2 – GW 05/16 DEPARTMENTAL REVIEW – INCOME GENERATION

Management Objective:	Structure of departmental planning, resourcing and monitoring activities enables the delivery services and achievement of the organisation's objectives for the area subject to review.
Responsible Officer:	James Parkin – Director of Delivery and Discovery, Phil Roach – Head of Discovery
<p>Areas for consideration:</p> <ol style="list-style-type: none"> 1. Business plans are established for delivering the services / objectives in line with overall surplus / contribution defined within the Authority's financial budget 2015/16. 2. Budgets are established for both income and expenditure within the operational area which are suitably monitored and managed throughout the year at both a local and Authority level; particular focus upon delivering the identified surplus through increasing income and managing expenditure. 3. The key risks facing the centres are being appropriately monitored and managed and if necessary escalated to ensure that the Authority is able to take appropriate and timely action. 4. Management information is sufficient, accurate and timely to enable the Authority to monitor overall performance in both financial, non-financial terms (service standards / satisfaction etc.) and feed other elements of control. 5. Goods or services are suitably costed based upon inputs and priced in accordance with clear pricing policy/principles. 6. Wastage of perishable goods is suitably monitored and recorded to inform management. 7. Reorder points are suitably established (balancing stock-out and excess) and suitable controls in place over the ordering, receipt and payment of goods and services. 8. Variable hour staff are suitably controlled, hours worked recorded, approved and accurate payment monitored. 9. Cash handling procedures are in place and regularly reviewed to ensure they remain appropriate to operations; including the range of payment options for convenience. 10. All sales are suitably recorded and reconciled to cash collected (cashing up) with investigation of any overs and unders. 11. Cash collection and banking arrangements are in place with cash suitably secured and protected in the interim period. 12. Security arrangements reasonably manage the risk of theft or loss. 	
<p>Limitations to scope:</p> <p>This assignment will not consider the processes and controls in operation throughout other departments; other than in relation to their impact upon the work and objectives of the department subject to review on this occasion. The review is based upon examination of the framework and application of controls surrounding the management of the department. The review will not provide opinion over the likelihood of achieving the required year end financial surplus. Testing will be undertaken on a sample basis and is not necessarily sufficient to identify all weaknesses or errors that may exist. Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error, loss or fraud does not exist.</p>	

Overall opinion:	Adequate	Adequacy of control framework:	Adequate
		Application of control:	Good

Main Recommendations	Priority	Management Response	Implementation Plan
<p>1. Web Presence & Social Media</p> <p>We recommend that the Authority:</p> <ul style="list-style-type: none"> Review its web presence with a view to streamlining and greater promotion of the Authority’s own income generating resources such as visitor centres and other facilities/services; using a core site which is appealing and complete. Explore whether an online shop would be viable to sell corporate goods and local crafts. Capture email addresses from visitors to facilities to ‘push’ future messages and promotions. 	S	See Below	<p>Responsibility:</p> <p>Target date:</p>
<p>2. Income Generation - Strategy</p> <p>We recommend that the Authority review potential income generation activities with a view to developing a strategy going forward; ideas identified from the review which may benefit from further exploration include:</p> <ul style="list-style-type: none"> Extending goods for sale on a commission basis. Review franchised food operations. Hire activities such as Mountain Biking and Water Sports. Use of estate; for example conferencing facilities. Extended use of brand – development of a ‘destination’ website may allow the Authority to market local businesses; developing on Coast to Coast advertising offer. 	S	It is proposed that the overarching income generation goals are agreed via the recently established ‘Task & Finish Group’. Their work will help define the future vision and income aspirations for our centres. This will then be taken forward via PCNPA’s Commercial Group and be monitored via the Operational Review Committee. The goal is to have a draft plan of action in place by the end of March 2016 followed by income strategy document later in the year	<p>Responsibility: Commercial Group</p> <p>Target date: 31 December 2016</p>

Main Recommendations	Priority	Management Response	Implementation Plan
<p>3. Risk Register</p> <p>We recommend that the Authority consider establishing local level risk registers pertinent to the activities undertaken; with significant risks promoted through to the corporate risk register as appropriate.</p>	<p>MA</p>	<p>We are not convinced that introducing a second level of risk will improve performance. We tried a service risk approach before without much success. Depends how risk sensitive we want to be and generally our risks are stable.</p>	<p>Responsibility:</p> <p>Target date:</p>
<p>The Executive Summary may also contain comment in relation to minor issues of non-compliance or improvement to process.</p>			

APPENDIX A3 – FOLLOW UP

Management Objective:	Management take timely and appropriate action to implement accepted recommendations and accurately report progress to Audit and Corporate Services Review Committee.
Responsible Officer:	Richard Griffiths – Finance Manager
Areas for consideration:	
<p>Our Internal Audit Strategy includes provision for the follow up of previously accepted recommendations to assess the level of implementation and provide assurance over management's own recommendation tracking and subsequent reporting.</p> <p>The audit areas subject to follow up on this occasion were:</p> <ul style="list-style-type: none"> ▪ Previous Follow Up ▪ Main Accounting System ▪ Payroll and Expenses ▪ Debtors ▪ Grant Funding Arrangements ▪ Information Governance ▪ Car Parks ▪ Cilrhedyn Woodland Centre ▪ Newport Information Centre ▪ Carew Castle (New Manager Guidance) <p>Staff members responsible for the implementation of recommendations were interviewed to determine the current status of each point. Audit testing has been completed, where appropriate, to assess the level of compliance with this status and the controls in place.</p>	
Limitations to scope:	
<p>The review was limited to the follow up of internal audit recommendations. The review did not include recommendations made in previous years where an audit of the area is included within the audit plan for 2015/16 and recommendations are planned to be followed up as part of that review.</p>	
Outcome:	<p>Management reviewed all recommendations and reported the status of each recommendation to Gateway Assure. We sampled ten recommendations and sought evidence to support management's status of 'implemented'; no exceptions were identified as all are 'in hand', although not all have been completed.</p> <p>We will provide further follow up during the 2016/17 internal audit plan to confirm closure.</p>

Main Recommendations	Priority	Management Response	Implementation Plan
<p>1. Recommendation Tracking</p> <p>We recommend that the Authority consider introducing a formalised approach to the tracking of audit recommendations and other actions (from all sources) to facilitate regular reporting against progress to Committee.</p> <p>This may take the form of a spreadsheet or be facilitated by a software solution. A software solution would largely enable the Authority to automate the administration process, devolve status updates and enable regular report generation.</p>	<p>N/A</p>		<p>Responsibility:</p> <p>Target date:</p>

APPENDIX B – SUMMARY OF OPINIONS & RECOMMENDATIONS

Reports being considered at this Audit and Corporate Services Review Committee meeting are shown in italics. The definitions with regard to the levels of assurance given and the classification of recommendations can be found in the Notes section at the end of this report.

Audit	Progress	Opinion	Recommendations Made				
			F	S	MA	Total	Agreed
1. Risk Management	Final Report	Adequate	0	2	1	3	3
2. Key Financial Controls – Budgetary Controls	Final Report	Substantial	0	0	1	1	1
3. Health and Safety	Final Report	Substantial	0	0	2	2	2
4. <i>Corporate Governance</i>	<i>Draft Report</i>	<i>Substantial</i>	0	1	1	2	2
5. <i>Departmental Review – Income Generation</i>	<i>Draft Report</i>	<i>Adequate</i>	0	2	1	3	3
Total			0	5	6	11	11

At the moment there is nothing that impacts negatively upon our annual opinion.

APPENDIX C – OPERATIONAL PLAN 2015/16

Following discussions with management the following schedule has been agreed:

Block 1	Audit & Corporate Services Review		Resource (Days)		Comments
	Planned	Actual	Planned	Actual	
Audit					
1. Risk Management	Summer 2015	Aug 2015	3	3	
2. Key Financial Controls – Budgetary Control	Summer 2015	Aug 2015	3	3	
3. Health and Safety	Summer 2015	Aug 2015	3	3	
Follow Up			2	2	Included in Block 2
Management			2	2	
		Total	13	13	

Block 2	Audit & Corporate Services Review		Resource (Days)		Comments
	Planned	Actual	Planned	Actual	
Audit					
4. Corporate Governance	Feb 2016	Dec 2015	3	3	
5. Departmental Review – Income Generation	Feb 2016	Dec 2015	7	7	
Management			2	2	
		Total	12	12	

	Total 2015/16	25	25
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APPENDIX D – PERFORMANCE INDICATORS YTD

Report Turnaround

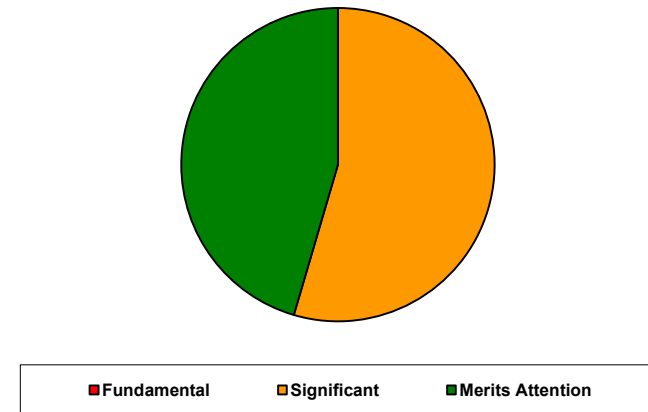
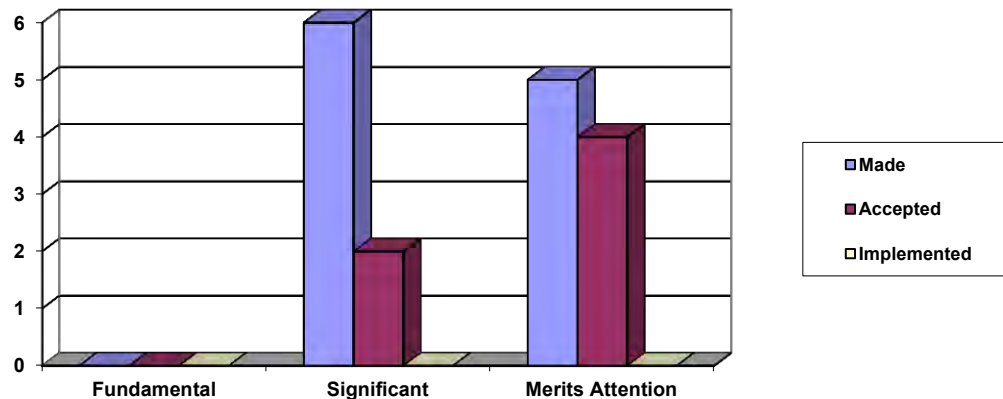
Performance Indicator	Target	Actual	Comments
Draft report turnaround (average working days)	10 days	9.5 days	
Final report turnaround (average working days)	5 days	5 days	

Resources

Performance Indicator	Annual	Actual	Comments
Number of Audit Days	25	25	
Audit Fee	Within Budget	Within Budget	
Head of Internal Audit	14%	18%	
Specialist / IT Auditor Input	12%	0%	
Audit Supervisor	44%	45%	
Auditor	30%	37%	

Recommendations

Made, Accepted & Implemented | Analysis of Priority



APPENDIX E – NOTES

KEY FOR RECOMMENDATIONS

Fundamental (F)	- The organisation is subject to levels of fundamental risk where immediate action should be taken to implement an agreed action plan. In the Authority's Risk Management Policy this approximates to the Risk Grading - TBC policy does not currently contain criteria.
Significant (S)	- Attention to be given to resolving the position as the organisation may be subject to significant risks. In the Authority's Risk Management Policy this approximates to the Risk Grading - TBC policy does not currently contain criteria.
Merits Attention (MA)	- Desirable improvements to be made to improve the control, risk management or governance framework or strengthen its effectiveness. In the Authority's Risk Management Policy this approximates to the Risk Grading - TBC policy does not currently contain criteria.

ASSURANCE LEVELS

OVERALL OPINION (ASSURANCE)	FRAMEWORK OF CONTROL	APPLICATION OF CONTROL	EXPLANATION	TYPICAL INDICATORS
Substantial (Positive opinion)	Good	Good	The control framework is robust, well documented and consistently applied therefore managing the business critical risks to which the system is subject.	There are no fundamental or significant recommendations attributable to either the Framework or Application of Control.
Adequate (Positive opinion)	Good	Adequate	As above however the audit identified areas of non-compliance which detract from the overall assurance which can be provided and expose areas of risk.	There are no fundamental recommendations surrounding the Framework of Control; coupled with no fundamental and no more than two significant recommendations attributable to the Application of those controls.
	Adequate	Good	The control framework was generally considered sound but with areas of improvement identified to further manage the significant risk exposure; controls were consistently applied.	There are no fundamental recommendations attributable to the Framework of Control.
	Adequate	Adequate	As above however the audit identified areas of non-compliance which expose the organisation to increased levels of risk.	There are no fundamental recommendations attributable to the Framework and Application of Control.
Limited (Negative opinion)	Good / Adequate	Weak	As above however the extent of non-compliance identified prevents the Framework of Control from achieving its objectives and suitably managing the risks to which the organisation is exposed.	There are more than two significant recommendations attributable to the Application of Controls.
	Weak	Good / Adequate	The control framework despite being suitably applied is insufficient to manage the risks identified.	There are more than two significant recommendations attributable to the Framework of Controls.
No (Negative opinion)	Weak	Weak	Both the Framework of Control and its Application are poorly implemented and therefore fail to mitigate the business critical risks to which the organisation is exposed.	There are fundamental recommendation(s) attributable to either or both the Framework and Application of Controls which if not resolved are likely to have an impact on the organisations sustainability.

The above is for guidance only; professional judgement is exercised in all instances.

