

Internal Audit Annual Report 2021/22



West Lindsey District Council



What we do best...

Innovative assurance services
Specialists in internal audit
Comprehensive risk management
Experts in countering fraud

...and what sets us apart

Unrivalled best value to our customers
**Existing strong regional public sector
partnership**
**Auditors with the knowledge and expertise to
get the job done**
**Already working extensively with the not for
profit and third sector**

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This report has been prepared solely for the use of Members and Management of West Lindsey District Council. Details may be made available to specified external organisations, including external auditors, but otherwise the report should not be used or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

The matters raised in this report are only those that came to our attention during the course of our work – there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements or were not brought to our attention. The opinion is based solely the work undertaken as part of the agreed internal audit plan.

Purpose of Annual Report

The purpose of the Annual Internal Audit Report is to meet the Head of Internal Audit annual reporting requirements set out in the Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations. In particular:-

- Include an opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and therefore the extent to which the Council can rely on it;
- Inform how the plan was discharged and the overall outcomes of the work undertaken that supports the opinion;
- A statement on conformance with the PSIAS and the results of the internal audit quality assurance);
- Draw attention to any issues particularly relevant to the Annual Governance Statement

Introduction

For the twelve months ended 31 March 2022 the Council's arrangements for governance, risk management and control framework have continued to be strong.

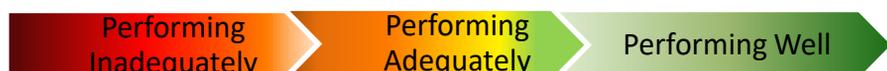
It has been another challenging year for the Council – responding, supporting and recovering from the pandemic. Its systems and processes have operated effectively during this time both remotely and more latterly in a hybrid way – with staff working at home and in the office.

Based on the work we have undertaken and information from other sources of assurance, my opinion on the adequacy and effectiveness of the Council's arrangements for governance, risk management and control is:

Direction of Travel

Governance 	Performing Well — No concerns that significantly affect the governance, risk and control framework and successful delivery of the Council priorities. 
Risk 	Performing Well – No concerns that significantly affect the governance, risk and control framework and successful delivery of the Council priorities. 
Internal Control 	Performing Adequately – Some improvement required to manage a significant governance issue or high risk in a specific business area or medium risk across the Council. 
Financial Control 	Performing Well – No concerns that significantly affect the governance, risk and control framework and successful delivery of the Council priorities 

The ratings provided remain the same as last year.



Governance



"Achieving the Intended Outcomes While Acting in the Public Interest at all Times"

It is comprised of systems, processes, culture and values, by which the Council is directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.

Each year the Council is required to reflect on how its governance arrangements have worked – identifying any significant governance issues that it feels should be drawn to the attention of the public – in the interests of accountability and transparency.

During 2021/22 the Council reviewed progress against the significant issues identified in the 2020/21 Annual Governance Statement which included:

- Ensure compliance to meet the standards of the Financial Management Code - The council has undertaken an assessment which confirmed compliance, with some actions identified for further improvement which have been agreed with management and reported to Governance & Audit Committee in April 2021.
- Clarify what 'social regeneration' means to the Council, what it will deliver and how to resource it - closing as this has transferred into ongoing Health and Wellbeing work linking to Health inequalities
- Complete review of corporate procurement procedures – carrying forward into this year
- Living with Covid19 roadmap – this has been closed off

The 2021/22 Annual Governance Statement is a positive report with no significant Governance issues identified. This is currently at draft stage at time of writing and areas for improvement identified include:-

- Loss of key staff – ensure that processes are fully documented, succession plans in place

- where appropriate, and identify activities which are overly reliant on one individual
- Financial settlement – continue to update the MTFS as the Council gain greater certainty on the level of funding for future years
- Preparing for all out elections in May 2023 – ensure a robust member induction plan
- New finance system – ensure it is effective and compliant
- Continue review of corporate procurement procedures - carried forward from last year

The action plan from the LGA Peer review carried out in January 2020 has been updated in June 2022. There were 10 key recommendations from the original review and 8 have now been completed, with the remaining 2 being worked on. The Peer Review team confirmed: "the Council has made significant progress against the recommendations from the peer team's January 2020 report. This is no mean feat given that the Council has been responding to the various impacts of the Covid-19 pandemic throughout this time."

The next full Peer Challenge is due in 2024.

The Governance and Audit Committee helps to ensure that these arrangements are working effectively. They regularly review the governance framework and consider the draft and final versions of the Annual Governance Statement.

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We will be following up the Governance work we completed in 2018 and 2019 with a further review in 2022/23 as part of the agreed audit plan. This will compare the Council against the Governance, Risk and Resilience Framework issued by the Centre for Public Scrutiny.

The Review of the Constitution and the Monitoring Officer's Annual Report was recently completed. Regarding the constitutions performance the Monitoring Officer stated: *"As Monitoring Officer, I consider it has generally performed well, already including many of the delegations an organisation would need to manage business on a day to day basis in an emergency, another reason to support minimal changes being made at this time."*

The Constitution has been reviewed and no major changes have been made.

The Monitoring Officer's Annual Report also highlighted key updates such as the adoption of a new Code of Conduct in November 2021. This is due to be adopted by the Parishes in 22/23. It also highlighted actions that had been completed such as the review of the Oversight and Scrutiny Committee in light of the 2020 Peer Review, as well as areas to be completed including:

- 4th Tier Governance Review
- Parish Charter
- Member development

The report also provided an update on the appointment of Members, including a second Independent Person for Code of Conduct issues. Two areas around Governance were rated as Red

in the annual Combined Assurance report - Safeguarding and Procurement. Both areas are being focused upon by the Council, via a consultant for Contracting and a review on Corporate responsibilities for Safeguarding. The expectation is that both areas will move back to Green/Amber next year.

During the year two of our audits reviewed governance arrangements:

Together 24

This is a new transformational programme, focusing on technology-led service reviews in all front and back-office service areas to ensure all Council services are able to move to the next level in service delivery. We found that:

- The programme's governance framework was clearly defined
- A Programme Sponsor, Lead and Change Manager have been assigned
- Oversight is provided by a dedicated Programme Board

There were no actionable findings.

Corporate Plan and Golden Thread Follow Up

We issued an Internal Audit report in May 2020 with Limited Assurance. Our follow up review found that two out of the four the actions had been implemented and progress has been made against the remainder. Work is ongoing in ensuring that all teams contribute to the Corporate Plan and that this process is fully embedded, as well as linking appraisal targets to corporate objectives. The outstanding actions will be followed up via the Audit Tracker report to ensure they have been completed.

Governance



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There have been four staff surveys conducted over the last two years in regards to Covid-19. The March 22 employee survey provided a positive picture on how the Council is run, with:

- the vast majority of staff continuing to feel well supported by their manager
- staff feeling that the Council is doing everything it possibly can to support them
- the majority of staff stating that they have the equipment they need to work well from home

Communication with their team and social isolation remain two key concerns for the staff that responded however. We are doing work on staff wellbeing this year so will explore this area in more detail.

The outcome of our internal audit work and the intelligence gathered through the combined assurance framework has helped inform the Head of Internal Audit's opinion on Internal Control.

Governance assurance



Assessed as Performing Well

Risk



Good risk management is part of the way we work. It is about taking the right risks when making decisions or where we need to encourage innovation in times of major change – balancing risk, quality, cost and affordability. This put us in a stronger position to deliver our goals and provide excellent services.

The Council’s risk management arrangements were assessed as Green through the combined assurance review (a high level of assurance).

We can confirm that there are established structures and processes for identifying, assessing and managing risk and these remain effective.

Risk Management is regularly monitored by Management Team and is reviewed by the Governance and Audit Committee on a six-monthly basis.

The Strategic Risk register was reviewed and updated by Management Team in December 2021 and agreed by the Governance & Audit Committee in March 2022.

An additional risk has been added to the Strategic Risk Register:

“Inability to maintain service delivery with the amount of change initiatives including T24 recommendations and OneCouncil (ERP)”.

This new risk is in the process of being rated by Management Team. ERP is an area that we plan on looking at in next years Audit Plan.

During the year we reviewed the strategic risk - “Inability to maintain critical services and deal with emergency events” and gave an opinion of **High Assurance**.

We have not identified any significant risks

requiring inclusion on the risk registers during the delivery of our audit work.

This information has helped inform the Head of Internal Audit opinion.

Risk Management assurance



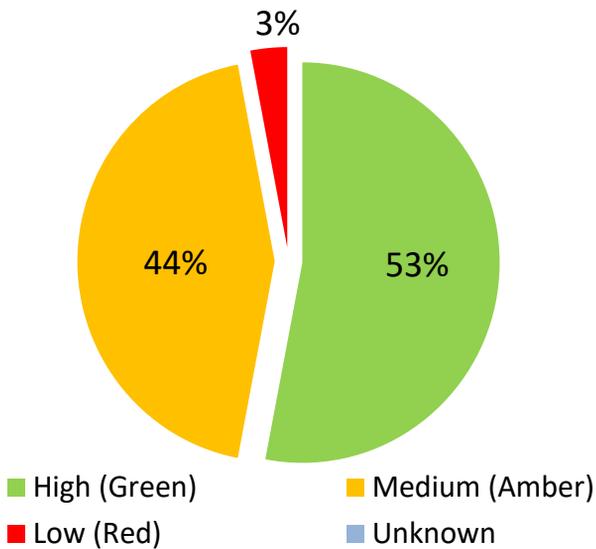
Assessed as Performing Well



A Combined Assurance Status report is produced by the Council on the level of confidence they can provide on service delivery arrangements, management of risks, operation of controls and performance for their area of responsibility. These reports are reviewed by the Governance & Audit Committee and provide key assurance evidence to support the Head of Internal Audit opinion.

Combined Assurance

Overall Assurance Status 20/21



We help co-ordinate the Council's assurance intelligence. The overall assurance status is positive with the vast majority of areas continuing to receive a Medium (amber) or High (Green) level of assurance.

Whilst high levels of assurance have decreased slightly this is not unexpected given the context of the year with the ongoing impact of Covid, new systems being introduced and an overall more cautious approach to assurance level rating.

The low levels of assurance have reduced by 1% from last year. These areas are:

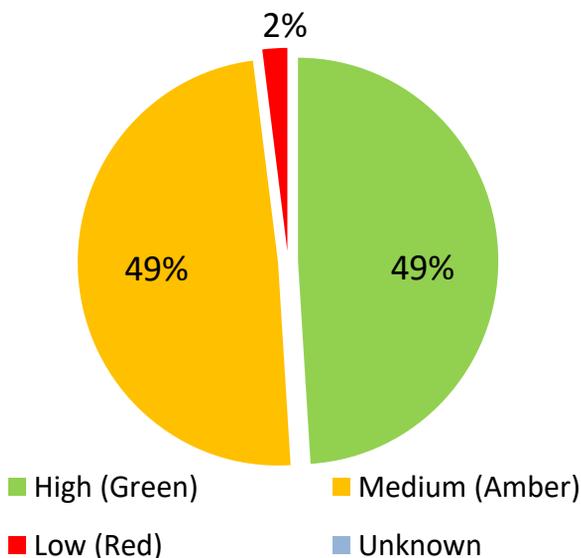
Transactional Services - Gainsborough Market

Governance - Safeguarding

Governance - Procurement

Strategic Risks - ICT Security and Information Governance arrangements are ineffective

Overall Assurance Status 21/22



High levels of assurance have decreased by 4% since 2020/21

Internal Control



We take account of the outcome of our audit work during 2021/22. As our audit plans include different activities each year it is not unexpected that assurance varies. However the assurance levels still give insight into the Council's control environment.

Our opinion is based on a number of sources of intelligence including the outcome of our internal audit work, through the Combined Assurance work and other sources.

The Combined Assurance work carried out showed a decline of 4% in the number of areas awarded high assurance, this follows a decline of 19% in 20/21.

Whilst last year this decline was due to the pandemic, this year analysis showed that the shift was due to staffing and capacity issues as well as key changes such as the embedding of a new structure. Management are also now providing a more cautious rating than in the last few years which demonstrates a more accurate and mature opinion. Actions have been put in place so the expectation is that a number of these will move back up to High Assurance. We also found that some areas moved from amber to green largely as a result of the move out of the pandemic including Property & Estate Management and Income.

From the work we have completed 100% of all assurance work provided a positive opinion. This is an improvement over the single limited opinion from last year.

During the year we made 32 recommendations for improvement. We are pleased to report that all actions have been agreed by management.

We continue to monitor and track implementation of agreed actions during the

year. There are 2 actions from 20/21 which were extended and will be followed up in 22/23 via our tracker report.

See appendices 1 and 2 for full details of audits completed during the year and changes made to the plan.

Due to the overall lack of increased assurance in the Combined Assurance RAG ratings which is linked to key ongoing changes, we feel that the Internal Control assurance should remain at Performing Adequately. However we do feel that there is an upwards direction of travel in place.

Internal Control assurance



Assessed as Performing Adequately



Our audit plans include providing assurance over our key financial systems, this is done on a cyclical basis; however the level of risk will also influence frequency.

Our work provides an important assurance element to support the External Auditor's opinion on the Council's Statement of Accounts.

In terms of Financial Control, during the year we reviewed: -

- Key Controls – (expected to be Substantial)
- Housing Benefit Subsidy – **High Assurance**
- Grants awarded – **High Assurance**
- Insurance – **Substantial Assurance**
- Covid 19 Business grants – **Substantial Assurance**
- Value for Money – **High Assurance (provisional as still being worked on)**

Audit reviews across the financial control areas continues to provide positive assurance for the Council. The most recent audits for all of these have provided High and Substantial assurances.

The Council implemented a new Enterprise Resource Planning System in February 2022. Our audit work this year has confirmed that appropriate controls are in place and work effectively.

The combined assurance work also identified the majority of the Financial systems as being Green with the following rated as Amber – Housing Benefit, NNDR, Income, Financial Resilience, Council Tax, VAT and Insurance. Some of these are impacted by the knock on effects of Covid-19 as well as uncertainty about the next few years.

The full financial impact is unlikely to be fully realised until recovery is complete. However management have reported that the MTFP remains robust. Robust and this is regularly reviewed and monitored. Members have been kept informed through the budget monitoring quarterly reports.

A report was provided to the April 2021 to the Governance and Audit Committee to inform Members of compliance against the Financial Management Code. Following their self assessment 15 standards were being complied with and there were 2 standards that required minor improvement. They did not identify any major or significant improvements. The overall RAG rating was green.

The areas identified for improvement are:

- The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.
- The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.

The following improvements have been captured:

- Value for Money Strategy and Handbook to be reviewed and redistributed
- A number of training courses under the banner of Value for Money to be delivered thorough the Corporate Training Programme
- Member workshop to be held to consider 2022/23 budget consultation focus and will incorporate improvements to its stakeholder engagement plan
- Review of options/project appraisal methodology and documentation to be appropriate in the context of the project.
- Review of reports and the introduction of

Financial Control



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Our work provides an important assurance element to support the External Auditor's opinion on the Council's Statement of Accounts.

analytics will be an enhancement to reports provided to Management. This will be achieved through the implementation of new technology.

The Council submitted a bid for a share of the £4.8 billion Central Government fund as part of the 'Levelling Up' programme and was successfully awarded £10 million in October 2021. The fund was set up to support town centre and high street regeneration, local transport projects, and cultural and heritage assets. The Council will monitor this and have set up Governance procedures to manage this, along with reporting to Senior Management and Members. We will be reviewing this area in 2 phases in the 2022/23 audit plan, looking at both delivery and oversight.

Our audit on the awarding of Community Grants and match funding gave High Assurance, and we have also looked at the management of the Flood grant which was fully signed off by Assurance Lincolnshire.

We have completed a review of Covid -19 Business Grants. Due to the significant value in Business Grants awarded during the year there is an increased risk around fraud and error. This work was completed in 22/23 and we were able to provide Substantial Assurance on this area.

Financial Control



Assessed as Performing Well

Our Work



The Council is responsible for establishing and maintaining risk management processes, control systems and governance arrangements. Internal Audit plays a vital role in providing *independent risk based and objective assurance* and *insight* on how these arrangements are working. Internal Audit forms part of the Council's assurance framework.

Scope of Work

Our risk based internal audit plan was prepared taking into account the critical activities and key risks to support the basis of my annual opinion. It has remained flexible to enable us to respond to emerging risks and maintain effective focus.

The Audit & Governance Committee approved the 2021/22 original audit plan of **190 days** in March 2021. We have delivered **92% (to be updated)**

I do not consider the restrictions and changes to the plan to have had an adverse effect on my ability to deliver my overall opinion. The combined assurance work undertaken in December helped in this regard.

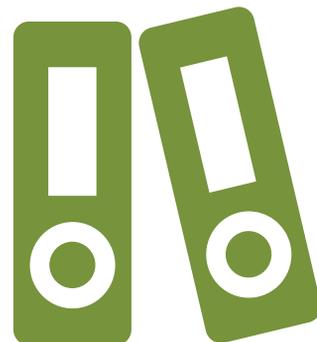
We have not experienced any impairment to our independence or objectivity during the conduct and delivery of the Internal Audit Plan.

Restriction on Scope

In carrying out our work we identified no unexpected restrictions to the scope of our work.

We have worked closely with the Council's senior management team to agree audit scopes and to ensure audit work is progressed.

The impact of Covid-19 from the previous year meant that our full years' audit plan did not commence until quarter 2. As such the full plan could not be completed before the end of April 2022 as planned and so this was extended until the end of May 2022. However we have already planned in the 22/23 audit plan quarter 1 work and this will commence shortly.



Our Work



Internal Audit's role include advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.

Other Significant Work

During the year we have undertaken Grant Sign Off work including **Housing Benefit Subsidy testing**. Our testing identified one error within the 30 claims tested which led to a small underpayment. The Council was already aware of the issue, the error was not deemed material and so overall received High assurance for the way the Council administers Housing Benefit.

We completed our annual refresh and coordination of Combined Assurance which maps all assurance across the Council using the 'three lines of assurance' model. This provided the Council with insight over the assurances present on its critical activities, key risks, projects and partnerships.





We recognise the importance of meeting customer expectations as well as conforming to the UK Public Sector Internal Audit Standards (PSIAS). We continually focus on delivering high quality audit to our clients – seeking opportunities to improve where we can.

Quality Assurance

Our commitment to quality begins with ensuring that we recruit develop and assign appropriately skilled and experienced people to undertake your audits.

Having skilled and effective people remains at the heart of our workforce strategy. The team has provision for 23 full time equivalent posts – established to deliver both the County Council and external contracts internal audit plans. Building capacity & resilience remains a key issue facing the partnership. We have secured additional temporary resources with external contractors and a further recruitment is ongoing.

During 2022/23 we will continue to build upon the strong focus on developing the next generation of audit and risk professionals. We will:

- Continue with our apprenticeship scheme for our audit team.
- work closely with the University of Lincoln to restart the year long professional practice year placement in audit and finance.
- Set up a graduate training programme – working with our finance team

Our audit practice includes ongoing quality reviews for all our assignments. These reviews examine all areas of the work undertaken, from initial planning through to completion and reporting. Key targets have been specified - that the assignment has been completed on time, within budget and to the required quality standard.

There is a financial commitment for training and developing staff. Training provision is continually reviewed through the appraisal process and monthly one to one meetings.

All public sector internal audit services are required to measure how well they conform to the UK Public Sector Internal Audit Standards. An External Quality Assessment must be undertaken every 5 years – Assurance Lincolnshire's second external assessment was undertaken in February 2022. They concluded that:

“the Assurance Lincolnshire Partnership’s self-assessment is accurate and as such we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note”.

No significant improvement recommendations were made. The final report from the External Quality Assessment will be shared with the Committee.

Our Work



We recognise the importance of meeting customer expectations as well as conforming to the UK Public Sector Internal Audit Standards (PSIAS). We continually focus on delivering high quality audit to our clients – seeking opportunities to improve where we can.

Quality Assurance

Our quality assurance framework helps us maintain a continuous improvement plan., which includes the following:

- **Workforce strategy** – building capacity and growing our own talent in both leadership and professional skills
- **Improving the audit process** - working with client senior management to improve progress and delivery of audits in a remote (hybrid) working environment
- **Continuing professional development** - around new and emerging practice guidance
- **Enhance digital capabilities** - in line with our digital strategy, including data analytics

External Audit

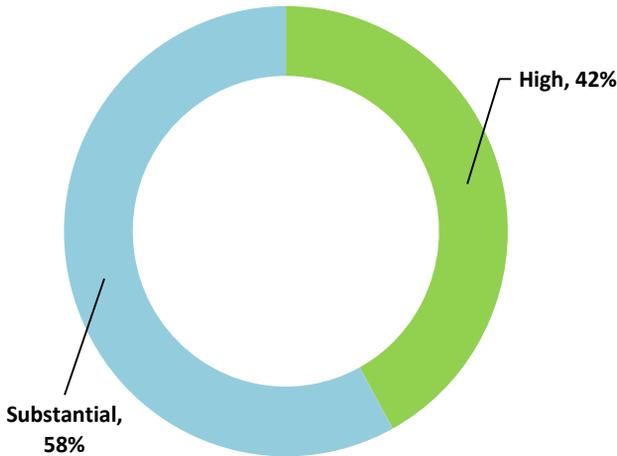
Although internal and external auditors carry out their work with different objectives in mind, many of the processes are similar and it is good professional practice that they should work together closely. Wherever possible, External Audit will use the results of internal audit work where it is appropriate.



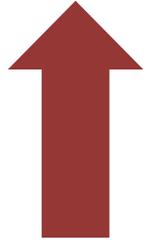
Our audit plan includes different activities each year – it is therefore not unexpected that these vary; however, the assurance levels do give an insight on the application of the Council's control environment and forms part of the evidence that helped inform the overall annual opinion.

Assurances

2020/21



Increase in High and Medium Assurance on last year

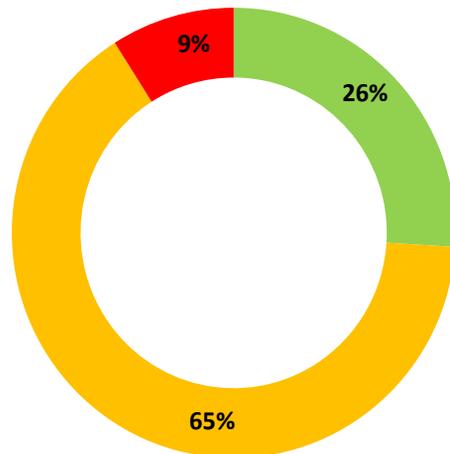


Number of Limited assurance opinions reduced



Recommendations

2021/22



■ Advisory ■ Medium ■ High

5%
Medium priority recommendations have increased

11%
High priority recommendations have decreased

Further details can be found at appendix 3

Benchmarking

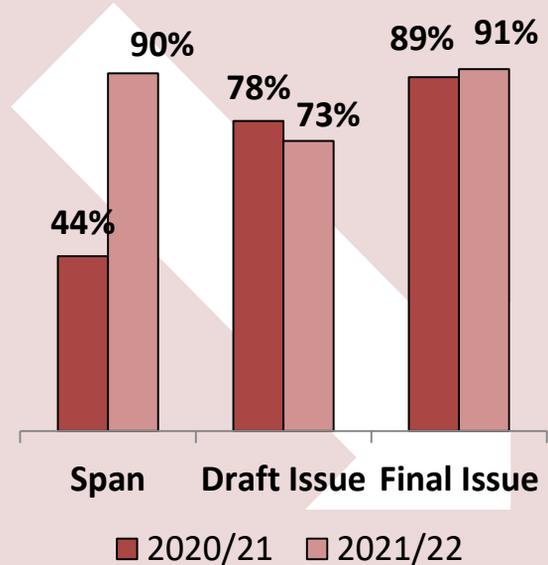


Internal Audit's performance is measured against a range of indicators. The table in **Appendix 3** shows our performance on key indicators at the end of the year. We are pleased to report a good level of achievement in the delivery of the revised plan and the added value of our work.

Performance on Key Indicators

95%

Of the plan delivered



Covid-19 has affected some of the timeframes for both the Council and ourselves. Some of the information took longer to provide and remote working during the lockdown caused additional workloads and increased timescales. We also suffered some staffing difficulties and due to Covid-19 we were not able to cover absences.

Audit	Rating	Type	High	Medium	Advisory	Total
Together 24 (rolled forward from last year)	High	Risk based	0	0	3	3
Covid 19 Business Grants (rolled forward from last year)	Substantial	Grant Work	1	2	1	4
Golden Thread Follow Up	Substantial	Risk Based	0	2	0	2
Vulnerable Communities Follow Up	Substantial	Risk Based	2	0	0	2
Value for money	In progress (expected to be High or Substantial)	Risk Based	-	-	-	-
ICT Network Infrastructure and Security	Substantial	Risk Based	0	3	0	3
Housing Benefit Subsidy	High assurance	Risk Based	0	0	0	0
Local Land Charges	High assurance	Risk Based	0	1	1	2
Grants Given	High assurance	Risk Based	0	1	1	2
ICT Cloud hosted services	Draft report (Substantial)	Risk Based	-	-	-	-
Strategic Risk - Inability to maintain critical services and deal with emergency events	High assurance	Risk Based	0	1	0	1
Insurance	Substantial	Risk Based	0	3	0	3
Carbon management	Substantial	Risk Based	0	1	2	3
ICT Disaster Recovery and Backup	Substantial (draft)	Risk Based	0	6	0	6
Key Controls and ERP	Substantial (draft)	Risk Based	-	-	-	-
Flood Grant	N/A	Grant Work	0	0	0	0
ICT Helpdesk Follow up	Substantial	Risk Based	0	1	0	1
Combined Assurance	N/A	Consultancy				
TOTAL FINDINGS			3	21	8	32

The original approved plan was 190 days.

A small number of audits were removed from the original audit plan and this was due to re-prioritising audit resources to those areas of highest risk.

Outlined below are the areas that have been removed from the original plan:

- Wellbeing Lincs Service (deferred until 22/23 plan)

During the year we were requested to undertake the following additional work:

- Follow up audit of ICT Helpdesk
- Flooding grant sign off

The annual audit plan remains flexible with a process to postpone and change audits. This means we can adapt our plan and coverage to emerging risks but maintain control and transparency on changes which must be approved by management and the Governance & Audit Committee.

Performance on Key Indicators

Performance Indicator	Annual Target	Actual
Percentage of plan completed (based on revised plan)	100%	95%
Percentage of recommendations agreed	100%	100%
Percentage of 2020/21 actions implemented	100% or escalated	100%
Timescales:		
Draft Report issued within 10 days of completion	100%	*73%
Final Report issued within 5 days of management response	100%	*90%
Draft Report issued within 3 months of fieldwork commencing	80%	91%

*Covid-19 has affected some of the timeframes for both the Council and ourselves. Some of the information took longer to provide and remote working during the lockdown caused additional workloads and increased timescales. We also suffered some staffing difficulties and due to Covid-19 and the current job market we were not able to cover absences.

Corrective action is being taken as follows:-

- Co-sourcing arrangements are being formalised to improve staff cover – this will lead to one experienced team responsible for the whole of the plan to ensure consistency
- New audit lead in place following the loss of the previous staff member
- Getting Terms of Reference agreed in Management Team in batches to avoid a delay in commencing the work

High

Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.

The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.

Substantial

Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.

There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.

Limited

Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and/or performance.

The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.

Advisory

Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.

There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high.

Significance

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance and impact.

Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

Head of Internal Audit Annual Opinion

The rating, conclusion and/or other description of results provided by the Head of Internal Audit addressing, at a broad level, governance, risk management and/or control processes of the organisation. An overall opinion is the professional judgement of the Head of Internal Audit based on the results of a number of individual engagements and other activities for a specific time interval.

Governance

Comprises the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the outcomes for intended stakeholders are defined and achieved.

Risk

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Control

Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management - plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Impairment

Impairment to organisational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel and properties and resource limitations (funding).