

## REPORT TO THE AUDIT COMMITTEE – 1 JULY 2021

### INTERNAL AUDIT RECOMMENDATIONS

#### 1. Reason for Report / Summary

- 1.1 This report advises the Committee of progress with implementing agreed recommendations.

#### 2. Recommendation

**The Committee is recommended to:**

##### **2.1 Review, discuss and comment on the issues raised within this report and the attached appendices**

#### 3. Purpose and Decision Making Route

##### 3.1 Purpose

- 3.1.1 Public Sector Internal Audit Standards require that Internal Audit report the results of its activities to the Board, and establishes a follow-up process to monitor and ensure that management actions have been effectively implemented. In Aberdeenshire Council, the 'Board' is the Audit Committee. This report helps satisfy the requirement.

##### 3.2 Decision Making Route

- 3.2.1 The attached proposals have been discussed with management. It has not been considered by this, or another Committee, previously.

#### 4. Discussion

##### 4.1 Progress with agreed recommendations

- 4.1.1 Appendix A shows progress made by Services with completing agreed Internal Audit recommendations. This includes a summary of progress, and detail in respect of actions graded as Major, actions graded as Significant which are over 12 months overdue, and all actions for which updates have not yet been provided by responsible officers. An explanation of the gradings used is shown at appendix B.
- 4.1.2 There are currently 10 overdue actions graded as Major, and 17 Significant and over 12 months overdue. In total, 76 actions remain overdue. Internal Audit continues to follow up all actions with Services until concluded. Since the last Audit Committee meeting, 20 recommendations have been implemented, demonstrating continuing progress.

## 5. Council Priorities, Implications and Risk

5.1 The work of Internal Audit covers all of the Council's Priorities. It aims to provide assurance over the adequacy and effectiveness of the Council's framework of governance, risk management and control, which underpin the delivery of all of the Priorities.

5.2 The table below shows whether risks and implications apply if the recommendation is agreed.

Subject	Yes	No	N/A
Financial		x	
Staffing		x	
Equalities		x	
Fairer Scotland Duty		x	
Town Centre First		x	
Sustainability		x	
Children and Young People's Rights and Wellbeing		x	

5.3 An equality impact assessment is not required because the reason for this report is for Committee to discuss and comment on proposals to amend the format of Internal Audit reports for the Audit Committee and there will be no differential impact, as a result of this report, on people with protected characteristics.

5.4 There are no staffing or financial implications arising directly from this report.

5.5 The Internal Audit process considers risks involved in the areas subject to review. Any risk implications identified through the Internal Audit process are detailed in the resultant Internal Audit reports.

## 6. Scheme of Governance

6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report. Any comments made have been incorporated within the report and they are satisfied that the report complies with the Scheme of Governance and relevant legislation.

6.2 The Committee is able to discuss this item in terms of Sections G.1.1.d and G.1.4 of the List of Committee Powers in Part 2A of the Scheme of Governance as the Committee is responsible for Internal Audit matters and reviewing the activities of Internal Audit.

### CHIEF INTERNAL AUDITOR

Report prepared by Colin Harvey, Chief Internal Auditor (Interim).  
15 June 2021.

**List of Appendices:**

**Appendix A** - Internal Audit Recommendations

**Appendix B** - Internal Audit Recommendation Gradings

## APPENDIX A INTERNAL AUDIT RECOMMENDATIONS

### Agreed actions completed during 2021/22

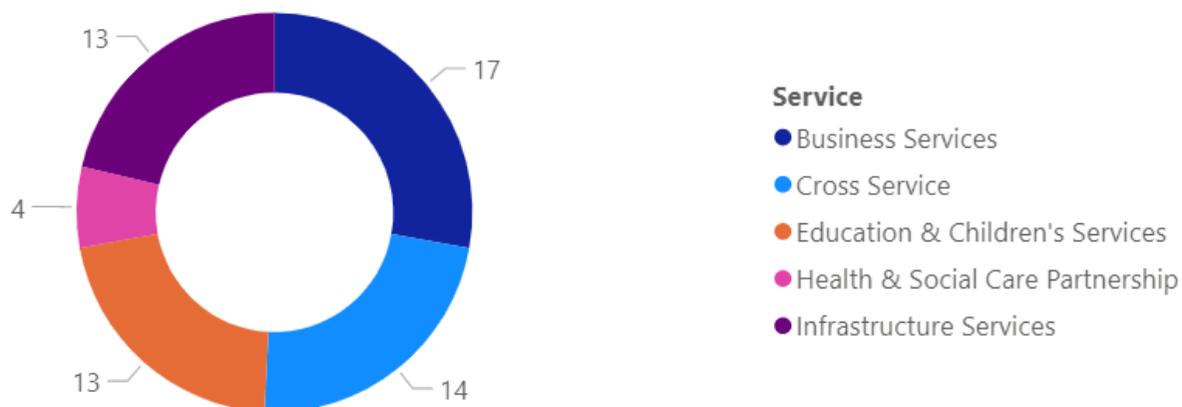
Complete during current financial year

01/04/2021 15/06/2021

Total Complete

61

Number of recommendations by Service



#### Service

- Business Services
- Cross Service
- Education & Children's Services
- Health & Social Care Partnership
- Infrastructure Services

Service	1) Important	2) Significant	3) Major - Service	Total
Business Services	5	12		<b>17</b>
Cross Service	4	7	3	<b>14</b>
Education & Children's Services		12	1	<b>13</b>
Health & Social Care Partnership	1	3		<b>4</b>
Infrastructure Services	3	10		<b>13</b>
<b>Total</b>	<b>13</b>	<b>44</b>	<b>4</b>	<b>61</b>

## Agreed actions completed since last reported in May 2021

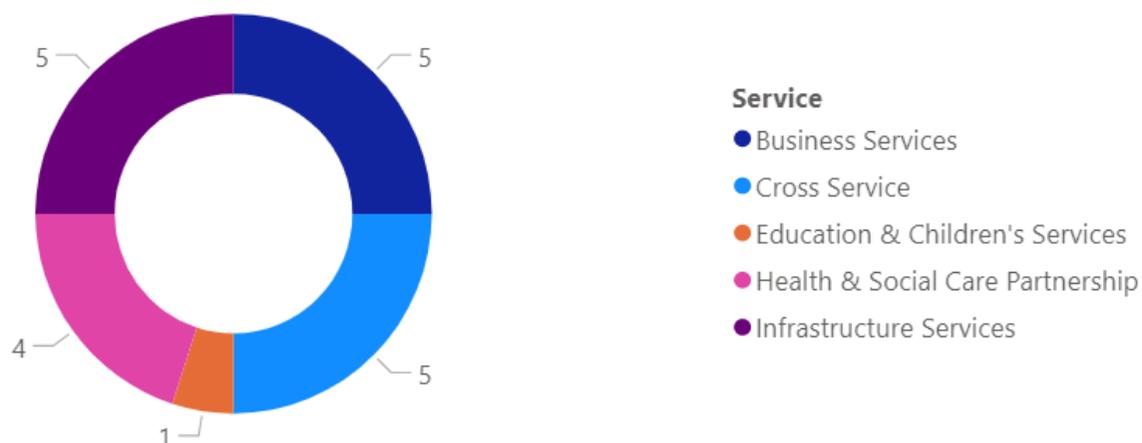
Complete since last Committee

07/05/2021 15/06/2021

Total Complete

20

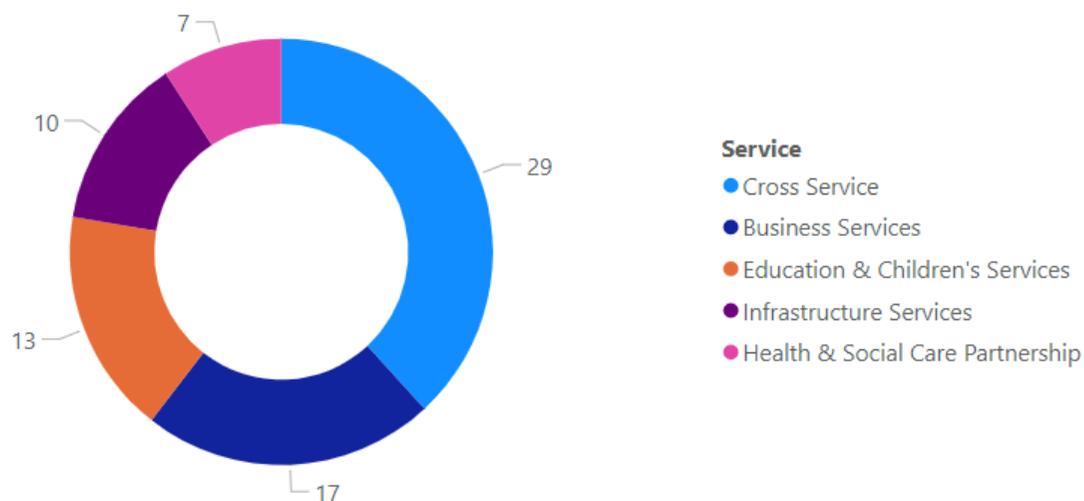
Number of recommendations by Service



Service	1) Important	2) Significant	3) Major - Service	Total
Business Services	3	2		5
Cross Service	2	3		5
Education & Children's Services			1	1
Health & Social Care Partnership	1	3		4
Infrastructure Services	1	4		5
<b>Total</b>	<b>7</b>	<b>12</b>	<b>1</b>	<b>20</b>

## Overdue actions – by Service and Grading

Number of recommendations by Service



Total overdue

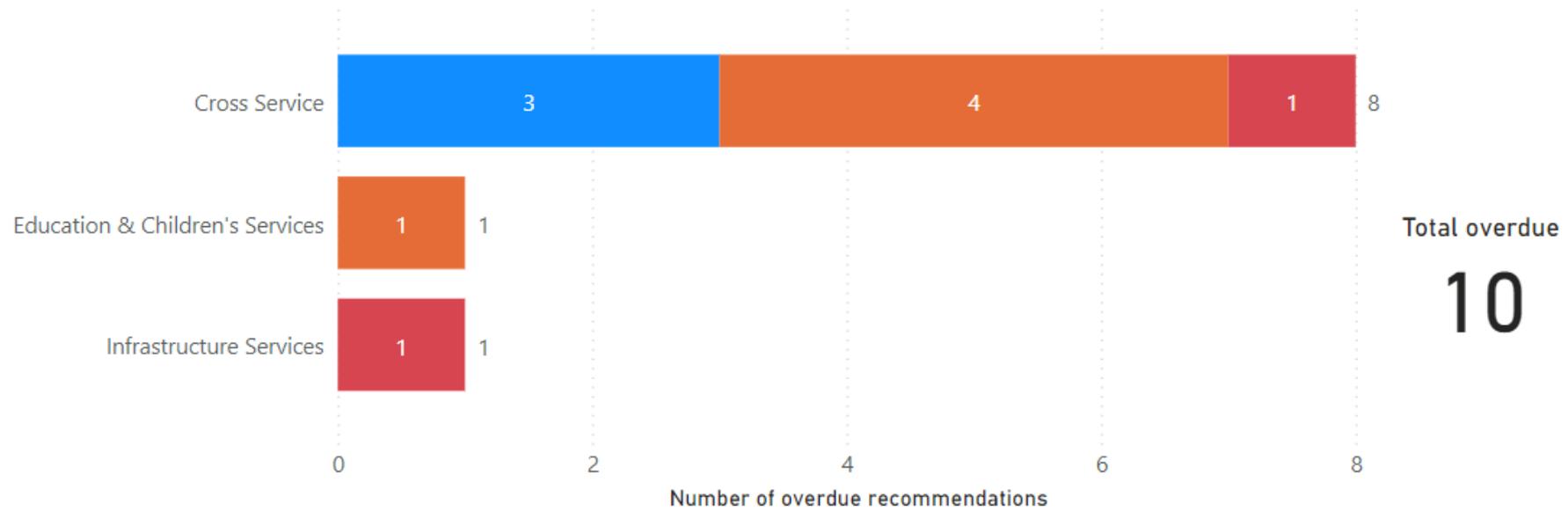
**76**

Service	1) Important	2) Significant	3) Major - Service	4) Major - Corporate	Total	Service	a) Less than six months	b) Over six months	c) Over one year
Business Services	4	13			17	Business Services	7	2	8
Cross Service	4	17	8		29	Cross Service	15	7	7
Education & Children's Services		12	1		13	Education & Children's Services	7	2	4
Health & Social Care Partnership	3	4			7	Health & Social Care Partnership	1	3	3
Infrastructure Services	3	6		1	10	Infrastructure Services	5	1	4
<b>Total</b>	<b>14</b>	<b>52</b>	<b>9</b>	<b>1</b>	<b>76</b>	<b>Total</b>	<b>35</b>	<b>15</b>	<b>26</b>

## Major Overdue actions - Summary

Number of overdue recommendations by Service and Overdue by:

Overdue by: ● a) Less than six months ● b) Over six months ● c) Over one year



## Major Overdue actions - Detail

Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
<b>Cross Service: Business Services</b>	<b>2017 - Charging Policy</b>	2.2.4a: All Services should ensure full reviews of all of their charges are reported to Committee in accordance with the timetable set by the Corporate Charging Framework. (Major at a Service Level)	Sep-2020	<b>Mar-2022</b>	Finance is reviewing the policy, and developing supporting data, tools and processes for Services to provide Policy Committees with full and transparent data to inform decisions on charging. This will then be built in to the budgeting process. It is intended to present proposals to the Audit Committee in September 2021.	2
<b>Cross Service: Education &amp; Children's Services</b>	<b>2017 - Charging Policy</b>	2.2.2b: Services should ensure Committee decisions on charging are supported by full and transparent data as required by the Corporate Charging Framework. (Major at a Service Level)	Apr-2020	<b>Mar-2022</b>	<p>The ECS Charging Report was submitted to the ECS Committee for approval on 28.01.21 for a revision to charges for August 2021. This report included the information supplied by colleagues from the Finance Team of the 2.8% annual inflationary increase to income budget. It did not include the full data required by the Charging Framework.</p> <p>A full review of the Charging Policy is taking place during this financial year 2021/22 led by LLA in collaboration with Education colleagues. The action has therefore been extended to 31 March 2022.</p> <p>Finance is reviewing the policy, and developing supporting data, tools and processes for Services to provide Policy Committees with full and transparent data to inform decisions on charging. This will then be built in to the budgeting process. It is intended to present proposals to the Audit Committee in September 2021.</p>	4

Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
<b>Cross Service: Education &amp; Children's Services</b>	<b>2017 - Charging Policy</b>	2.2.4b: All Services should ensure full reviews of all of their charges are reported to Committee in accordance with the timetable set by the Corporate Charging Framework. (Major at a Service Level)	Jun-2020	<b>Mar-2022</b>	<p>The ECS Charging Report was submitted to the ECS Committee for approval on 28.01.21 for a revision to charges for August 2021. This report included the information supplied by colleagues from the Finance Team of the 2.8% annual inflationary increase to income budget. It did not include the full data required by the Charging Framework.</p> <p>A full review of the Charging Policy is taking place during this financial year 2021/22 led by LLA in collaboration with Education colleagues. The action has therefore been extended to 31 March 2022.</p> <p>Finance is reviewing the policy, and developing supporting data, tools and processes for Services to provide Policy Committees with full and transparent data to inform decisions on charging. This will then be built in to the budgeting process. It is intended to present proposals to the Audit Committee in September 2021.</p>	4
<b>Cross Service: Finance</b>	<b>2017 - Charging Policy</b>	2.2.2a: Services should ensure Committee decisions on charging are supported by full and transparent data as required by the Corporate Charging Framework. (Major at a Service Level)	Sep-2020	<b>Mar-2022</b>	<p>Finance is reviewing the policy, and developing supporting data, tools and processes for Services to provide Policy Committees with full and transparent data to inform decisions on charging. This will then be built in to the budgeting process. It is intended to present proposals to the Audit Committee in September 2021.</p>	2
<b>Cross Service: Finance</b>	<b>2017 - Charging Policy</b>	2.2.3a: Services should ensure Committee decisions on charging are sought in advance of the financial year in which charges are to apply, for inclusion in the Budget and Medium Term Financial Strategy as required by the Corporate Charging Framework. (Major at a Service Level)	Sep-2020	<b>Mar-2022</b>	<p>Finance is reviewing the policy, and developing supporting data, tools and processes for Services to provide Policy Committees with full and transparent data to inform decisions on charging. This will then be built in to the budgeting process. It is intended to present proposals to the Audit Committee in September 2021.</p>	2

Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
<b>Cross Service: Health &amp; Social Care Partnership</b>	<b>2017 - Charging Policy</b>	2.2.4c: All Services should ensure full reviews of all of their charges are reported to Committee in accordance with the timetable set by the Corporate Charging Framework. (Major at a Service Level)	Apr-2021	<b>Mar-2022</b>	<p>Inflationary increases have been applied however full review of charges has been deferred due to Covid. An extension to March 2022 has been sought to allow for this review.</p> <p>Finance is reviewing the policy, and developing supporting data, tools and processes for Services to provide Policy Committees with full and transparent data to inform decisions on charging. This will then be built in to the budgeting process. It is intended to present proposals to the Audit Committee in September 2021.</p>	1

Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
<p><b>Cross Service: Infrastructure Services</b></p>	<p><b>2017 - Charging Policy</b></p>	<p>2.2.3d: Services should ensure Committee decisions on charging are sought in advance of the financial year in which charges are to apply, for inclusion in the Budget and Medium Term Financial Strategy as required by the Corporate Charging Framework. (Major at a Service Level)</p>	<p>Jan-2021</p>	<p><b>Jan-2023</b></p>	<p>Finance has stated that for all of the Corporate Charging Framework recommendations the intention was to work through the Corporate Charging Framework as part of the revised MTFS process to stress test the adequacy of the existing framework.</p> <p>The key challenges for Services is determining what full cost recovery for the Service equates to and the team are currently developing a report which would allow Services to determine that on a regular basis without the need for Finance input – however there are still challenges determining what the contributing factors are to the full cost calculation.</p> <p>Input is required from Services, which have other priorities to address. Finance will continue to work with Services to develop their charges for budgets .</p> <p>The ISC review of fees and charges was due to be conducted during 2021 with final report to ISC in January 2022. Due to workload associated with Coronavirus and associated lack of capacity to carry out the review on the planned dates, a report was submitted to ISC on 11 March 2021 requesting authority to delay the next review by one year ie to be conducted during 2022 and final report to ISC January 2023, implementation of recommendations from that report in 2023/24.</p> <p>Finance is reviewing the policy, and developing supporting data, tools and processes for Services to provide Policy Committees with full and transparent data to inform decisions on charging. This will then be built in to the budgeting process. It is intended to present proposals to the Audit Committee in September 2021.</p>	<p>2</p>

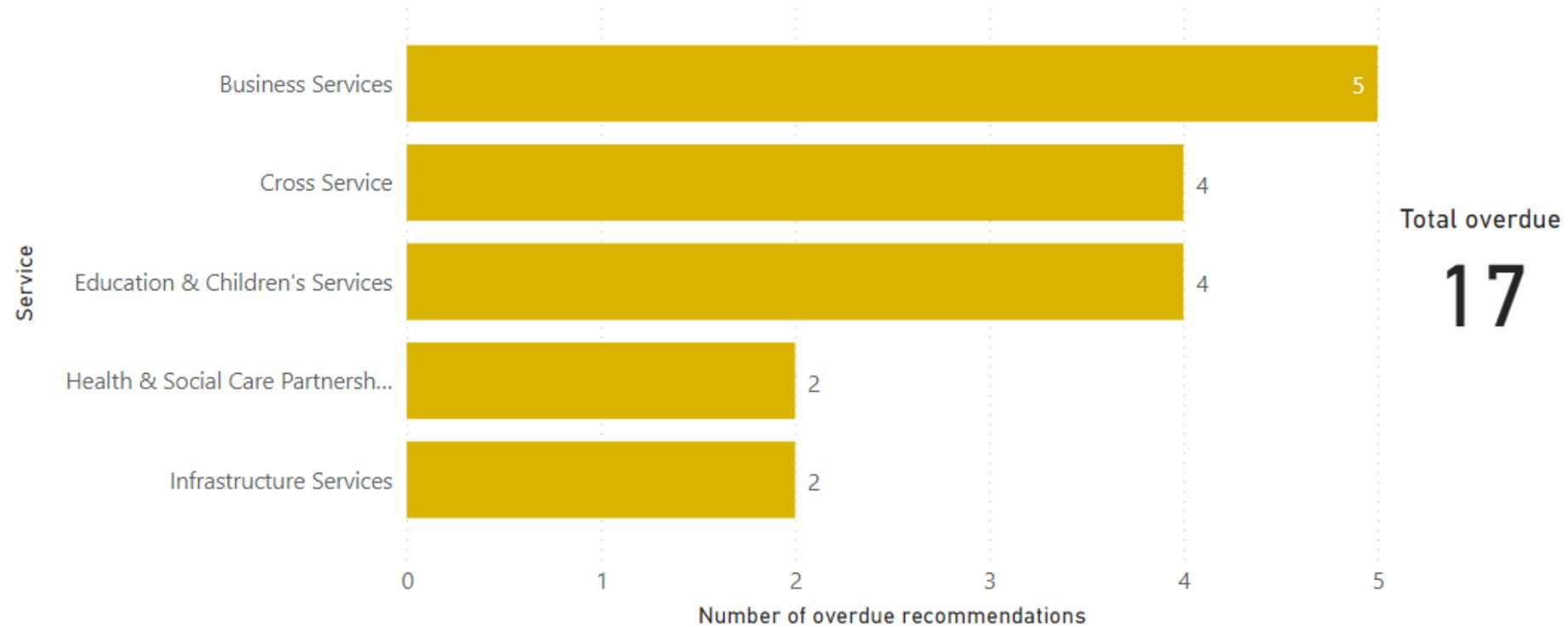
Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
<p><b>Cross Service: Infrastructure Services</b></p>	<p><b>2017 - Charging Policy</b></p>	<p>2.2.2d: Services should ensure Committee decisions on charging are supported by full and transparent data as required by the Corporate Charging Framework. (Major at a Service Level)</p>	<p>Jan-2021</p>	<p><b>Jan-2023</b></p>	<p>Finance has stated that for all of the Corporate Charging Framework recommendations the intention was to work through the Corporate Charging Framework as part of the revised MTFS process to stress test the adequacy of the existing framework.</p> <p>The key challenges for Services is determining what full cost recovery for the Service equates to and the team are currently developing a report which would allow Services to determine that on a regular basis without the need for Finance input – however there are still challenges determining what the contributing factors are to the full cost calculation.</p> <p>Input is required from Services, which have other priorities to address. Finance will continue to work with Services to develop their charges for budgets.</p> <p>The ISC review of fees and charges was due to be conducted during 2021 with final report to ISC in January 2022. Due to workload associated with Coronavirus and associated lack of capacity to carry out the review on the planned dates, a report was submitted to ISC on 11 March 2021 requesting authority to delay the next review by one year ie to be conducted during 2022 and final report to ISC January 2023, implementation of recommendations from that report in 2023/24.</p> <p>Finance is reviewing the policy, and developing supporting data, tools and processes for Services to provide Policy Committees with full and transparent data to inform decisions on charging. This will then be built in to the budgeting process. It is intended to present proposals to the Audit Committee in September 2021.</p>	<p>2</p>

Service	Audit	Recommendation	Original due date	Current due date	Committee Update	Times Extended
Education & Children's Services	2031 - SEEMiS	2.6.10b: The Service should ensure data sharing and data processing agreements are in place which cover current routine sharing of personal data with third parties. (Major at a Service Level)	Oct-2020	Jul-2021	Following delays caused by the impact of Covid-19, a review of the data sharing agreements in place is being undertaken. To allow this work to be completed an extension to 31 July 2021 is required.	3
Infrastructure Services: Housing	1615 - Creditors Payments 2014/15	2.3.5: The Service should ensure that formal tender exercises are undertaken to ensure that all works, goods and services required in relation to Housing Repairs have been commissioned in full compliance with legal and Financial Regulation requirements. (Major at a Corporate Level)	Dec-2016	Oct-2021	The Service continues to progress with procurement plans. Progress has been monitored by the Audit Committee.	

## Significant Overdue actions in excess of 1 year – Summary

Number of Significant recommendations overdue by more than 1 year by Service

Grading ● 2) Significant



## Significant Overdue actions in excess of 1 year – Detail

Service	Report	Recommendation	Original Due date	Current due date	Committee Update	Times Extended
Business Services: Finance	<b>2008 - Treasury Management</b>	2.1.4: The Service should ensure that the Treasury Management Strategy is approved by Committee before the beginning of the financial year to which it relates. NB 20/21 strategy report due to Business Services 27 02 20 but could be impacted by Budget Setting	Feb-2020	<b>Mar-2022</b>	The Treasury Management Strategy for 2021/22 was approved by Business Services Committee on 21 April 2021. As Financial Regulation 4.8.4 requires the annual strategy to be provided to the Committee in advance of the year, this did not address the recommendation. Finance intends to review its inclusion as part of the 2022/23 budget setting process.	3
Business Services: Finance	<b>1926 - Payroll System</b>	2.1.9: Self-service functionality in relation to absence reporting, expense claims and where practicable timesheets should be made available to all employees (with the exception of relief staff and supply teachers).	Mar-2020	<b>Aug-2021</b>	<p>The Service has advised that in terms of the outstanding absence recording functionality, it has been agreed with the Education Service that the pilot within the Peterhead CSN, initially planned for March, will be undertaken in May – this takes account of the other priorities that schools are currently facing. With the pilot taking place in May, the intention is to complete the rollout of this functionality across all schools at the start of the new school year in August.</p> <p>Improvements continue to be made to the suite of electronic timesheets available to staff – updated timesheets for supply teachers are to be introduced and these will include enhanced validation, which should help to reduce errors and improve accuracy. These will be introduced prior to end of this school year.</p>	6

Service	Report	Recommendation	Original Due date	Current due date	Committee Update	Times Extended
Business Services: Legal & People	<b>1903 - Temporary Employee Contracts</b>	2.5.2: HR&OD should terminate payments to staff where there is no authority to make the payment.	Apr-2019	<b>Sep-2021</b>	As of January 2021, updated wording has been included within the email alerts to managers and a new email is now issued to those employees on fixed-term contracts that are due to expire in four weeks' time. This email advises the employee to discuss their fixed term appointment with their line manager, as confirmation had not yet been received as to whether their contract is to be extended or ended. During April and May 2021, work will continue on the development of a new process for suspending the salary payments of those employees on fixed-term contracts that have expired. The new process will be rolled out on a phased basis from June onwards. This timeframe reflects other workload priorities within the Systems Development and Payroll teams, including the implementation of the £500 thank you payments, scheduled for May. Completion of the phased rollout is anticipated to be by the end of September 2021.	8
Business Services: Property	<b>1918 - Capital Plan</b>	2.3.2: The Service should ensure the Capital Plan Group is provided with sufficient information to monitor capital plan expenditure, and its review of this data and agreement to changes are minuted.	Sep-2019	<b>Jun-2021</b>	This issue is being progressed by the Capital Plan Group, in essence a significant review of what information is provided to the Group and how it is reported and monitored. The task has now a revised date of 30 June 2021 for completion.	5
Business Services: Property	<b>1918 - Capital Plan</b>	2.2.10: A robust consistent evidence-based prioritisation process should be developed and implemented for capital projects and programmes.	Dec-2019	<b>Jun-2021</b>	The Prioritisation Process was previously approved by Policy & Resources Committee on 11.06.2015, however, it is acknowledged there is a need for an update of that process which will take into consideration the current Council Priorities. Due to competing priorities this work has not been concluded however a revised target date of 30 June 2021.	3

Service	Report	Recommendation	Original Due date	Current due date	Committee Update	Times Extended
Cross Service: Business Services	<b>1950 - Travel &amp; Subsistence</b>	2.3.15d: The Office Space Strategy Working Group will consider and advise SLT when the Work Smart policy and travel and subsistence guidance are confirmed to be aligned.	Mar-2020	<b>Jun-2021</b>	The Service has advised that a report on scenarios and options around post-Covid homeworking and multibase arrangements was considered by Strategic Leadership Team (SLT) on 26 May 2021. SLT acknowledged that, at this time, it is not fully known what the post pandemic working arrangements will look like and that further work needs to be undertaken in developing a clearer picture around these future arrangements, including the application of travel & subsistence guidance. This work will require input from Legal & People, Property & Facility Management and services. It was therefore agreed that a briefing note regarding the wider return to work is to be drafted and issued to employees by the end of June 2021.	7
Cross Service: Education & Children's Services	<b>2017 - Charging Policy</b>	2.2.5b: Services should carry out and retain evidence of detailed reviews of their costs and charging structure in line with the Framework requirements.	Jan-2020	<b>Mar-2022</b>	The ECS Charging Report submitted to the ECS Committee for approval on 28.01.21 contained details regarding the variation in pricing for specific individuals and groups. It did not demonstrate detailed review of the costs in line with the Framework requirements.  A full review of the Charging Policy is taking place during this financial year 2021/22 led by LLA in collaboration with Education colleagues. The action has therefore been extended to 31 March 2022.	5
Cross Service: Finance	<b>1928 - Risk Management</b>	2.1.4: The Service should review the Council's risk appetite and set this out in a policy for Council approval.	Dec-2019	<b>Dec-2021</b>	The service is currently consulting with Directorate Management Teams on a Risk Management Strategy and Framework. A Report on the draft Strategy will be going to Audit Committee on 1st July and then will be put out to consultation with Area and Policy Committees, before going to Audit Committee for final approval. An extension to December 2021 has been requested.	6

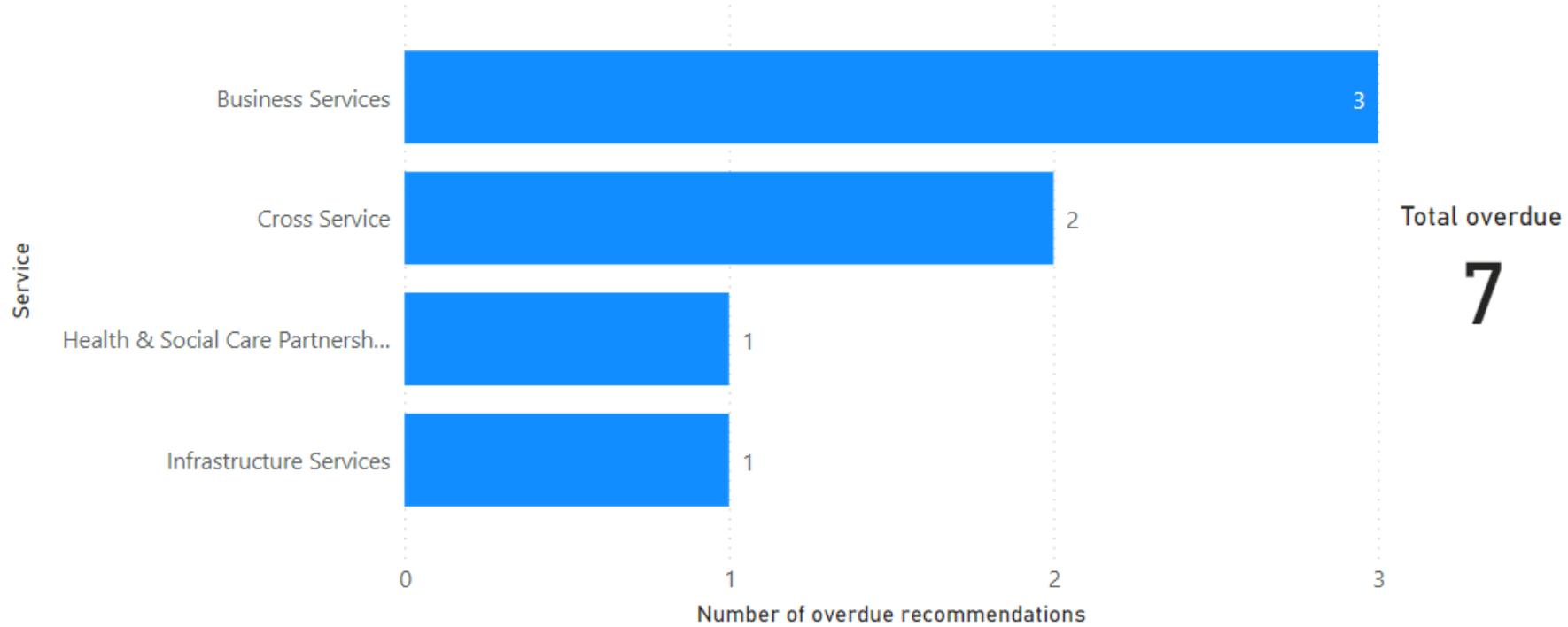
Service	Report	Recommendation	Original Due date	Current due date	Committee Update	Times Extended
Cross Service: Finance	<b>1950 - Travel &amp; Subsistence</b>	2.12.4: HR&OD should ensure that permission to authorise claims in Employee Self Service reflects the authority delegated by Service Directors.	Mar-2020	<b>Aug-2021</b>	The Service has advised that this work is being aligned with the rollout of self-service functionality (see recommendation 2.1.9, report no. 1926). The timeframe for the rollout of the outstanding functionality is now August 2021, with manager approval of T&S claims being re-introduced at around the same time.	4
Education & Children's Services	<b>1901 - Schools Maintenance Repairs</b>	2.3.3: The Service should review repairs and maintenance expenditure to ensure future budgets are appropriate	Apr-2019	<b>Nov-2021</b>	The Committee was advised in October 2019 that this would be achieved on a rolling basis and would be complete by the end of April 2021. It remains difficult to identify and budget for R&M - previous spend is not a direct indication of future need. With regards to the non-devolved budgets, an estate wide survey of condition/suitability will be completed by Autumn 2021. This was delayed due to Covid-19 restrictions halting site visits and surveys. This survey will allow for categorisation of all works (critical, essential and desirable) and will provide an accurate picture of works required across the portfolio, with works informed by survey findings. Once this is completed ECS can liaise with Property regarding available and required budgets.	4
Education & Children's Services	<b>1847 - Pupil Equity Fund</b>	2.2.2: QIOs should identify best practice in completed plans and share this with Head Teachers.	Jun-2019	<b>Jun-2021</b>	The latest update from the Service is that a Microsoft form data capture questionnaire has been developed for Head teachers to use in term 4. This form has been through QIO consultation and is now ready to move to PHTC and ASHTA consultation and then rolled out towards the end of term 3. The form will provide data for officers on a variety of key areas relating to PEF, including; priority themes, priority curricular areas, stakeholder consultation and impact on the raising attainment for all and closing the gap agenda. An extension to June 2021 is proposed.	6
Education & Children's Services	<b>1912 - Teachers Payroll</b>	2.9.4: The Service should consult with Finance on the future use of supply codes.	Mar-2020	<b>Jul-2021</b>	Following delays caused by the impact of Covid-19, a review of the supply codes has been undertaken. Consultation with Finance and Payroll still requires to be undertaken before the revised codes can be implemented. To allow this work to be completed an extension to 31 July 2021 is required.	4

Service	Report	Recommendation	Original Due date	Current due date	Committee Update	Times Extended
Education & Children's Services	<b>2025 - Academy Visits</b>	2.3.6: The Service should issue definitive instructions regarding how to deal with curricular and extra-curricular transport costs.	Apr-2020	<b>Jun-2021</b>	The Service has now requested that this action be extended further to June 2021 to provide sufficient time for implementation due to Covid-19 restrictions.	4
Health & Social Care Partnership	<b>1942 - Very Sheltered Housing</b>	1.8.5: The Service should review the administration of amenity funds with a view to standardising the process.	May-2020	<b>Jun-2021</b>	Guidance has been prepared and will be finalised with VSH coordinators input in June 2021.	4
Health & Social Care Partnership	<b>1942 - Very Sheltered Housing</b>	1.7.4: The Service should review rates for and administration of guestroom bookings with a view to standardising and simplifying the process.	May-2020	<b>Jun-2021</b>	Rates have been determined and will be reviewed in line with the charging policy going forward. Proposals for a new simplified process have been developed and will be discussed and agreed with VSH coordinators in June 2021.	4
Infrastructure Services	<b>1919 - Active Travel</b>	2.4.3: The Service should ensure all projects have clear measurable targets	Mar-2020	<b>Nov-2021</b>	The latest update from the Service is that the Regional Transport Strategy will be adopted shortly, at which point, notwithstanding any further Covid assistance being required, work will recommence on the Local Transport Strategy. When it has been drafted, consultation and Committee reporting will be required. The Service has requested an extension to November 2021 to allow for this to be progressed.	2
Infrastructure Services: Landscape Services	<b>1839 - Quarries</b>	2.4.2: The Service should ensure all recurring spend over £50,000 is in compliance with Financial Regulations.	Mar-2019	<b>Jun-2021</b>	The Audit committee was advised in March 2021 that the tender proposals have been passed to the Commercial & Procurement Shared Service and are under discussion. It is anticipated these will be issued, and the action concluded, by the end of June 2021.	6

## Important Overdue actions in excess of 1 year – Summary

Number of Important recommendations overdue by more than 1 year by Service

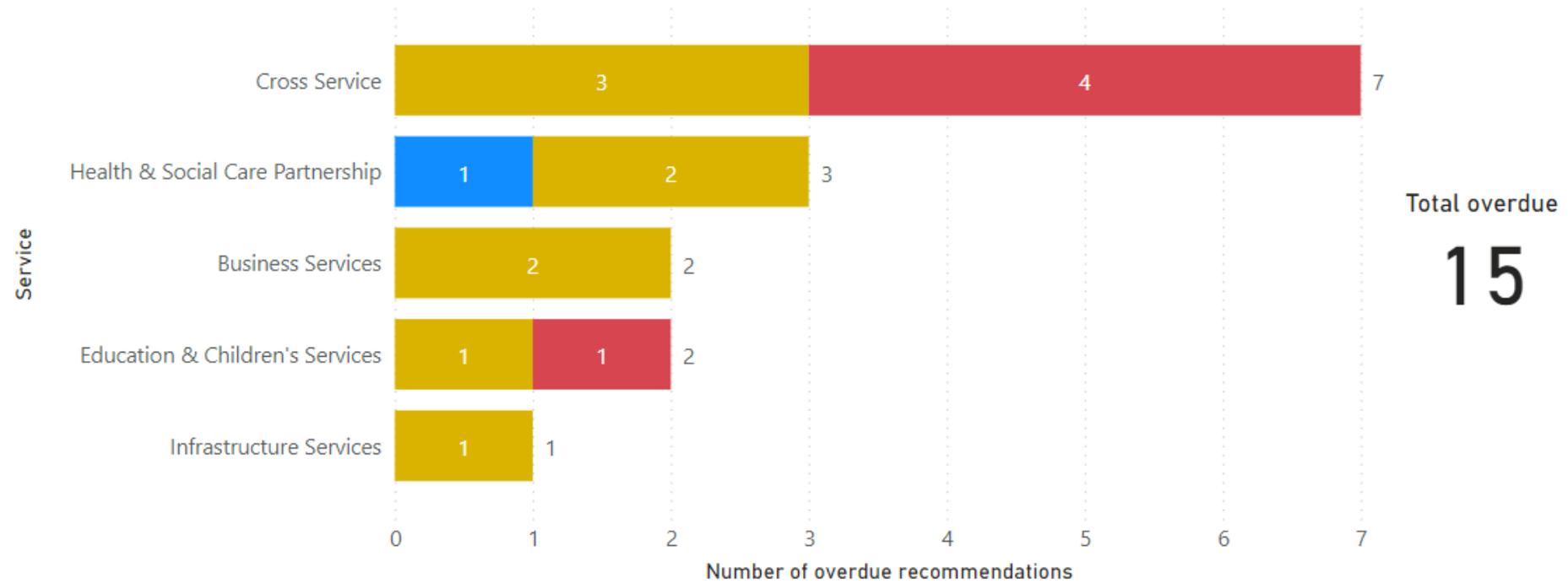
Grading ● 1) Important



## Overdue actions in excess of 6 months but less than 1 year – Summary

Number of recommendations overdue by more than 6 months and less than 1 year by Service and Grading

Grading ● 1) Important ● 2) Significant ● 3) Major - Service



## Significant and Important Overdue actions less than 6 months overdue – Summary

Number of recommendations overdue by less than 6 months by Service and Grading

Grading ● 2) Significant



**APPENDIX B**

**Grading of Recommendations**

<b>GRADE</b>	<b>DEFINITION</b>
<b>Major at a Corporate Level</b>	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
<b>Major at a Service Level / within audited area</b>	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
<b>Significant within audited area</b>	<p>Addressing this issue will enhance internal controls.</p> <p>An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
<b>Important within audited area</b>	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.