

# Internal Audit and Counter Fraud

## Quarter 3 - Progress Report 2018/19

### CONTENTS

1. Summary of Completed Audits
2. Counter Fraud and Investigation Activities
3. Action Tracking
4. Amendments to the Audit Plan
5. Internal Audit Performance

## 1. Summary of Completed Audits

### Non Maintained Independent School Placement Management – follow up

- 1.1 Surrey County Council (SCC) has a responsibility to provide extra help to children assessed as having special educational needs and disabilities (SEND). For those with severe and complex needs, an Education Health and Care Plan (EHCP) is raised. As at August 2018, SCC has 8,521 children and young people with an EHCP.
- 1.2. Where there is not enough SEND provision in SCC maintained schools, or in complex cases, or following a tribunal, then children are placed in non-maintained independent schools (NMIs) and fees are fully or partially-funded by SCC. As at May 2017, 853 NMI places were funded or part-funded by SCC with a projected full year cost of £38.16m, an average of £44,736 per pupil.
- 1.3 The previous audit opinion following the original review of this area in November 2017 was of Partial Assurance over the controls in place.
- 1.4 Our follow-up audit identified that eight of the ten actions have now been implemented within the agreed timescale. The need to establish and implement an improved process for evidencing the justification of NMI placement, making more transparent the search activity, selection decision and cost, had not been completed by the agreed date of December 2017.
- 1.5 However, we identified that a new robust system had been implemented since March 2018. An NMI moderation panel meets every 2 weeks to review evidence for the justification of NMI placement, the search activity, the selection decision, the comparative costs, and any other relevant factors.
- 1.6 Overall, given the improvement in control evidenced during this audit, we were able to raise the level of assurance given to that of **Reasonable Assurance**.

### SAP Application Controls

- 1.7 Our review of SAP Application Controls has assessed the adequacy and effectiveness of access restriction mechanisms to a variety of sensitive transactions in SAP as well as evaluating key controls in relation to the accuracy and integrity of data processed within the system.
- 1.8 The SAP system is the Council's key software system for its financial management, budgeting and reporting functions, payments to employees, suppliers and billing of revenue. There are also

a number of additional modules in use such as Enterprise Resource Planning (ERP), Supplier Relationship Management (SRM) and Business Information Warehouse (BIW).

- 1.9 The purpose of the audit was to provide assurance that controls were in place to meet the following key objectives:
- System access is restricted to appropriately authorised individuals and the permissions provided to those users are in line with job functions;
  - Data processed through interfaces is authorised, accurate, complete, securely processed and written to the appropriate file;
  - Outputs produced by the system are complete, accurate, reliable, distributed on time and with confidentiality where appropriate;
  - System updates and enhancements are performed in a consistent manner and subject to sufficient testing and authorisation before implementation;
  - Appropriate support arrangements are in place to manage changes within the system.
- 1.10 We were able to provide **Reasonable Assurance** over the controls operating within the area under review because we found evidence of robust controls over user permissions being linked to roles; over the accuracy, completeness and validity of interfaced data; and over system updates being introduced in a controlled manner.
- 1.11 However, a number of control weaknesses were identified that, once resolved, will improve the overall control environment. These included controls over user access permissions; over the assignment of roles; and over the change request process.
- 1.12 In response to these findings, a range of remedial actions have been agreed with management as part of a set of agreed actions.

**Pension Fund Investments**

- 1.13 Surrey County Council (SCC) has a statutory responsibility to administer and manage the Surrey Pension Fund on behalf of all participating employees from the Council and other partner organisations. The primary objective of the fund is to ensure that assets are managed for the long term benefit of scheme members in accordance with the rules of the scheme and the regulatory framework (including statute) and to maximise the Fund’s growth while minimising the investment risk. The latest actuarial valuation of the fund as at 31st March 2016 reported assets of £3,213m against liabilities of £3,892m resulting in a funding level of 83%.
- 1.14 The purpose of the audit, which is an annual review undertaken as part of our Key Financial Systems work, was to provide assurance that controls are in place to meet the following key objectives:

- that the fund has a suitable statement of objectives which is linked to measurable targets and performance indicators;
- To ensure that the fund's investment strategy is robust and strategic decisions are implemented correctly and in a timely manner;
- To ensure monitoring arrangements over the fund and fund managers are significantly robust; and
- To provide assurance over the internal control environment in which the fund managers and custodians operate.

1.15 Our audit was able to provide assurance that appropriate governance arrangements were in place around the Surrey Local Pension Board, and that key controls were operating as expected in fund management in such areas as drawing down funds for investment, the management of investment and subsequent dividend income, and in the maintenance of a complete risk register.

1.16 We recommended a small number of improvements to management, including that the service finalise a new approach to the reconciliation of data between Northern Trust reports and SAP, (this remained unreconciled at the time the audit was being concluded). We noted that whilst the current investment strategy is compliant with the requirements of the Local Government Pension Regulations, testing identified that investments at the time of the audit slightly exceeded the council's stated Allocations Policy in some categories.

1.17 Overall, based on these findings being agreed with management, we were able to provide an overall opinion of **Reasonable Assurance** over the key controls in place.

### Looked After Children Initial Health Assessments

1.18 There is a statutory requirement that all newly Looked After Children undertake an Initial Health Assessment (IHA). This must be completed and the resulting written report received by Children's Services within 20 working days of the child's first day in the council's care. Performance against this target is currently poor and has been subject to criticism by OFSTED, including in their recent re-inspection report of May 2018.

1.19 We were invited to review this area by Children's Services management, with an agreed scope to seek independent assurance that:

- All newly Looked After Children receive an Initial Health Assessment within the statutory timescales;
- Reported performance data is accurate; and
- Data is shared effectively between Children's Services, the CCG and provider.

- 1.20 We were only been able to provide **Minimal Assurance** over the controls operating within the area under review because performance against target remained very poor, with less than 20% of assessments undertaken within the statutory timescales. There were regular delays at all key stages in the process, involving both Children’s Services and the main provider.
- 1.21 Additionally, the monitoring information collected in the central tracker is not routinely used as a basis to improve performance or to report on overall performance. There are differences in the methodology used for calculating performance data by the council and the main provider, which diverts management attention away from addressing the key issues.
- 1.22 However, discussions are taking place with the CCG and the main provider to improve performance, and a LEAN project is reviewing the process with plans to change the delivery model of assessments being developed to speed up the process.
- 1.23 We agreed six actions with management, two of high priority, and will be undertaking a follow-up audit of this area as part of the 2019/20 annual audit plan.

**Business Operations Cultural Compliance**

- 1.24 Business Operations delivers HR and Finance transactional services on behalf of each of the councils within the Orbis partnership. The teams within Business Operations consist of:
  - Procure to Pay (P2P);
  - Income Allocation;
  - Accounts Receivable;
  - Employee Services;
  - Recruitment Support;
  - Direct Payments;
  - ContrOCC Payments; and
  - Pension Administration.
- 1.24 Our review looked to ensure that Business Operations as a service is delivered effectively and in compliance with all appropriate council policies and procedures, focusing on compliance with basic internal controls. The outcome of the audit was to provide assurance that key activities undertaken within the team are conducted in compliance with all policies and procedures, that robust management arrangements are in place and that all members of staff are subject to appropriate management and supervision.
- 1.25 Testing was undertaken in areas of policy including, but not limited to:

- Recruitment;
- Staff pay and allowances;
- Travel and expenses;
- Leave;
- Sickness absence;
- Performance and Development;
- Supervision;
- Code of conduct;
- Gifts and hospitality;
- Financial management; and
- Information governance.

1.26 We were only able to provide an opinion of **Partial Assurance** over the controls operating within the area under review because levels of non-compliance with council policies and procedures were found in the majority of areas reviewed.

1.27 Instances were found where additional allowances have been paid to members of staff within Business Operations without following council procedures and evidence of approval not being present. While variations in standard process can be accepted in unique circumstances, an audit trail and appropriate approval should still be maintained. This issue is of particular concern within Business Operations, as this service is responsible for processing HR transactional items for the whole council, and makes these issues unique to them as a service.

1.28 Other areas of non-compliance with council policies and procedures included no record being held of staff declarations for potential conflicts of interest, so management were unaware if potential conflicts existed. Only one of the new appointees within Business Operations reviewed had completed all of the compulsory training courses as required by the council's induction processes. Additionally, in the majority of cases, valid receipts were not being retained for both purchasing card transactions and business mileage claims. The failure to retain receipts is contrary to procedures and could result in the council being subject to financial penalty from HMRC.

1.29 We agreed a total of ten actions with management to secure improvement, and an action plan is in place to address the issues found. These will be subject to a future follow up by Internal Audit.

#### **Annual Car User Lump Sum Payments**

1.30 The annual car user lump sum (ACULS) is a payment made to council staff who are designated as contractual car users for business purposes. The payment has existed since 2008 and is paid in

addition to the claims for miles travelled. Following unplanned audit work undertaken in April/May 2018 which reviewed aspects of expenses claimed by officers, it has become evident that there are control weaknesses and associated financial risks to the council surrounding the process for claiming ACULS payments. Total payment of ACULS exceeded £1m in 2017/18.

- 1.31 Following the Pay and Reward Review in July 2016, both contractual and non-contractual car users were eligible to claim ACULS if they were employed at the council before 1 July 2016 and their annual business mileage exceeded 1,500 miles. Those who joined (SCC) on or after 1 July 2016 were not eligible to claim ACULS.
- 1.32 The purpose of the audit was to provide assurance that key controls were in place to meet the following objectives:
  - The policy on claiming ACULS is clear and has been communicated to all staff working for the council since the changes in July 2016;
  - The procedures in place for claiming ACULS are robust with adequate controls and are applied consistently; and
  - Managers and staff are clear about their responsibilities and entitlement to claim ACULS and are following the stipulated procedures.
- 1.33 A number of control and governance issues and weaknesses were identified within our audit. The revised (2016) Travelling Allowances and Expenses Policy is ambiguous and open to interpretation by officers, and its communication to staff has been ineffective. The policy is currently being reviewed and we have contributed to its update. Controls in operation within the eSuite form were considered so weak in this regard that they are not fit for purpose.
- 1.34 We identified that necessary checks on applications are not consistently undertaken by all managers, whilst the council is exposed to reputational and financial risk where checks are not consistently undertaken to identify valid driving licences and appropriate insurance are held.
- 1.35 Some officers (mainly contractual car users) have been paid at the highest band without actually having claimed any miles in the year at all, suggesting managers are not complying with the policy of annually reviewing the car user status.
- 1.36 An agreed action plan was put in place with management, and this will be an area to be followed up by Internal Audit in 2019/20. As a result of the findings, and the weaknesses within the internal control environment, we were only able to give an opinion of **Partial Assurance** in this area.

## Rights Of Way

- 1.37 In Surrey there are around 3,500km of public rights of way. In its capacity as a local highway authority the council is responsible for the management and maintenance of this network and for meeting statutory duties set by central government. The total budget for this activity in 2018/19 is £640k.
- 1.38 The purpose of the audit was to provide assurance that key controls are in place to meet the following objectives:
- Statutory requirements set by central government are being met;
  - Policies and procedures are in place to prevent negative impact to users and resulting negative publicity for the council; and
  - Service delivery is risk based and ensures key areas are delivered within the available budget.
- 1.39 We were able to provide assurance that policies, processes and procedures were used consistently and compliantly by the service in the management of rights of way and controls over expenditure and the discharge of statutory duties (including maintenance and responding to public complaints or notifications) were operating effectively.
- 1.40 We provided three low priority actions to the service to further improve controls, focusing on the need to robustly challenge income targets to ensure their viability; to improve audit trails over customer complaints; and to improve transparency of work completed by contractors. Overall we were able to provide an opinion of **Substantial Assurance**.

## Social Care Debt

- 1.41 The council provides a variety of Adult Social Care (ASC) services to residents. Some of these services are chargeable and the charging policy is set out in SCC's "Charging Policy for ASC Services" dated October 2016. Currently debt management activity is carried out by the Credit Control team. Financial assessments are carried out by Financial Assessments and Benefits Service. ASC management has recognised that debt management would be more effective if these two teams worked more closely together. Therefore, in February 2019, these two teams will be integrated and realigned to form a new "ASC Financial Assessment & Income Collection Service".
- 1.42 Charges raised in the twelve months up to October 2018 totalled £56.66m. At the end of October 2018, social care debt over one month old totalled £21.88m (net of credit balances totalling £0.91m). Of the £21.88m total debt, £8.77m was secured, and £13.11m was unsecured. 2,192

customers had total individual debt exceeding £10 over one month old. The highest individual sum owed was £584,000, a debt which is secured.

1.43 The purpose of the audit was to provide assurance that key controls were in place to meet the following control objectives:

- Prompt addition of new customers;
- Accurate recording of chargeable costs;
- Effective management of debt using suitable management information and KPIs;
- Prompt and accurate recording of receipts;
- Effective debt recovery;
- Processing and review of write-offs; and
- Processing and review of refunds and credit notes.

1.44 The audit identified a number of control issues and associated findings. Of the 53 cases referred to Legal Services, representing debt totalling £2.23m, there is a need for clearer visibility about the status of all cases and the likelihood of write-off.

1.45 Monthly debtor reports are accurate but analyses of results could be enhanced by the provision of commentaries and details of the main problem cases and the setting of specific targets for improved performance.

1.46 Case management reports do not currently indicate how long problem cases have been at issue, and the tracking of new customer cases (from initial referral through successive stages to final billing) cannot easily be monitored.

1.47 A new Debt Management handbook is being prepared by the Interim Head of Finance. ASC management need to liaise accordingly. Delegated authority levels for write-offs and refunds will need to be reviewed and confirmed.

1.48 The audit recognised that past difficulties in managing debt effectively and efficiently because of organisational communication limitations have been addressed by ASC management, and that much improvement to the control environment and operation of processes within it was evident. We were therefore able to provide an opinion of **Reasonable Assurance** in this area.

**CFL Payment Cards**

1.49 Children leaving care and transitioning into adults may be entitled to financial assistance from the council. This assistance includes “Independent Living Allowance” (ILA), a form of subsistence

to cover living costs in lieu of benefits, and “Setting up Home Allowance” (SHA) to help a young person to live independently.

- 1.50 To be eligible for funding, the care leaver must have been in care for a cumulative total of 13 weeks starting after age 14 and ending after age 16. Each care leaver is supported by a Personal Advisor (PA) and has a care leaver’s pathway plan covering all aspects of their transition to an adult, including financial considerations. Funds may be paid to the young person through a prepaid bank account provided by Prepaid Financial Services (PFS) under the council’s corporate contract, or through a prepaid card provided by Allpay where there is a delay in opening a bank account.
- 1.51 Historically, prepaid cards were the only payment option for young people who were unable to open a bank account, such as asylum seekers with limited documentation, but PFS accounts are now available to all care leavers under the council’s contract. However, since it can take several days to open a PFS bank account, prepaid cards are still in use. Between August 2015 and September 2018, just over 1,000 cards were issued with a total value of approximately £202,000.
- 1.52 This audit was undertaken as a result of risks over misuse of prepaid cards that had been identified in another Directorate during an irregularity investigation in 2017/18. The purpose of this audit was to provide assurance that key controls were in place to meet the following objectives:
- The storage of and access to new cards is appropriately managed;
  - Public funds are only issued to young people and are not misappropriated; and
  - Misuse of funds is identified in a timely manner and corrective action taken as necessary.
- 1.53 We were only been able to provide **Partial Assurance** over the controls operating within the area under review because of a number of key findings.
- 1.54 In the absence of any monitoring arrangements, management are almost completely unaware of how funds are being used and are therefore unable to identify potential issues. Management have given only limited consideration to the administration of prepaid cards, which may be at risk of misappropriation through becoming lost in the post or through false claims for funding being submitted by dishonest staff members.
- 1.55 Inconsistencies in the spelling of names has resulted in some care leavers being given up to four, concurrent cards, thus identifying a weakness in controls over card administration and issue and a risk that multiple cards could facilitate dishonest claims for funding. Additionally, we identified up to £15k of questionable spend over three years, as well a number of declined transactions of a concerning nature.

1.56 While of low relative value, the consequences of certain transactions could be significant such that the council may fail to meet its duties as a corporate parent, in particular where there are concerns around a young person’s vulnerability or wellbeing. Without wishing to impose burdensome processes, and acknowledging that care leavers should not be made to feel singled out from their peers, basic checks could reduce the risk that young people are being manipulated by others to spend money, or that they are not receiving appropriate support.

**Other Audit Work**

*Transformation Programme*

- 1.57 The cumulative impact of demand growth and inflation, together with a reduction in central government funding, has resulted in the council’s Medium Term Financial Plan (MTFP) identifying a budget gap of between £210m and £250m by 2021. To address this situation a number of business cases have been formulated to deliver and support change in Surrey, collectively known as the ‘Transformation Programme’.
- 1.58 The Transformation Programme will run alongside other council projects in order to achieve its objectives, within an overarching Community Vision for Surrey in 2030. These other projects encompass the council’s Organisational Strategy (how the council will work with residents and partners); the Preliminary Financial Strategy (which sets out a balanced budget for 2019/20 without the use of reserves); and Our People 2021’ (the plan for the current and future workforce to achieve change within a high performance culture).
- 1.59 The benefits anticipated to be delivered through the Transformation Programme are £82m in 2019/20, rising to £124m in 2020/21. Investment costs to achieve transformation are subject to further refinement ahead of being presented to Council in February 2019 as part of the budget setting process, but are likely to be in the region of £26m through a mixture of both investment and opportunity costs in respect of current employees being used to deliver the projects.
- 1.60 The Transformation Programme is comprised of 6 thematic areas, underpinned by specific projects each of which has a Business Case as the basis for delivery plans:

**Service Transformation** (transforming services to sustainably meet residents’ needs now and in the future)

**Partnership and Integration** (radically improving the way we work as one team with our partners)

**New Ways Of Working** (equipping our people with the practices and tools to do the best job)

**Commissioning and Procurement** (driving major savings and value for money)

**Investment and Income** (generating new and additional income and improving our use of capital)

**Technology and Digital Innovation** (adopting the processes, culture and technology of an internet era to drive improved outcomes)

1.61 The audit will be undertaken in phases to review processes and make any recommendations considered appropriate to ensure that suitable governance arrangements and procedures are in place to mitigate key risks. The proposed phases for the audit review will be:

- To provide assurance that key governance process, effective controls and risk management remain embedded within the overall Transformation Programme (phase 1);

And thereafter to ensure that the following agreed control objectives are in place:

- That key service operational, management and performance data held by Directorates and relied upon in the Business Cases is complete, accurate and reliable (phase 2);
- Effective systems remain in place to identify, record, mitigate and manage risks within project workstreams (phase 3);
- Gateway processes and controls are in place and working effectively within projects to provide assurance that key milestones and outcomes are on track and being delivered to budget and within expected timescales (phase 4); and
- Processes exist to identify potential control weaknesses that may arise with new working practices or system during the decommissioning of services or the transformation of existing services, and manage those weaknesses appropriately (phase 5).

1.62 Given the wide ranging scope of this programme, this audit will form the basis for the rolling assurance plan, which will be based on risks identified and/or level of control weakness assessed. In addition to the provision of ongoing advice and support in relation to risk, governance and internal control matters, feedback will be provided through a combination of audit reports, health check briefings or position statements at various stages of transformation across the projects. We will also seek to obtain regular updates on progress of projects through service liaison meetings which may also inform further testing. Regular updates on this work will be communicated to management during the audit.

#### *Children's Care Assessments*

1.63 Our review of this area has now reached draft report stage, with extended discussions ongoing with CFL senior management to finalise the paper.

1.64 The scope of the audit has been to ensure:

- Care package assessments and approvals are determined by clear procedures that are both statutorily compliant and effectively balance suitable provision of care need with cost;
- There are appropriate gateways for checking and approving packages of care to enable consistency, quality and value for money to be monitored;
- Appropriate mechanisms are in place in the commissioning and procurement of care packages once assessment is complete;
- There are effective processes to forecast ongoing and future care liabilities that provide management at Surrey County Council with reliable and accurate management information; and
- Ongoing review of care packages is mindful both of meeting the care need and of maintaining a sustainable budget.

1.65 Our initial findings were that numerous and significant control weaknesses existed in each of the areas reviewed. Of particular concern is the fact that many officers involved in this audit were aware of a range of issues, over a number of years in some cases, and yet, until recently, very little effort has been made to address these.

1.66 Ongoing work in CFL to address weaknesses in the control environment is extensive and fast-moving, and this in part has led to the original audit report being delayed in its finalisation. We anticipate bringing our work to a close with a formal report early in Quarter 4. After this our work will focus on the provision of advice and support on design of new processes being developed by the service.

*Adults Care Assessments*

1.67 We have almost concluded our fieldwork in reviewing care assessment processes within Adult Social Care. This extensive audit has been conducted across Quarters 2 and 3 and will report shortly.

1.68 Initial findings suggest that, while there are areas for improvement in each stage of the care assessment process, ASC management are aware of these and new ways of working have recently been introduced to address such issues.

*Grant certification*

1.69 We have completed the certification of grant returns for financial year 2018/19 for the council relating to:

- Troubled Families (Payment By Results) claim for the period October-December 2018.

## 2 Counter Fraud and Investigation Activities

### Proactive Counter Fraud Work

#### *Summary of Completed Investigations*

- 2.1 We have completed two significant investigations in Quarter 3, which have taken over 50 days of audit resource to bring to the current position.
- 2.2 The first of these was in response to allegations of corruption and misconduct in a procurement exercise made via a whistleblowing. An extensive audit was undertaken which found no evidence of fraud or misconduct by individual officers. Weaknesses across the entire procurement exercise were, however, identified, both within the service in question and the Procurement function corporately. Actions have been agreed to address these weaknesses, and will be followed-up in the 2019/20 annual plan to ensure implementation has been effective.
- 2.3 The second major investigation was undertaken at a maintained school where a newly appointed Headteacher discovered some anomalies in the working and accounting practices of the school business manager. Internal Audit support with preliminary investigations subsequently led to a referral to the police, with whom the case is currently rests. Internal Audit will continue to support this as the case progresses.
- 2.4 We have also undertaken ad hoc work providing data analytics support to Early Years to identify potential duplicate funding of nursery places. The findings have been shared with the service and improvements identified to improve the administration of nursery funding.

## 3 Action Tracking

- 3.1 All high priority actions agreed with management as part of individual audit reviews are subject to action tracking. As at the end of Quarter 3, taking a rolling year into account, 100% of high priority actions due had been implemented.

## 4 Amendments to the Audit Plan

- 4.1 In accordance with proper professional practice, the Internal Audit plan for the year remains under regular review to ensure that the service continues to focus its resources in the highest priority areas based on an assessment of risk. Following discussions with management, one additional review has been added to the audit plan during the third quarter:

- Surrey Wildlife Trust.

4.2 Through the same process, audits could either be removed or deferred from the audit plan and, where appropriate, considered for inclusion in the 2019/20 plan as part of the overall risk assessment completed during the annual audit planning process. During Quarter 3, we have taken the opportunity to review available internal audit resources for the year in light of a recent staff resignation and some long term sickness absences within the service. Whilst we are proactively managing the situation and remain confident of being able to achieve sufficient coverage to provide the annual internal audit opinion, there remains a high risk that we will be unable to deliver all of the planned audit days by 31 March 2019. In such circumstances, it is necessary to re-prioritise our work and therefore the following audits have formally been removed/deferred from the plan:

- Officer Expenses;
- Street Lighting PFI;
- Public Health Commissioning.

## 5 Internal Audit Performance

5.1 In addition to the annual assessment of internal audit effectiveness against Public Sector Internal Audit Standards (PSIAS), the performance of the service is monitored on an ongoing basis against a set up agreed key performance indicators as set out in the following table:

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
Quality	Annual Audit Plan agreed by Audit Committee	By end April	<b>G</b>	Approved by Audit Committee on 12 April 2018
	Annual Audit Report and Opinion	By end July	<b>G</b>	2018/19 Annual Report and Opinion approved by Audit Committee on 26 July 2018
	Customer Satisfaction Levels	90% satisfied	<b>G</b>	100%
Productivity and Process Efficiency	Audit Plan – completion to draft report stage	90% (full year)	<b>G</b>	71.6% completed to draft report stage by end of Q3 (against a Q3 target of 67.5%)
Compliance with	Public Sector Internal Audit Standards	Conforms	<b>G</b>	January 2018 – External assessment by the South West Audit Partnership

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
Professional Standards				gave an opinion of 'Generally Conforms' – the highest of three possible rankings
	Relevant legislation such as the Police and Criminal Evidence Act, Criminal Procedures and Investigations Act	Conforms	<b>G</b>	No evidence of non-compliance identified
Outcome and degree of influence	Implementation of management actions agreed in response to audit findings	95% for high priority agreed actions	<b>G</b>	100%
Our staff	Professionally Qualified/Accredited	80%	<b>G</b>	85% <sup>1</sup>

<sup>1</sup> Includes 1 part-qualified staff

## Audit Opinions and Definitions

Opinion	Definition
<b>Substantial Assurance</b>	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Reasonable Assurance</b>	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Partial Assurance</b>	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
<b>Minimal Assurance</b>	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.

This page is intentionally left blank