

## Completed Audit Reports (August – October 2013)

Annex A

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Community Enhancement Fund	<p>The Community Enhancement Fund (formerly Community Pride) was established in 2010 with the aim of providing members with funding to undertake "projects in their local area to improve the street scene and make a visible difference to the lives of the people they represent".</p>	<p>The amount available through the CEF has been set at £5,000 per member giving a budget for 2013/14 of £405,000. This funding is routed to members via the 11 Local Committees' (LCs). The outturn for 2012/13 showed a total spend of £530,291 against the available sum of £557,093 and there was a fairly even split between over, under and balanced spending LCs when viewed in total.</p> <p>In an effort to maximise the impact of this funding it was agreed by LC chairmen that any uncommitted amounts as at 31st October 2012 would be transferred to the control of the local maintenance engineer who would identify and programme in suitable works to be completed before the end of the financial year. Whilst this audit found the spend to be in line with the stated aims of the CEF, the auditor was concerned over the reporting arrangements which varied widely from LC to LC with very little information being provided in public meetings as to where money was being spent</p>	Some Improvement Needed	<p>It is acknowledged that the sums involved are not material in the overall picture of LC and SCC managed expenditure. Nevertheless, as public funds are involved and are being managed by the elected members for the benefit of their constituents it is recommended that LCs adopt a more open approach to the reporting of information relating to the use of the CEF by provision of regular reports to their meetings. As a minimum this should include:</p> <ul style="list-style-type: none"> <li>• brief description of the scheme being funded;</li> <li>• amount of contribution;</li> <li>• funding member, and</li> <li>• overall cost of the scheme.</li> </ul> <p><b>(M)</b></p> <p>Management should continue to monitor spend of CEF in order to ensure that it is directed in the most beneficial way and in line with the original aims for the fund. <b>(M)</b></p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Information Governance in schools	<p>Surrey maintained schools are subject to the requirements of the Data Protection Act 1998. Informal research with school business managers in autumn 2012 indicated that the eight principles that underpin the Act may not be consistently complied with across the county. A recent failure to adhere to the Act at a Surrey school has been reported to the Information Commissioner. The outcome of this was not known at the time of the audit</p>	<p>The majority of schools had a data protection policy and other associated documents; examples included Acceptable Use/Code of Conduct policies; Data Privacy Notices; Consent Forms for pupils' use of IT equipment and other local system forms. However there was a lack of consistency across the schools sampled.</p> <p>Generally the schools appeared to be following the principles of the Data Protection Act. Though to a greater or lesser extent there were operational practices noted that showed that security of information was a risk.</p> <p>Feedback from the schools on the audit visits was generally positive and the recommendations made by the auditor were seen as helpful.</p>	Some Improvement needed	<p>The recommendations related to providing more information and guidance from the centre <b>(M)</b>.</p> <p>It was noted that a series of seminars have been provided for schools highlighting security of information since the review was completed (the auditor attended one that was fully subscribed)</p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
European Grant Funding	<p>The 2013/14 Internal Audit annual plan included a review based upon an question posed by the Cabinet Member for Transport, Highways &amp; Environment, who enquired about the level of European Grant funding received by Surrey County Council ('the council') relative to local authority neighbours in the south-east. His concern, based upon discussions with his political peers in these authorities, was that the council may be in receipt of less income through this revenue stream than it could be. A project board was established to review the position, which included Internal Audit and member representation.</p>	<p>Key findings of the review were:</p> <ul style="list-style-type: none"> <li>• The Council should take a pragmatic approach to being part of the EU in order to maximise funding opportunities;</li> <li>• The Council should bid for EU funds with the same enthusiasm and professionalism as for trading or commercial bidding;</li> <li>• Directorates and members of the Council need to be better aware of opportunities for EU monies being available;</li> <li>• The Council needs to have proper understanding of the requirements and criteria for EU funding in order to establish proper governance arrangements; and</li> <li>• The European Affairs function should sit in a department of influence as close to the corporate centre as possible to offer a genuinely cross-Council service.</li> </ul>	<p>Not Applicable</p> <p>This review formed a position statement following the completion of Project Board work</p>	<p>Subject to further discussion and approval with members and senior officers, the fundamental recommendations emerging from the review were:</p> <ul style="list-style-type: none"> <li>• To endorse the work of the European Affairs Manager to date, the programme of work thus far, and recognise the historical funding secured to date;</li> <li>• To recommend that the Council does more of the same, which carries resourcing implications;</li> <li>• To recommend that the Council develops a transparent process to enable this to be implemented; and</li> <li>• To recommend that the Council makes its EU-related activity more visible</li> </ul> <p>A pilot stage to develop these recommendations further was agreed with the Cabinet Member on 16 July 2013.</p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Energy Management	<p>The Authority spent £6.32m and £4.55m on electricity and gas respectively in 2012/13, mainly via a contract with LASER, a regional local authority energy purchasing consortium. These arrangements aim to secure substantial savings through aggregated and advance purchasing of energy.</p> <p>The Authority aims to reduce its carbon footprint from energy substantially over the next few years and has been investing in energy efficiency schemes. In 2012/13, capital energy saving investment was £6.05m, of which £3.52m was on schools</p>	<p>Several of Surrey's environmental targets linked to energy are not being achieved. The data used to monitor the achievement of some targets may also need reviewing to ensure that it is fully representative.</p> <p>Comparisons of energy consumption and the cost at building level have now commenced, although there is insufficient information to compare some types of buildings.</p> <p>The build up of energy invoices is complex and errors are not unknown. The prices charged are checked by LASER but not SCC.</p> <p>Lighting energy efficiency schemes are costing more than anticipated due to the poor condition of many fixtures. Also, where asbestos is found during the scheme, this impacts upon the budget for energy investment. Electrical Engineer resources, although recently increased, have not yet resulted in consistent evaluation of completed projects.</p> <p>The completion of the Carbon Reduction Commitment return and the Authority's annual report on Green House Gas emissions are technically complex, burdensome and required to tight deadlines, both around the end of July each year.</p>	Some Improvement Needed	<p>To discuss and agree with members a revised set of carbon omission and energy reduction targets. Staff may also need to revisit the basis of monitoring these targets. <b>(H)</b></p> <p>The Procurement and EMT should continue to develop energy benchmarking data, for building managers and budget holders, along with some interpretation to help better management of energy expenditure. <b>(M)</b></p> <p>The Energy Management Team should undertake an annual exercise to test check a small sample of LASER invoices. <b>(M)</b></p> <p>The EMT should prepare payback on investment KPIs for all of its energy efficiency lighting schemes in the last three years to assess whether expected payback periods are reasonable, the impact of asbestos and the right types of investment are being considered. <b>(M)</b></p> <p>The Energy Manager should project plan the completion of all CRC submission tasks and work for the Green House Gases report 2013/14, in detail for the 2014 deadlines. <b>(M)</b>.</p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Purchasing Cards (follow up)	A previous audit report issued in November 2012 gave an audit opinion of Major Improvement needed and made a number of recommendations on the use and approval of purchasing cards. A new set of Rules and Guidance for the use of purchasing cards at Surrey County Council became live at the beginning of April 2013. The main improvement was the need for line managers/budget holders to approve any expenditure each month by completing a review and entering the approval on the payment system rather than signing the printed statement as before.	<p>The revised system still enables cardholders to make purchases on their own volition, but now all purchases must be approved by a line manager or equivalent who has to endorse the purchase on the First Data system before further administrative requirements are completed centrally.</p> <p>The centrally based Compliance Team in Shared Services sends reminders to ensure entries on the system are up to date and complete. The Team will monitor a month's expenditure (two months post expenditure) and contact individuals where there is a need for further explanation. Examples of recorded challenges provided assurance that inappropriate expenditure should be noted and challenged.</p> <p>The Team has a strong escalation policy and can suspend cards if there are breaches of the rules including where managers fail to complete their monitoring.</p>	Effective	Procurement management to ensure revised Procurement Standing Orders emphasise Purchasing Card Rules and Guidance <b>(M)</b> .

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Insurance	<p>Insurance is a key risk management tool for most organisations. SCC self insures against claims up a £1.2m cumulative. SCC then relies on commercial insurance cover against potentially larger losses on public and employers' liability and property risks.</p> <p>Around 90% of the insurance claims made against the Authority are highways-related. The highways budget for such claims in 2013/14 is £785k.</p>	<p>Processes for ensuring that conditions of insurance are being met need enhancing.</p> <p>Some intranet pages relating to insurance are now unavailable.</p> <p>Although there are some indications of strong performance by the Insurance function on claims handling, there are relatively few key performance indicators measures formally in place.</p> <p>Risks leading to Highways compensation claims are being identified but it is unclear what corrective action is taken on these issues by way of response. May Gurney have been implementing some changes in road maintenance practice ahead of policy changes, with additional potential liability for the contractor.</p> <p>Service Risk registers often do not fully record risks that are or could be managed via insurance.</p>	Some Improvement Needed	<p>Consider what confirmations of compliance with conditions of insurance should be obtained each year. <b>(M)</b></p> <p>Develop enhanced web pages on the SNET and the SCC external website that provide explanatory and support materials on SCC's insurance arrangements and its use as a risk management tool. <b>(M)</b></p> <p>Highways issues resulting in additional compensation claims should be used to enhance the Highways Risk Register and to identify the responses required. <b>(M)</b></p> <p>All claims resulting from May Gurney implementing changes to SCC Policy ahead of schedule to be passed to May Gurney for prompt settlement. <b>(M)</b></p> <p>The Insurance Team should work with the Risk and Resilience Forum and relevant risk reps to advise on service risks where insurance could be used to facilitate risk management. <b>(M)</b></p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Direct Payments Follow Up	<p>Direct Payments (DPs) are financial payments made to individuals who have been assessed as eligible to receive support from Surrey County Council. The payment replaces directly commissioned services. This money is then used to purchase support that the client considers most appropriate to meet their assessed social care needs.</p> <p>This report follows up the two previous reviews, both of which had attracted the audit opinion of Major Improvement Needed.</p>	<p>The number of overdue (over 1 year since last) social care reviews (SCR) has fallen from 32% to 17% - this still fails to meet policy which says review should be no less than annual (0% overdue). It was noted that although Surrey is still failing to achieve the recommended level, the council has improved significantly at a time when nationally councils are getting worse.</p> <p>The reconciliation of direct payments is still not completed in a timely manner in a number of cases. If the reconciliations are not completed by the service user subsequent controls (maximum balance, check for inappropriate transactions etc.) are ineffective.</p>	Some Improvement Needed	<p>Management must seek to achieve the target of all service users receiving a SCR at least annually <b>(H)</b></p> <p>There should be regular reporting to ASC Select Committee to allow monitoring of the number of overdue social care reviews <b>(H)</b></p> <p>Management must either invest further resources in chasing late reconciliations, taking more serious action against failures to complete required paperwork and ensuring that adequate support is available to service users struggling to complete their reconciliations, or alternative action is required. Management could, for example, consider outsourcing the reconciliation element of DP management. <b>(H)</b></p> <p>By reducing the frequency of reconciliation required for lower risk (low value, stable care packages) DPs the staff could focus on the higher risk reconciliations.</p>



Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Streetworks Function	<p>Utility works in the public highway (street works) must be carried out in accordance with the requirements of the New Roads &amp; Street Works Act 1991 (NRSWA) and associated legislation. Utility companies have the right to use the streets for maintenance &amp; provision of services &amp; are required to inform SCC of any works. In turn, SCC maintains a register of all works. Utility companies have to re-instate the highway to appropriate standards following completion of their works and are inspected by SCC. If the work is found to be defective, the relevant utility company is responsible for rectification work.</p>	<p>The Street Works Team was affected by its directorate's re-organisation completed in March 2012. This resulted in the funding for additional resources being approved for 12 months by the Cabinet in June 2012 with appointments being completed in November 2012. The new Traffic and Street Works Manager joined the Council on 1 September 2012.</p> <p>Local procedures are based on Department for Transport guidance. While some procedure notes have been completed, others are still outstanding.</p> <p>In February 2013, the Cabinet gave its approval to introduce a Permit Scheme in late 2013.</p> <p>The budgets are coded to a single cost centre and have not been reviewed for some time to take account of the shortfall in income in light of improved quality of work and the cost of the coring work done by the Materials Laboratory Team.</p> <p>Although charges are raised in line with inspection work undertaken by the team, debt management is not very robust due to poor liaison between the Street Works Team and the Debt Recovery Team.</p>	Some Improvement Needed	<p>The budgets for the Team should be reviewed in line with the introduction of the proposed changes ( i.e. Permit Scheme) and reset on a zero based budget basis to determine the actual staffing and other requirements of the team <b>(H)</b>.</p> <p>The realistic income achievable including Coring Income for defective work should be re-evaluated. The cost and income for coring activities should sit within the Street Works budget <b>(M)</b>.</p> <p>A Service Level Agreement should be drawn up and agreed between the Materials Laboratory Team and the Street Works Team specifying all the requirements that need to be met to ensure the completion of Street Works Team's investigatory inspections <b>(H)</b>.</p> <p>The spreadsheets maintained by the team for the inspection charges raised should be reviewed regularly to ensure that they contain adequate details with the use of control totals to ensure accuracy and transparency <b>(M)</b>.</p> <p>Debt recovery arrangements between the Street Works Team and the Income Management Officers should be reviewed as a matter of priority. <b>(H)</b>.</p>



Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Data Centre	<p>As part of the SCC IT infrastructure upgrade and modernisation programme, IMT gained Cabinet approval for the creation of a modern 'fit for purpose' data centre. Fit for purpose in this instance refers to the placement, design, power, fire detection/prevention and cooling infrastructure. The modernisation programme also required further investment in order to equip the data centre with equipment suitable to support SCC's future goals and IT related objectives.</p>	<p>SCC has procured an excellent facility for the provision for data processing services. The DHCP servers are a critical infrastructure element enabling users to log onto the network; that at the time of this review had not been moved to the new environment.</p> <p>The focus of the project has been primarily to meet the current and future needs of the council but also to develop partnership workings and deliver savings across public sector entities. This model of working does bring additional complexity. In response to this evolving complexity an ongoing level of scrutiny of benefits realised should be exercised, particularly where those benefits presuppose partnership buy in.</p> <p>The data centre is highly resilient, however it is noted that end users of disaster recovery services need to engage more with IT via their business continuity plans to ensure that their requirements are both communicated and technically possible.</p>	Some Improvement Needed	<p>The DHCP server is replicated to another site and fail-over provision is installed as soon as possible. <b>(H)</b></p> <p>Until such time as the potential to provide services to partners is no longer an ongoing concern, the Council Overview and Scrutiny Committee should be appraised as to the uptake of services by partners. <b>(L)</b></p> <p>The Business Continuity Management System Project requires top management support in order improve and enhance business continuity planning. <b>(M)</b></p> <p>In order to ensure that growth of IT usage at the Primary data centre does not outstrip capacity provision at the backup data centre an annual assessment of the available capacity should be undertaken. It is envisioned that this would be a desktop review as opposed to a stress test. The results from this annual assessment should be reviewed by the Head of IMT. <b>(M)</b></p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
ASC Safeguarding Assurance Process	Surrey Safeguarding Internal Procedures exist to enable all Surrey County Council (SCC) Adult Social Care (ASC), or Integrated Health and Social Care Teams who work with adults at risk and their carers to be able to be able to recognise and respond proportionately to instances of harm and to address effectively as part of their core business. These are backed-up by a Quality Assurance Framework covering Safeguarding activities in the Personal Care and Support (PC&S), Service Delivery and Commissioning services.	<p>Corrective action had been taken on 13 of 44 (29.5%) issues identified in audits undertaken by Safeguarding Advisors.</p> <p>In three of the four locality teams visited, less than half of the cases recorded as 'Closed' on the Safeguarding Activity Log had corresponding data on AIS/Wisdom.</p> <p>There is no requirement for the manager of the team being audited to agree the findings with the Safeguarding Advisor. Audit templates do not distinguish between findings being treated as 'lesson learned' or highlighting where corrective action is required and, in the latter case, the timescale for completion</p> <p>No articulated system was identified which details the nature and frequency of reporting of assurance activity to the PC&amp;S Leadership Team</p> <p>The Auditor has not seen evidence of Safeguarding assurance work in Service Delivery.</p>	Some Improvement Needed	<p>The Safeguarding Adults Senior Manager should consider implementing checks to ensure corrective actions noted in audits have been completed. <b>(H)</b></p> <p>The Safeguarding Adults Senior Manager should remind teams of the importance of accurately recording case closures, and consider further monitoring to ensure improvement. <b>(H)</b></p> <p>The Safeguarding Adults Senior Manager should consider amending audit templates in order to capture:</p> <ul style="list-style-type: none"> <li>• the agreement of the manager of the team being audited with the findings;</li> <li>• lessons learned;</li> <li>• specific corrective actions required; and,</li> <li>• the timescales in which those actions must be completed. <b>(M)</b></li> </ul> <p>The Safeguarding Adults Senior Manager should consider agreeing an articulated reporting framework with PC&amp;S Leadership Team. <b>(M)</b></p> <p>The Safeguarding Adults Senior Manager should consider, based on levels of risk, extending assurance work to cover Safeguarding processes in Service Delivery. <b>(M)</b></p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Health & Dental Checks – Children in Care (follow up)	<p>As corporate parent for Looked After Children (LAC), SCC has a duty to ensure their well-being. Ensuring that these children have regular health and dental checks is part of the statutory exercise of this duty. Success is measured by a performance indicator which tracks the percentage of LAC who have received a health and dental check each year. In 2012, Internal Audit undertook a review of the quality of the indicator data. The resulting report (audit opinion of Major Improvement Needed) expressed concerns about the robustness of performance management governing the indicator, and concluded that published performance data could not be consistently evidenced.</p>	<p>The Department for Education no longer require reporting on this indicator. The manner in which the indicator is calculated masks a difference in completion rates between health and dental checks.</p> <p>Health checks for 24 of the 86 files tested could not be validated (28%). In the last audit, the result of the same test was 20%. As such, reported health check completion is less evidencible than previously.</p> <p>Significant delays were noted between the time CSS were notified of a completed health check and their receiving the corresponding paperwork. However, the auditor is aware that, once the audit sample list was known, Team Information Officers were able to request and receive summary documents for 14 LAC from the LAC Co-ordinator at short notice. This inclines the auditor to consider that the flow of information in the partnership is not as efficient as it could be.</p>	Major Improvement Needed	<p>CSS should consider reporting performance on LAC health and dental checks separately, rather than exclusively using the existing combined indicator. <b>(M)</b></p> <p>CSS should consider using the current review of health services for LAC being led by the Guildford and Waverley Clinical Commissioning Group (with input from the CSS Commissioning team) to ensure the efficient flow of all information related to health checks. <b>(H)</b></p> <p>CSS should consider revising its reporting of health checks to only indicate a positive once all accompanying documentation has been received. <b>(H)</b></p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
School Purchase Cards	There are historical examples of inappropriate use of cards at schools. A sample of schools was selected to review local controls to ensure the risk of financial loss was low	<p>This review found no evidence of fraudulent use of the cards. There were however a couple of examples of cards being used for the benefit of the school after the cardholder had left the school. It was seen that a number of schools needed to document stronger controls in the use of the card including evidence of compliance in line with the controls.</p> <p>Unlike the system for purchasing cards within the council, there is no overview of card expenditure across all schools.</p> <p>Where appropriate, schools visited by the auditor were provided with specific documented audit recommendations. The corporate banking team have been asked to pursue an overview programme they and internal audit can review of card expenditure at individual schools</p>	Some Improvement Needed	<p>Corporate banking team to obtain access to software available from HSBC <b>(M)</b></p> <p>Internal Audit to publish a summary of findings in the School's Bulletin <b>(M)</b></p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Library Service Global Transport Van Service	<p>The outsourced Libraries Global Transport Van Service moves stock between Surrey Libraries and provides some other services. SCC agreed to extend this contract to 1 April 2013, rather than re-tender in April 2012. Proposals to expand specific types of ad hoc services means the transport service will also need to be more flexible.</p>	<p>Contractor has yet to complete the contractual requirement for it to complete a cost reduction review. There are some proposals for a far more flexibly delivered library service which will require a much more flexible library transport service.</p> <p>Benchmarking the cost of library transport may identify options for joint provision or aggregated tendering to further reduce costs.</p>	N/a – Position Statement.	<p>Library Service to request that the current contractor provides its own further detailed options for reducing the cost of the Service and facilitating increased flexibility in the contract should further Community Link Libraries be developed. <b>(M)</b></p> <p>The Procurement Category Specialist should liaise at an early stage with ESCC Libraries service on any mutual benefits of joint procurement or direct delivery of a library transport vans services. <b>(M)</b></p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Blue Badges	<p>The Blue Badge scheme is for drivers or passengers with severe mobility problems. It allows them to park close to where they need to go. 50,000 Surrey residents with severe mobility problems are currently issued with Blue Badges.</p> <p>Due to the difficulties of parking in Surrey and the cost involved there is an incentive to misuse or fraudulently apply for/display Blue Badges.</p>	<p>Audit testing suggested that risks relating to data security and fraud are well managed. The Blue Badge Improvement Service system provides a secure system for recording user details, checking details in the event of suspected misuse and a range of anti-fraud controls.</p> <p>The National Fraud Initiative check of Blue Badge data has identified a number of data quality issues but no fraudulent usage.</p>	Effective	Five low priority recommendations were made

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Social Care Debt – Credit Balances	<p>The current level of social care credit balances is in the region of £933,000 of which approximately £207,511 are static balances held on deceased client's accounts. The remainder represents the timing difference in the collection of client's pension and benefit monies and the payment of their care charges. This review looked at credit balances on deceased client's accounts.</p>	<p>The auditor has established that social care debt reported to the Adult Social Care Select Committee is reported net of the credit balances that are held on SAP. As a result, debt is understated by approximately £550,000.</p> <p>In 2010 a specific suspense account was created to hold monies of clients or representatives who could not be contacted. Of concern is that the balances in the account totalling £95,597 have not been investigated. 66% of the balances are for clients who died more than five years ago and the oldest balance dates back to 2002. The auditor was unable to evidence active management of the account.</p> <p>The largest 10 balances on deceased client accounts were investigated. Findings show there has been little or no activity. Where there has been activity recorded on AIS it is unclear where copies of the correspondence is stored.</p> <p>While officers are keen to clear the balances they are unclear on the procedures and their responsibilities. Guidance is unavailable and officers are using their own local processes.</p>	Major Improvement Needed	<p>Reporting on Social Care Debt to the ASC Select Committee must include a regular update on gross credit balances. <b>(M)</b></p> <p>A systematic approach should be adopted to manage deceased client credit balances. All balances including those in the suspense account must be investigated <b>(H)</b>.</p> <p>Explanatory notes/copies of correspondence should be recorded on AIS or WISDOM. <b>(H)</b></p> <p>The Personal Care and Support and ASC Finance teams should work together to produce clear guidance for managing credit balances including an escalation process for cases where the next of kin or beneficiaries cannot be traced. <b>(M)</b></p> <p>If it is not possible to trace the next of kin or executors, balances of less than or equal to £500 should be transferred to the home's welfare fund. Where the deceased died without a will or any living relatives individual balances over £500 should be referred to TSoL. <b>(M)</b></p>



## <sup>1</sup> Audit Opinions

<b>Effective</b>	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Some Improvement Needed</b>	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Major Improvement Needed</b>	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Unsatisfactory</b>	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

## <sup>2</sup> Audit Recommendations

**Priority High (H)** - major control weakness requiring immediate implementation of recommendation

**Priority Medium (M)** - existing procedures have a negative impact on internal control or the efficient use of resources

**Priority Low (L)** - recommendation represents good practice but its implementation is not fundamental to internal control