

Agenda Item No: 4
Report To: Audit Committee
Date: 15 June 2021
Report Title: Internal Audit Report & Annual Opinion 2020/21
Report Author: Russell Heppleston – Deputy Head of Audit Partnership



Summary: The Public Sector Internal Audit Standards (the Standards) require the 'Chief Audit Executive', for Ashford this role is fulfilled by the Deputy Head of Audit Partnership, to deliver an annual opinion that the Council can use to directly inform its Annual Governance Statement . The annual opinion provides a conclusion on the overall adequacy and effectiveness of the Council's framework of corporate governance, risk management and system of internal control.

Key Decision: NO

Affected Wards: All

Recommendations:

1. The Committee **notes** the ***Internal Audit Report and Annual Opinion***. The opinion states that, for the 12 months ending 31 March 2021, the Council operated an effective framework of corporate governance, risk management and internal control.
2. The Committee **notes** that the work to support the opinion was completed with sufficient independence and in conformance with Public Sector Internal Audit Standards.

Policy Overview: N/A

Finance: N/A

Risk Assessment N/A

EIA N/A

Other Matters: N/A

Exemption Clauses: N/A

Background Papers: **Appendix A:** Internal Audit Report & Annual Opinion 2020/21

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Report Title: Internal Audit Report & Annual Opinion 2020/21

Purpose of the Report

1. The Public Sector Internal Audit Standards (the Standards) require the 'Chief Audit Executive', for Ashford this role is fulfilled by the Deputy Head of Audit Partnership, to deliver an annual opinion that the Council can use to directly inform its Annual Governance Statement .
2. The Standards, in particular Standard 2450: Overall Opinions, direct what the annual report must include:

2450 Overall Opinions

When an overall opinion is issued, it must take into account the strategies, objectives and risks of the organisation and the expectations of senior management, the board and other stakeholders. The overall opinion must be supported by sufficient, reliable, relevant and useful information.

Interpretation:

The communication will include:

- the scope including the time period to which the opinion pertains
- scope limitations
- consideration of all related projects including the reliance on other assurance providers
- a summary of the information that supports the opinion
- the risk or control framework or other criteria used as a basis for the overall opinion, and
- the overall opinion, judgment or conclusion reached.

The reasons for an unfavourable overall opinion must be stated.

Public sector requirement

The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

3. The purpose of this report is to provide the annual opinion in accordance with the Standards, including an overall conclusion on the adequacy and effectiveness of the Council's framework of corporate governance, risk management and system of internal control.

Background

4. Internal Audit is a statutory service for local authorities as set out in the [Accounts & Audit Regulations 2015](#) (the "Regulations"). Specifically, Regulation 5 demands that authorities:

"... undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance"

5. The Audit Committee's terms of reference direct it to consider / monitor or advise the Council as appropriate upon:
- *the Head of Internal Audit's Annual Report and Opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's Corporate Governance arrangements.*
 - *The summary of internal audit reports issued in the previous period.*
 - *Reports on the management and performance of the Audit Partnership*
6. The Audit Committee receives regular updates throughout the year on the activities and performance of the Internal Audit service including an interim update in [November 2020](#).

Risk Assessment

7. N/A

Equalities Impact Assessment

8. N/A

Other Options Considered

9. The role of the Audit Committee includes the responsibility to consider the internal audit annual report and opinion, this is formally recognised in the Committee's Terms of Reference. We therefore don't believe alternative courses of action to be suitable or appropriate.

Consultation

10. We communicate all audit findings and actions with the relevant Head of Service and audit sponsor. Each audit report is circulated to strategic management and updates are reported quarterly to Management Team. We also consult and discuss audit plan progress with the S151 Officer (Deputy Chief Executive) throughout the year to help with preparing the Council's Annual Governance Statement.

Implications Assessment

11. N/A

Handling

12. N/A

Conclusion

13. That, for the 12 months ending 31 March 2021, ***the council operated an effective framework of corporate governance, risk management and internal control***

Portfolio Holder's Views

14. N/A.

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Mid Kent Audit

Internal Audit Report & Annual Opinion

2020/21

Ashford Borough Council

Introduction

Internal Audit is an independent and objective assurance and consulting activity designed to add value and improve the Council's operations. Our mission is to:

enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight

Internal Audit is a statutory service for local authorities as set out in the [Accounts & Audit Regulations 2015](#) (the "Regulations"). Specifically, Regulation 5 demands that authorities:

"... undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance"

For Ashford Borough Council, the Internal Audit service is provided by Mid Kent Audit, a 4-way shared service with Maidstone, Swale and Tunbridge Wells. The service is governed by a collaboration agreement and oversight is provided by a Shared Service Board comprising representatives from each Council. The internal audit provision has been provided in this way since 2005 and has continued to meet the needs of Ashford Borough Council over that time.

The Public Sector Internal Audit Standards (the Standards) require the 'Chief Audit Executive', for Ashford this role is fulfilled by the Deputy Head of Audit Partnership, to deliver an annual opinion that the Council can use to directly inform its Annual Governance Statement¹. The **annual opinion** provides a conclusion on the overall adequacy and effectiveness of the Council's framework of corporate governance, risk management and system of internal control.

The Standards require the annual opinion to take into consideration the following aspects:

1. The scope, including the time period to which the opinion pertains
2. Scope limitations
3. Consideration of all related projects including reliance on other assurance providers
4. A summary of the information that supports the opinion
5. The risk or control framework or other criteria used as a basis for the opinion
6. The overall opinion, judgement or conclusion reached
7. A statement on conformance with the Standards
8. The results of the quality assurance and improvement programme

¹ [Reg 6](#) of the Accounts and Audit Regulations requires the Council, each financial year, to produce an Annual Governance Statement (AGS), this statement is published in the Financial Statements. The internal audit opinion is a component to the AGS and is a key source of assurance towards the overall assessment of the systems of internal control operated by the Council.

Annual Opinion

“It is my opinion for the 12 months ended 31 March 2021 that Ashford Borough Council has an effective framework of governance, risk management and internal control”

Russell Heppleston (QIAL, CIRM)
Deputy Head of Audit Partnership
31 May 202

Scope & time period

“I base this opinion on the activities and work undertaken by the Internal Audit service over 12 months, from 01 April 2020 to 31 March 2021. Specifically, the internal audit projects delivered since revision of the audit plan in September 2021”

Scope limitations

“I make **no qualifications** in the opinion. However, this opinion is not a substitute for managements responsibility to operate and maintain the systems of internal control. Internal audit can only ever give *reasonable assurance* over these arrangements”

Reliance on other assurance providers

“My opinion is principally derived from the setting and delivery of the risk-based audit and assurance plan, approved by Management and Members in March 2021, and revised in September 2021. I have placed no reliance on external sources of assurance in forming my opinion”

Risk & control framework

“The activities and work undertaken by the Internal Audit service directly considers the risks to the delivery of objectives. We have full regard to the **Local Code of Governance** and the **Risk Management Framework** to evaluate the effectiveness of the *design* and *operation* of internal controls. These frameworks are recognised by the Council and are adopted and embedded into the governance framework”

Summary of information that supports the opinion

“This report includes the outcomes and findings of our work completed over the year, and audit project work completed since September 2021. My opinion draws on this work and our ongoing role to provide the Council with advice, insight, and ad-hoc consultancy”

Conformance with Standards

“Our External Quality Assessment in 2020 confirmed that we are working in **full conformance** with the Standards”

Information to support the Opinion

Audit & Assurance Plan 2020/21

The Audit Committee considered and approved the Audit and Assurance Plan on [17 March 2020](#), this plan set out the priorities and individual engagements resulting from the risk based annual planning exercise. Alongside our risk assessment for 'high' priority and 'medium' priority audit engagements, the plan also set out the resources required to deliver the plan, and the allocation of audit days across the year.

Shortly after approval of the plan the Country faced a sustained period of uncertainty as we all tackled the challenges presented by COVID-19 and national lockdown measures. This significantly altered the risk profile for the Council and directly impacted on our ability to undertake our planned work. Throughout the first and second national lockdowns audit resources were diverted across the Partnership to support the delivery of new emergency support either directly to the community, or through supporting the administration of Government grants.

Through the Summer of 2020 we re-evaluated our planned risk assessment and the audit plan was revised and adjusted to incorporate new risks, but also to recognise the limitations on our resources to deliver our initial projects. The Audit Committee considered and approved the revised plan on [29 September 2020](#).

In drawing the data together for the annual opinion, we have considered the challenges facing the team between September 2020 and March 2021. Our analysis shows that the total resource loss due to redeployment and through vacancies reached the equivalent of **2.2** full time members of the team.

The table below shows the outturn of the audit and assurance plan over the course of 2020/21 and shows how we have deployed our resources when compared to the **initial**, **revised**, and **actual** deployment of resources for the year:

Internal Audit Activity	Initial Planned Days (March 2020)	Revised Plan Adjustments (September 2020)	2020/21 Outturn	% Days (Revised vs. Actual)
Risk Based Audit	315	247	226	91%
Consultancy	40	32	37	116%
Follow-up	25	25	23	92%
Audit Planning	25	23	21	91%
Member Support	20	13	10	76%
Risk & Governance	5	0	-	-
TOTAL	430	340	317	93%

We have been able to engage with contractors to support operational delivery of planned work, however, there has been an impact on delivery and timing. We are for instance, wrapping up projects from 20/21 in the early part of 21/22.

The revised audit plan, approved in September 2020 set out the retained audit projects from the initial plan, and included 4 additional audits, identified through the COVID-19 planning risk assessment. As part of the revised plan, we agreed to deliver **100%** of high priority engagements, and up to **20%** of medium projects.

High Priority Engagements	Project Completed	Medium Priority Engagements	Project Completed
Network Security (Cyber Security)	<input checked="" type="checkbox"/>	Climate Change (Response and action planning)	
Repairs and Maintenance (ENGIE Contract)	<input checked="" type="checkbox"/>	Accounts Payable	
Repairs and Maintenance (Gas & Fire Safety Certification)	<input checked="" type="checkbox"/>	Accounts Receivable	<input checked="" type="checkbox"/>
Commercial Property Income ²	<input checked="" type="checkbox"/>	Council Tax – Recovery & Write Offs	<input checked="" type="checkbox"/>
Property Acquisitions	<input checked="" type="checkbox"/>	Rent Accounting (Rent Arrears)	
Development Management – Planning Administration ²	<input checked="" type="checkbox"/>	Repairs and Maintenance Contract (non HRA)	
Legal Services Review ²	<input checked="" type="checkbox"/>	Member Development	
Performance Management ²	<input checked="" type="checkbox"/>	Payroll	
ADDED: Remote Working	<input checked="" type="checkbox"/>	Website	
ADDED: Wellbeing of Staff	<input checked="" type="checkbox"/>	ADDED: COVID-19: Community Support ³	<input checked="" type="checkbox"/>
Completion	100%		30%

We have been able to wrap up all testing and report our findings for **9** projects, details of which are reported later in the report. For the remaining **4**, we have completed all testing, however, have not yet issued the draft audit report. Details of these projects will be reported in our interim report later in the year (September).

On **16 March 2021** the Audit Committee approved our annual audit and assurance plan for 21/22. As part of the planning risk assessment, some of the projects proposed in the 'medium' priority list above have been allocated for delivery in 21/22.

² Audit fieldwork and testing completed, but draft report not yet issued (as at 31 May 2021)

³ Our initial plan was to undertake 2 separate audits, one entitled 'Community Hub Support' and another called 'Community Partnerships' – during scoping of both audits it made sense to join both review into a single project

Delivery of audit projects

The table below shows delivery of audit projects for work completed between September 2020 and 31 May 2021 from the revised audit plan. Projects completed in the first half of 2020/21 were included in the annual report and revised audit plan in [September 2021](#), as such, those projects are not duplicated in this report. Definitions of our assurance ratings (our overall conclusion) and priority levels are attached in [Appendix 1](#):

Priority	Audit Title	Scope / Objective	Level of Assurance	Audit Findings & Actions		
				High	Med	Low
High	ICT Cyber Security ⁴	<ul style="list-style-type: none"> Firewalls & Internet Gateways Secure Configuration User Access Controls Malware Protection & Patch Management ICT Risk Management 	SOUND April 2021	-	10	4
High	Gas Safety Management & Fire Risk Management (HRA)	<ol style="list-style-type: none"> To ensure that Gas Safety certification for HRA properties is up to date and the Council are meeting their statutory responsibilities To ensure that fire risk assessments for HRA properties are up to date and the Council are meeting their statutory responsibilities 	SOUND Feb 2021	2	2	1
High	Wellbeing of Staff	<ol style="list-style-type: none"> To ensure and promote the physical, financial, and mental/emotional wellbeing of staff, during and after the pandemic 	STRONG May 2021	-	-	-
High	Repairs & Maintenance (HRA)	<ol style="list-style-type: none"> To ensure that the quality of responsive repairs meets the agreed standards To ensure that the Council achieves value for money for responsive repairs To ensure that ENGIE continues to maintain the service contracted for 	<i>Draft rating:</i> SOUND May 2021	-	1	5
High	Remote Working	<ol style="list-style-type: none"> To ensure a flexible approach to working arrangements, enabling individuals to adjust their working patterns in order to respond to changes in their personal lives 	<i>Draft rating:</i> SOUND May 2021	-	1	-
High	Property Acquisitions	<ol style="list-style-type: none"> To ensure that property acquisitions consider income generation and provide social value 	<i>Draft rating:</i> SOUND	-	2	2

Priority	Audit Title	Scope / Objective	Level of Assurance	Audit Findings & Actions		
				High	Med	Low
			March 2021			
Medium	COVID-19: Community Support	1. To ensure coordinated action through community partners	STRONG Feb 2021	-	-	1
Medium	Accounts Receivable	1. To ensure that the payment policy is complied with and that procedures are followed 2. To ensure that unpaid debts are identified, reported, and recovered	<i>Draft rating:</i> SOUND May 2021	-	-	3
Medium	Council Tax Recovery & Write Off ⁴	1. To review the administration of Council Tax and processing of recovery and write-offs	<i>Draft rating:</i> SOUND May 2021	-	1	2

Remaining projects

As at the 31 May 2021 we had completed the fieldwork and testing for the following projects but not yet issued the draft conclusion. Details of these projects will be included in our interim report in September 2021:

Title	Scope
Commercial Property Income ⁴	1. To ensure compliance with contractual obligations and processes for the correct accounting of income
Development Management – Planning Administration ⁴	1. To ensure the efficient processing of planning applications. The audit will cover any adjustments made to processes in response to Covid-19
Legal Services Review	1. To ensure that timely, relevant, and comprehensive legal advice is provided to Council, Members and Officers 2. To ensure that legal issues raised via Ombudsman complaints are conducted on behalf of the Council
Performance Management ⁴	1. To ensure the performance management arrangements are effective

⁴ Audit projects completed by Mazars (audit contractor)

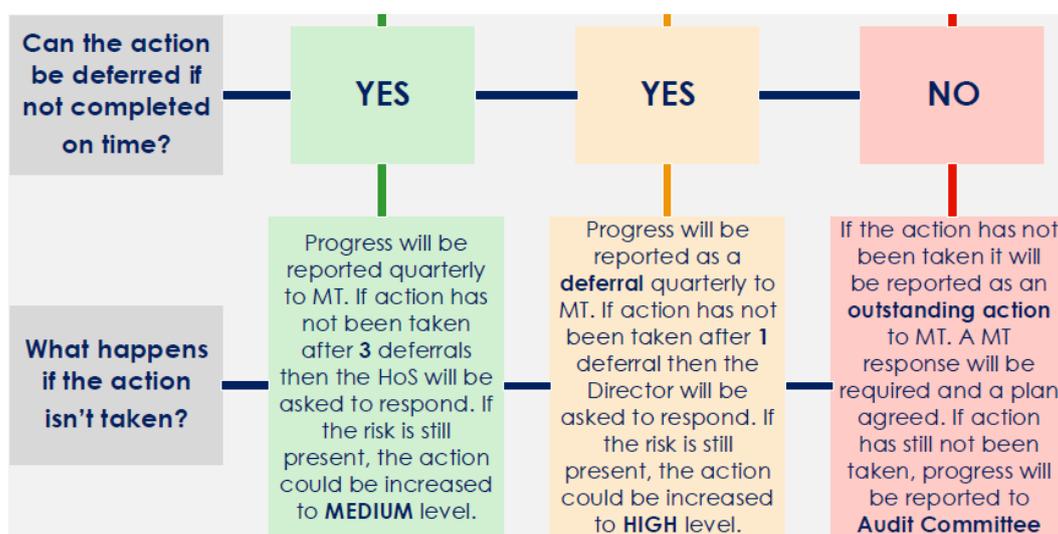
Follow-up of audit actions

We raise actions to address the findings from our audit work. Principally the actions seek to improve the strength of internal controls, to achieve compliance with agreed procedures or to explore opportunities for improvement. Our findings are directly linked to risk and are assessed in terms of priority. We assign different priority levels to each of our findings depending on the severity of the impact, from Low/Medium to High/Critical. These definitions are attached in **Appendix 1**.

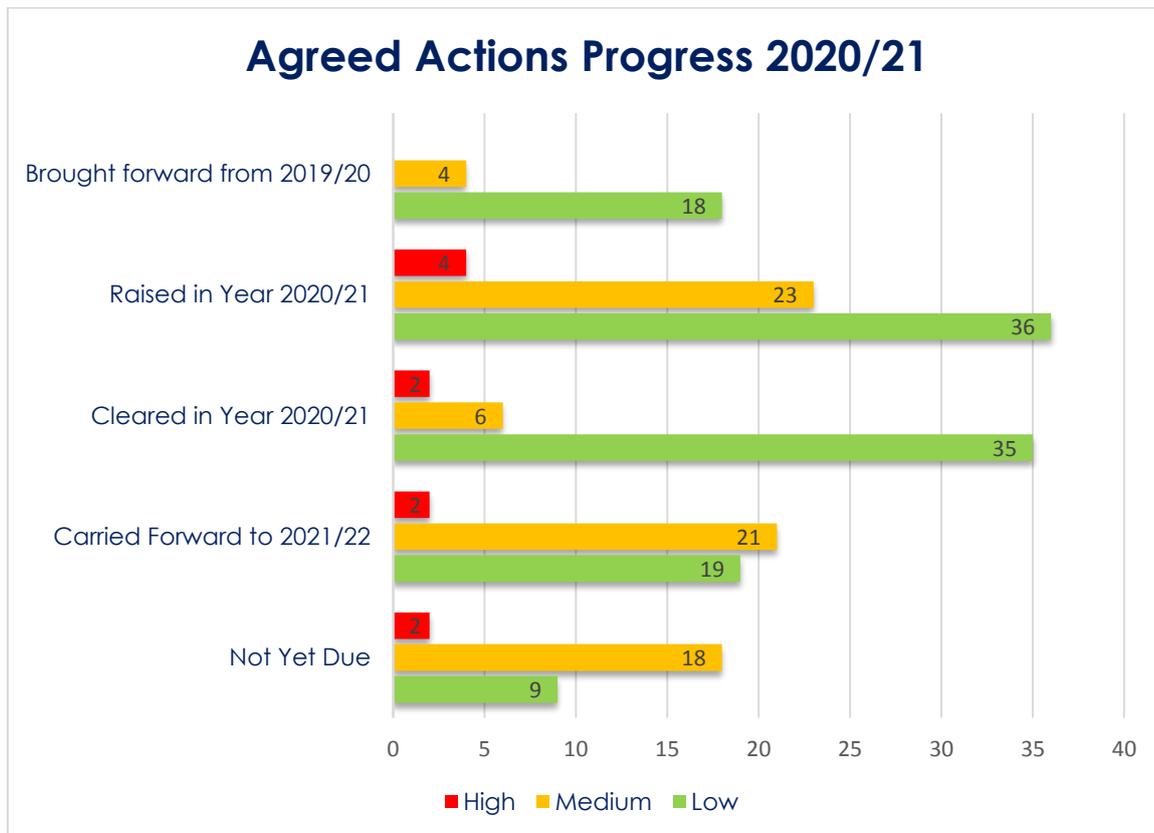
Before we finalise any audit, we discuss the findings with officers and agree the actions they intend to take to address the finding. As part of this process we ask for a *target date* for completion of the action. This date informs the schedule for our follow-up work. The purpose of the follow up is to check if the agreed actions have been taken, and that the intended outcomes or improvements have been achieved. We follow-up all actions and report progress throughout the year, quarterly to Management Team and twice a year to Audit Committee.

We conduct a follow up exercise each quarter and examine all actions falling due over the period. We report progress on implementation to Management Team each quarter, which includes any matters of continuing concern and where we have revisited an assurance rating.

Over the course of 20/21 members of the audit team were redeployed to help with the Pandemic response. As such, we altered our approach and delayed following up actions due at the end of Q1 (30/06/2021) until the beginning of August. This meant we were able to be sensitive to the increased demands being faced across nearly all Council services. We have kept Members up to date with progress, including agreeing a revised approach in November 2020. In designing this process, we consulted with Management Team and the Audit Committee. This revised process, which includes a clearer escalation for outstanding actions will be applied to the Q1 2021/22 follow-up exercise:



We summarise the annual progress below. The chart shows low priority actions in green, medium priority in amber and high priority actions in red. We raised no critical actions over the course of the year. We have not included actions that are raised in draft, only those which feature in our final reports:



Highlights from the graph:

- Of the “brought forward” from 19/20, 18 actions are implemented. 4 actions (2 x Medium, 2 x Low) from the Pre-Application Planning audit remain outstanding. These will be followed up in line with agreed / revised target dates in 21/22.
- 100% of High, 80% of Medium and 70% of Low priority actions raised and due in 20/21 were implemented.

There continues to be a good level of engagement and accountability over the implementation of audit findings and actions. The high percentage of implemented actions demonstrates the positive approach taken by management to address areas of concern and to embrace the findings of internal audit work as a means to protect value, improve the control environment and encourage continuous improvement.

Risk & Governance

The role of internal audit covers **assurance** and **consultancy**. We provide this consultancy in various ways throughout the year, including completing special projects, giving advice, and providing strategic support. The parameters (and safeguards) over these roles are set out in our **Internal Audit Charter**, approved by Audit Committee in [March 2021](#). To facilitate this support, we include a specific allocation of time for the Council to draw on and to commission work from the 'consultancy' days in the audit plan.

In collating the evidence to support the annual opinion we have taken into consideration the assurance we gain by delivering advisory support and through the information / insight gathering we conduct during the year. Some key sources of this assurance are:

Ashford Port Health

We have advised the Officer Steering Group on the management of project risks and project governance. This work has included facilitating and coordinating strategic risk work with project leads and coordinating risk and response strategies. In addition, we have undertaken a project governance health check to ensure adherence to sound project management principles and practices. Our team remains on hand to assist officers as they design and implement new procedures and processes.

Commercialisation

We are a member of the Commercialisation Hub and Steering Group. This advisory role seeks to provide risk, governance and internal control expertise to the various commercial projects being delivered across the Council. As part of this role we have also facilitated and coordinated project risk workshops with lead officers and worked with the steering group to align Commercial Strategy risks to objectives and success measures.

Risk Management

The Council operates an embedded Risk Management Framework at corporate and operational level. Risks are openly reported throughout the year to Management Team and the Audit Committee. Changes to risk exposures and the risk profile are regularly reported, and risks that sit above the tolerance level are actively managed. We have regard to operational and corporate risk management for each audit project and the outcomes of our work feed risk issues into the Framework where appropriate to do so.

Annual Governance Statement (AGS)

The AGS is a key governance document for the Council and for the internal audit service. Our audit plan interfaces with the governance issues raised in the AGS, and the annual audit opinion is referenced as a key source of assurance for the annual assessment of governance.

The **Local Code of Governance** was adopted by the Council in 2016.

The AGS and any related actions are reported throughout the year to Management Team & the Audit Committee.

Quality Assurance

Standard 1300 requires that we maintain a quality assurance and improvement programme (QAIP). There are two key objectives of the programme. First, to document and clarify how we uphold the quality and integrity of our work. Second, to make plain our commitment to self-reflection on reviewing and improving how we plan and deliver our work.



We were able to demonstrate conformance in our External Quality Review earlier in the year. However, our reviewer commented in discussions when concluding the report that we could bring together and summarise our approach in a single document for Members.

The Standards encourage Member engagement with the Programme. As such, we reported our QAIP in full alongside our revised Internal Audit Charter in [March 2021](#).

Throughout 2020/21 we have continued to progress through the QAIP plan and programme of work. This specifically included detailed consultations with Members and Management Team on our assurance ratings and priority levels for audit findings. We will be piloting our new rating across some 21/22 audit projects before wider implementation in time for 2022/23.

Internally, a working group is being led by our Audit Managers to take a refreshed look at how we engage with managers and officers across the Council both before and during the audit process. This working group will also explore opportunities for us to modernise our communication approach, and raise awareness / understanding of our role and responsibilities.

Year	Focus Area	Draft Objectives	Timing
2020/21	Assurance Ratings & Finding Priorities	Clarify the purpose of our use of assurance ratings and findings priorities. Consider whether the current definitions remain fit for that purpose and propose alternatives for consultation with officers and members.	Proposal for consultation by Christmas 2020. Consult and pilot through 2021/22 & introduce 2022.
	Ethics	Fulfil EQA recommendation of improved declarations of interest within the audit team.	Proposal by early 2021 to go live alongside Spring 2021 appraisals.
	Client Liaison	Review our approach to engaging with audit contacts to explain the process and purpose of audit.	Proposal by Spring 2021 to go live when introducing 21/22 plan engagements.

We successfully redesigned and implemented our declarations of interest and conformance with the Code of Ethics processes in early 2021.

Acknowledgements

I would like to thank officers, managers and Members for their continued support as we have undertaken our work. In particular, the Audit Committee whose oversight, assistance and support has enabled us to keep making progress through our programme of work despite the significant challenges that we faced throughout the year.

One final thing...

I would like to also take this opportunity to personally thank our team. The last year has been unprecedented, like all other services, we have needed to work with greater agility, with innovation, and display incredible levels of resilience. I wouldn't be able to draw on the evidence I have to form this opinion without the hard work, dedication, and commitment of the entire Mid Kent Audit team. Thank you!

It is also with great pride that we are able to showcase our hard work and achievements this year through the Institute of Internal Auditors annual Audit and Risk Awards. We have made it through the final stages for the award for **Outstanding Team: Public Sector**. We will find out the results, and if we have won, on the 25 June 2021. However, just to be a finalist in this category is a great achievement, and one that I believe the team truly deserves.



Appendix 1: Assurance & priority definitions

Assurance ratings applied in 2020/21

Full Definition	Short Description
<p>Strong – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. There will also often be elements of good practice or value for money efficiencies which may be instructive to other authorities. Reports with this rating will have few, if any; recommendations and those will generally be priority 4.</p>	<p>Service/system is performing well</p>
<p>Sound – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some priority 3 and 4 recommendations, and occasionally priority 2 recommendations where they do not speak to core elements of the service.</p>	<p>Service/system is operating effectively</p>
<p>Weak – Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly priority 2 and 3 recommendations which will often describe weaknesses with core elements of the service.</p>	<p>Service/system requires support to consistently operate effectively</p>
<p>Poor – Controls within the service are deficient to the extent that the service is exposed to actual failure or significant risk and these failures and risks are likely to affect the Council as a whole. Reports with this rating will have priority 1 and/or a range of priority 2 recommendations which, taken together, will or are preventing from achieving its core objectives.</p>	<p>Service/system is not operating effectively</p>

Priority ratings 2020/21 *(unchanged from 2014/15)*

Priority 1 (Critical) – To address a finding which affects (negatively) the risk rating assigned to a Council strategic risk or seriously impairs its ability to achieve a key priority. Priority 1 recommendations are likely to require immediate remedial action. Priority 1 recommendations also describe actions the authority **must** take without delay.

Priority 2 (High) – To address a finding which impacts a strategic risk or key priority, which makes achievement of the Council's aims more challenging but not necessarily cause severe impediment. This would also normally be the priority assigned to recommendations that address a finding that the Council is in (actual or potential) breach of a legal responsibility, unless the consequences of non-compliance are severe. Priority 2 recommendations are likely to require remedial action at the next available opportunity, or as soon as is practical. Priority 2 recommendations also describe actions the authority **must** take.

Priority 3 (Medium) – To address a finding where the Council is in (actual or potential) breach of its own policy or a less prominent legal responsibility but does not impact directly on a strategic risk or key priority. There will often be mitigating controls that, at least to some extent, limit impact. Priority 3 recommendations are likely to require remedial action within six months to a year. Priority 3 recommendations describe actions the authority **should** take.

Priority 4 (Low) – To address a finding where the Council is in (actual or potential) breach of its own policy but no legal responsibility and where there is trivial, if any, impact on strategic risks or key priorities. There will usually be mitigating controls to limit impact. Priority 4 recommendations are likely to require remedial action within the year. Priority 4 recommendations generally describe actions the authority **could** take.

Advisory – We will include in the report notes drawn from our experience across the partner authorities where the service has opportunities to improve. These will be included for the service to consider and not be subject to formal follow up process.