Internal Audit Progress Report
Audit Committee (28 January 2025)

Pendle Borough Council

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Contents

Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards and conforms with the International Standards for the Professional Practice of Internal Auditing.

1 Introduction

This report provides an update to the Accounts & Audit Committee in respect of progress against the 2024/25 Internal Audit Plan and brings to your attention matters relevant to your responsibilities as members of the Accounts & Audit Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

Comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are available to Committee Members on request. In addition, a consolidated follow up position is reported on a periodic basis to the Audit Committee.

This progress report covers the period 1 November 2024 to 20 January 2025.

2 Key messages for Accounts & Audit Committee

Since the last meeting of the Accounts & Audit Committee, there has been the focus on the following areas:

Audit Reviews
The following reviews have been finalised: • **Colne Municipal Theatre** – assurance rating not applicable • **Performance reporting and data quality** – Substantial assurance • **Complaints & Learning** – Moderate assurance • **Follow up** – see **Appendix D** Refer to **Appendix C** for details of Key Areas and Actions to be delivered. The following review is at draft report stage: • **Homelessness** (management responses received, awaiting executive approval) • **Finance Deep Dive** – meeting with management 27 January to discuss recommendations The following reviews are currently in progress: • **Customer Care** (fieldwork)

- **Risk Management** (fieldwork)

- **IT Critical application (IDOX system)** (fieldwork)

- **Revenue & Benefits** (planning)

- **External audit governance review response** (planning)

Follow up of previous internal audit recommendations

A summary of the current status of follow-up activity is included in Appendix D, however, we would draw the committee's attention to the following:

- Of the 61 recommendations set out in Appendix D, 23 of these are not due for follow up.

- This is leaves 38 recommendations of which 20 have been fully actioned and 18 recommendations which are in progress.

- There are no critical and 6 high priority recommendations outstanding/not yet due:

  o three of these relate to the Information Governance audit and are in progress with a revised date of 31 December 2024 – an update on these recommendations is expected.

  o Two high priority recommendations relating to the staff performance/appraisals review are not due until 31 March 2025.

  o The remaining high recommendation relates to the cyber resilience review which now has a revised date of 31 March 2025.

See **Appendix D** for further details.

Audit Plan Changes

Audit Committee approval will be requested for any amendments to the original plan and highlighted separately below to facilitate the monitoring process.

There are two proposed changes to the audit plan:

- Given the Council has recently had an external review undertaken on Joint Ventures it is felt, by management, that an additional audit on this area would not be of much value at this stage. After consideration of potential further areas for audit, it is proposed that a review of the Council's Emergency Planning arrangements is undertaken.

- A review of the Council's Building Control arrangements was planned; however, the Health & Safety Executive are currently undertaking a review of this area and therefore our audit would be a duplication. In place of this audit, in discussion with management we are proposing to review the Council's Disabled Facilities Grant systems.

The Accounts & Audit Committee are requested to consider the above proposals for approval.

Added Value

Briefings

Our latest briefings/blogs/podcasts are:

- MIAA's Assurance Director, Louise Cobain contributed to HFMA's latest briefing: The value of internal audit | HFMA
- 24/25 MIAA Insight - EU Artificial Intelligence Act and its wider implications

Events

- Social Value – Embedding a culture & practice of social value 6 February 2025, 9.30am– 11.30am.

Appendix A: 2024/25 Contract Performance

The Public Sector Internal Audit Standards (PSIAS) state that '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. Below sets outs the overview of delivery for your Head of Internal Audit Opinion for 24/25:

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Core/Mandated Assurances				
Risk Management	✔	Fieldwork		
Finance Systems Deep Dive		Q4 – Due to commence March 2025		
Revenue & Benefits		Q4 - Planning		
Risk Based Assurances				
Performance Reporting & Data Quality	✔	Final report issued	Substantial	January 2025
External Audit Governance Review Response		Q4 - Planning		
Complaints & Learning	✔	Final report issued	Moderate	January 2025
Customer Care	✔	Fieldwork		
Homelessness	✔	At final report stage – awaiting executive approval	Substantial	

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HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Joint Ventures		Q4 – Proposal to replace with review of Emergency planning		
Building Control		Proposal to replace with review of Disabled Facilities Grant		
Sickness Absence	✓	Final report issued	Substantial	November 2024
IT Critical Application: IDOX System	✓	Fieldwork		
Colne Municipal Theatre review	✓	Final briefing note issued	N/A	January 2025
2023/24 reviews not included in 2023/24 HOIAO				
IT Cyber resilience	✓	Final report issued	Substantial	September 2024
Finance Deep Dives	✓	Draft report issued; meeting arranged for 27 Jan to discuss recommendations		
Revenue and Benefits	✓	Final report issued	Substantial	November 2024
Follow Up				
Qtr 1	N/A	Complete	N/A	July 2024
Qtr 2	N/A	Complete	N/A	September 2024

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HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
Qtr 3	N/A	Complete	N/A	November 2024
Qtr 4	N/A	In progress		January & March 2025

Appendix B: Performance Indicators

The primary measure of your internal auditor's performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Audit Committee	Green	We are on track to be able to provide the Council with a Head of Internal Audit Opinion in line with the required timescales.
Issue a Client Satisfaction Questionnaire following completion of every audit.	Each Audit Assignment	Green	Questionnaire issued with each audit report.
Percentage of recommendations raised which are agreed	Each Audit Committee	Green	Actions agreed by the Council on all recommendations raised.
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 75% qualified staff. The Senior Team delivering the Internal Audit Service to the Council are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. The External Quality Assessment, undertaken by CIPFA, provides assurance of MIAA's compliance with the Public Sector Internal Audit Standards. MIAA conforms with the Public Sector Internal Audit Code of Ethics.

Appendix C: Key Areas from our Work and Actions to be Delivered

Report Title	Colne Municipal Theatre
Executive Sponsor	Director of Resources
Assurance opinion	Not applicable
Objective	A request was received from the Interim Director of Resources in May 2024 to undertake a review of the Colne Municipal Theatre project following a significant overspend being identified on the project. It was agreed that an internal audit review would seek to establish the following: • Whether appropriate processes were followed in the management of the programme. • If there are any lessons that can be learnt and applied to future projects. Limitation of scope – we did not undertake any detailed review or sample testing of the costs associated with the project or invoices to ensure they were appropriate and authorised appropriately. We did not review the LUF quarterly and six-monthly funding returns. We did not review any of the other projects within the Colne LUF programme.
Recommendations	4 recommendations made (not risk rated)
Summary	We made the following recommendations: • Liberata, as project managers, should ensure that all capital projects are monitored and reported in terms of both actual against budgeted costs and forecast spend. Regular meetings should be held between Finance and the Project Manager to ensure that all costs are accounted for. All contract variations should be presented by Liberata to the Council for approval before the works go ahead. The Director of Resources should remind all project managers of their responsibility to report Capital Programme overspends in accordance with Financial Procedure Rules. Reporting should include the reasons why the overspend has occurred and this should be included in reports to Executive.

	• Liberata and the Council should ensure that there is an escalation procedure in place to ensure that any project issues/overspends are highlighted promptly so that rapid action can be taken. • The Council should ensure that for future projects there is adequate consideration of the partnership arrangements in place and that there are adequate resources allocated to deliver and manage this. The arrangement should be set out in a memorandum of understanding so that each party is aware of their roles and responsibilities in respect of the project. • In line with good project management principles Liberata and the Council should undertake a project evaluation and identify lessons learned arising from the LUF capital projects and assess whether it has adequate programme management skills for future schemes. Standard project documentation should be in place for all projects and updated throughout the project duration.
Key Areas Agreed for Action	• Since this issue arose the property team have transferred from Liberata back to the Council, therefore going forward Liberata will no longer be involved in any property related projects. Processes have been implemented to ensure that Finance have a much closer oversight of project finances and have regular meetings with project managers at which any potential project variations will be discussed. Where appropriate these will be reported to Members. The CFO has issued a reminder to all capital project managers of their responsibility under the Financial Procedure Rules. The reason the overspend occurred has been reported to Executive as part of the Colne LUF update report in May 2024 and again as part of the 2024/25 quarterly monitoring report. (Action completed) • Project managers have been reminded of the need to stick to the project brief (and expenditure planned in the original scope) and to seek the appropriate approval if a variation is necessary, an escalation in cost is anticipated or a change in scope is required. (Action completed) • The Council is investigating the introduction of MOU's for future complex projects. • The Council is currently working on putting together a revised suite of project management documents, which will be used for all Projects. (Action by 31 March 2025)
Key Risks Highlighted with No Agreed Action	N/A

Report Title	Performance management & data quality			
Executive Sponsor	Director of Resources			
Assurance opinion	Substantial			
Objective	The overall objective of the review was to provide assurance that systems and processes are in place to accurately report performance against the Council's key performance indicators (KPIs). Scope Limitation: The review focused on the key performance indicators in support of the Corporate plan priorities and not national performance information / department service level indicators.			
Recommendations	0 x Critical	0 x High	1 x Medium	1 x Low
Summary	The review confirmed that the Council has established a performance management framework that enables the production of reliable data for the evaluation and monitoring of service delivery. Following the approval of the Corporate Plan with four Council Priorities, management identified a basket of 27 Key Performance Indicators (KPIs) aligned to the priorities across all services provided by the Council. There are clear procedures and roles and responsibilities for capturing service delivery data, validating the data at service level and recording performance into the Pentana corporate management system from which reports are produced. Through testing it was identified that the Corporate Client & Governance Team has an operational control calendar that ensures that all services have produced their required monthly performance inputs and there are meetings with Partnership Steering Groups for outsourced services to challenge and understand under / over performance for commentary in management reports. Detailed service specific challenge and performance evaluation is undertaken at quarterly Performance Clinics when each Service Head presents their report to Corporate Leadership Team and the Head of Policy & Commissioning. Discussions from this validation of performance data and corporate risk sharing platform informs the quarterly reports to the Executive Committee and Council members. Key findings include:			

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	• For KPI WM15, it was noted that sometimes the date captured by the Waste Management Team was not necessarily the date when the missed bin was collected but the date the officer captured the information on the JADU system which was not entirely correct for measuring the KPI. (**Medium priority)**
	• The Performance Management Framework needs minor updating and ratification. (**Low priority)**
Key Areas Agreed for Action	• The Council has invested in new In-Cab Technology (BarTech) which will provide real-time updates when missed bins have been emptied, thus removing the reliance on manual updates. A rolling programme of testing and releasing the individual elements / modules of the system (e.g. domestic waste, trade waste, street cleanliness) are currently underway and progressing well, with full implementation expected to be complete in January 2025. In the meantime, the Programme Officer - Performance will review the PI Guidance Note for WM 15 with the Operations Manager to ensure a consistent process is in place until BarTech is fully functional, and testing of the reporting functionality is complete. The Programme Officer - Performance will also work with the Operations Manager to ensure the data reported for this year to date (1st April – 30th September 2024) has been accurately recorded. (**Medium priority, action completed)**
	• The Performance Management Framework & Data Quality Strategy has been updated to specify where the document is located and can be found by staff, along with the training provision / requirements / offer for relevant officers. This is being presented to Corporate Leadership Team on 19th November 2024 for approval, with the expectation to then present to the next available Corporate Management Team. The team are also currently exploring options on how the PI Guidance Notes can be made more accessible. The individual guidance is currently made available (in the main) within the 'Guidance' section on PIs in Pentana and are held in Word format by the team. However, this is not wholly accessible to all staff who may need to cover for absences for those with performance responsibilities so alternative arrangements are being considered. . (**Low priority, action completed)**
Key Risks Highlighted with No Agreed Action	N/A

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Report Title	Complaints & Learning			
Executive Sponsor	Director of Resources			
Assurance opinion	Moderate			
Objective	To review the Council's proposed systems and controls to be implemented for handling complaints in a timely manner and ensuring that any learning and improvements in response to complaints is undertaken Scope Limitation: We were only able to review and discuss proposed changes to the Jadu system and the information available to the public on the Council's website as these are currently in progress. Past and current complaints being handled under the processes outlined in the 2015 Complaints Policy and Procedure were not reviewed/ sample tested. The audit considered the processes in place to manage complaints received by the Council and Liberata in relation to services provided. This included complaints relating to the standard of service, actions or lack of actions by the organisation, its staff or those acting on its behalf. Complaints managed by service areas in relation to their statutory duties e.g. environmental health, housing etc were excluded from the scope of this review, unless the complaint was regarding the service provided as a follow up to the statutory duty complaint. Complaints in relation to Councillors conduct were excluded from the scope of this review.			
Recommendations	0 x Critical	0 x High	6 x Medium	4 x Low
Summary	The Local Government and Social Care Ombudsman Complaint Handling Code was published in February 2024 to provide guidance to councils in the development of complaint handling policies and procedures, with the expectation that if a council decides not to follow the Code then it should have a good reason for this. The Council had self-assessed its process for the handling of complaints against the Code and formed a working group to identify required improvements, monitored through an action plan, and to update the policy. The policy was considered at Corporate Management Team (CMT) in August 2024. Our subsequent review of the policy against best practice stated in the Code identified further enhancements including assigning a Member (individual or committee) to be responsible for complaints,			

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reviewing the wording regarding timescales, requiring an annual complaints and service improvement report and defining governance arrangements around this, and setting exclusions.

We noted that the ways in which to raise a complaint, listed in the policy, included only written related options, although the Code requires no restrictions be placed, we have made recommendations around this.

Staff guidance could also be enhanced, particularly in respect of service requests submitted as complaints and we have also suggested some areas of additional opportunity for learning.

At the time of our audit the arrangements for reporting on performance, learning and improvement and the sharing of this had been specified within the policy, but at this stage a reporting template had not yet been created. We noted, however, that performance data in respect of timescales had to be manually adjusted for accuracy and we were informed that there had been inconsistency around this.

In summary the key issues raised were:

- The policy update has removed the ability to make a complaint direct to the Council in person or by telephone. There is no information available to the public on how to obtain support if they are unable to make a complaint in writing, or available to staff in respect of the process to follow where a member of the public tries to make a complaint verbally. The policy and staff guide have also not considered complaints made through social media. The policy does not clarify to whom the response will be made if a complaint is directed through an elected Member or an MP. **(Medium priority)**

- There was some inconsistency in the policy over the management of service requests submitted as complaints and neither the updated policy nor the staff guide outlined the process for closing down a service request received on the online complaints form and redirecting this. **(Medium priority)**

- There is some lack of clarity over timescales for acknowledging and responding to complaints in the policy and staff guide and some inconsistency with the timescales in the Complaint Handling Code. **(Medium priority)**

- There are specific weaknesses in the Jadu system which prevent accurate performance data being calculated and extracted from the system. This has previously been resolved through manual adjustment but with some inconsistent practices. There is no guidance regarding how

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	• performance data will be captured where a complaint covers more than one service area and how this is to be reported. **(Medium priority)**
	• The Code states that all organisations should produce an annual complaints performance and service improvement report. The council currently does not produce an annual report and it is not a requirement within the policy. **(Medium priority)**
	• Contact Centre staff who communicate with members of the public will try to resolve issues immediately. As these issues will not become part of the complaints system and are not formally logged, the Council are unaware of the issues being raised and resolved, which is a missed opportunity for learning. **(Medium priority)**
	• The policy does not define the Member Responsible for Complaints, which section 9 of the Code requires should be an individual or committee assigned lead responsibility for complaints in governance arrangements. **(Low priority)**
	• There are areas in which the staff guide could be enhanced including reference to the policy and Jadu system guidance, incorporating requirements of the Code in respect of record keeping, and setting out some standard wording to be included in communications. **(Low priority)**
	• The Policy does not include any exclusions. The Code suggests setting a time limit of 12 months in which a complaint must be raised, after which the Council does not have to accept the complaint. **(Low priority)**
	• The Code suggests that organisations should seek feedback from individuals in relation to their complaint handling. This is not currently in place. **(Low priority)**
Key Areas Agreed for Action	• Update to the policy and the website to encourage online form but to provide alternative method to complain verbally. Staff Guide to be updated to make it clear how verbal complaints are managed by staff (by completing the online form/JADU) and social media will be managed by Comms team and forwarded onto the relevant Service Area via JADU. Text to a member of staff to be removed from the policy as an option for submitting a complaint. Replies to complaints from the MP/Members will be directed to the MP or appropriate Member. The Member training will make it clear that the Member will be responsible for updating the customer who made the initial

	complaint. Coordination of these complaints will be managed by the Complaints Coordinator in the Business Support Team. . **(Medium priority, action by 31 March 2025)**
	• Update the policy as recommended and work with S Ferguson on updating the automated JADU system at service request link and close of complaint. Add a note on the website to encourage checking of the list of service requests prior to completing the online complaints form. **(Medium priority, action by 31 March 2025)**
	• Update policy and staff guide as recommended and automated acknowledgements. **(Medium priority, action by 31 March 2025)**
	• Update JADU as recommended and review on identifying way of coordinating a response and monitoring the performance for multiple Service Area complaints. . **(Medium priority, action by 31 March 2025)**
	• Update policy and review of other Local Authority reports to develop a report template for annual reporting to the Council's Executive. The Executive ToR will be amended to include responsibility to support a positive complaint handling culture and the receipt of the annual report. . (**Medium priority, action by 31 March 2025)**
	• Work with colleagues to develop a method for logging resolved issues in the Contact Centre and identifying who will manage this log. (**Medium priority, action by 31 March 2025)**
	• As in recommendation 5 above, the Executive will have responsibility to support a positive complaint handling culture. The quarterly performance reports to Executive will include the information as set out in 9.7 of the code. (**Low priority, action by 31 March 2025)**
	• Update Staff Guide to refer to Policy and JADU guidance, including how to attach docs, use of standard wording, how additional complaints raised by the complainant during the stage 1 process should be recorded and on complaints involving a hate incident. (**Low priority, action by 31 March 2025)**
	• Include details on vexatious complaints. Also to add exclusion and the process for the complainant. (**Low priority, action by 31 March 2025)**

	• Look at feedback forms for other LA's and question how these are managed. Possibly the Senior Complaints Coordinator/Comms team. (**Low priority, action by 31 March 2025)**
Key Risks Highlighted with No Agreed Action	N/A

Appendix D: Follow up of previous internal audit recommendations

AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due/ FUIP	C	H	M	L	
Joint Ventures (2021/22)	5	Substantial	3	2	-	-	-	-	2	-	The two outstanding recommendations relate to ensuring there are terms of reference in place for any JV working groups and defining the performance information the Council requires from the JV as well as formalising role of executive officers involved in JV and handling of conflicts of interest. We have requested an update on these recommendations.
Council Tax and NNDR (2022/23)	3	Substantial	2	1	-	-	-	-	1	-	One recommendation is in progress in regard to production of debt write off policy with a revised implementation date of 31/1/25.
Mandatory Training (2023/24)	5	Substantial	-	5	-	-	-	-	5	-	Recommendations not due for follow up – revised dates have been provided again for these recommendations 30 June & 31 July 2025. (Original dates were June/July 2024, then revised to 30 Nov 24 & 31 January 2025). The recommendations are in progress, work has begun to collect information in terms of what training has been provided. Two training systems currently in use, review being undertaken to assess if Sharepoint can be used to record all training.
Budget setting & monitoring (2023/24)	8	Substantial	7	-	-	1	-	-	1	-	The outstanding recommendation is regarding the update of the Financial Procedure Rules to include a procedure for virements in excess of £100,000. This is to be discussed with the Director of Resources in January 2025. Revised date 31 January 2025 (original implementation date was 30 September 2024)
Third Party Suppliers – Liberata (2023/24)	4	Substantial	3	1	-	-	-	-	1	-	Outstanding recommendation is in progress with revised implementation dates of 31 March 2025. (Original implementation date 31 August 2024) The outstanding recommendation relates to development of Customer Contact Strategy & Digital Strategy.

AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due/ FUIP	C	H	M	L	
Information Governance (2023/24)	5	Limited	-	5	-	-	-	3	2	-	Recommendations in progress. Revised dates of 31 December 2024 (original implementation date 31 August 2024). The high priority recommendations relate to review of Council's IG resources, identifying IG training needs, ensuring there is a Record of Processing Activity including policy, ensuring all information assets are recorded in an Information Asset Register with IAO and IAA identified and ensuring that any contracts with suppliers which have an IG implication or provide support to IT systems that process council data are identified and that the contracts include the relevant IG clauses and a DPIA is undertaken. We have requested an update on the status of these recommendations.
Staff performance /Appraisals (20234/24)	6	Limited	-	-	-	6	-	2	4	-	Recommendations not due for follow up until 31 March 2025. The two high priority recommendations relate to review of the performance review process and ensuring this is followed by managers and putting in place a monitoring system to follow up any non-compliance.
IT Cyber Resilience (2023/24)	2	Substantial	-	-	-	2	-	1	1	-	Revised dates for implementation have been provided of 31 March 2025 (original dates were 30 November 2024). The high priority recommendation relates to putting in place a Council back up policy, review of Recovery Point Objectives and Recovery Time Objectives and ensuring completion of full back up restore test.
Council tax & NNDR (2024/25)	4	Substantial	1	-	-	3	-	-	1	2	Recommendations not due for follow up. Implementation date 31 March 2025.
Sickness absence (2024/25)	3	Substantial	1	2	-	-	-	-	2	-	One recommendation completed. Two recommendations in progress, revised dates 31 January 2025 (was 30 November 2024)
Performance reporting & data quality (2024/25)	2	Substantial	2	-	-	-	-	-	-	-	All recommendations actioned.
Colne Municipal	4	N/A	1	2	-	1	-	-	-	-	Follow up in progress for two recommendations. One recommendation not due.

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AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due/ FUIP	C	H	M	L	
Theatre (2024/25)											
Complaints & Learning	10	Moderate	-	-	-	10	-	-	6	4	Follow up not due.
Totals	**61**	**-**	**20**	**18**	**-**	**23**	**-**	**6**	**28**	**6**	**Plus 3 recommendations not risk rated**

Key to recommendations:

✓/S   Implemented or Superseded
P   Partially implemented/recommendation in progress
X   Recommendation not implemented
ND/FUIP   Not due for follow up

C   Critical priority recommendation
H   High priority recommendation
M   Medium priority recommendation
L   Low priority recommendation

Appendix E: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: • the efficient and effective use of resources • the safeguarding of assets • the preparation of reliable financial and operational information • compliance with laws and regulations.
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: • has a low impact on the achievement of the key system, function or process objectives; • has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

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Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

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