

# **BRENTWOOD BOROUGH COUNCIL INTERNAL AUDIT PROGRESS REPORT**

**Presented to the Audit and Scrutiny Committee January 2020**

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# SUMMARY OF 2019/20 WORK

## Purpose of Report

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2019/20 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised.

Our work complies with Public Sector Internal Audit Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

## Internal Audit Methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report, and are based on us giving either "substantial", "moderate", "limited" or "no". The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

For audits with a substantial or moderate assurance opinions, the executive summaries from the final report are included in the Internal Audit Progress Report. For audits with a limited or no assurance opinion, the full report will be included with the papers.

## Internal Audit Plan

The following reports have been finalised since the last meeting of the Audit and Scrutiny Committee, and the executive summaries are included in this report:

- Housing benefits
- General Data Protection Regulations (GDPR) Operational
- Leisure Services

We are in the process of completing our work on the following audit, which will be reported at the Audit and Scrutiny Committee meeting on 3 March 2020:

- Treasury Management

We are also in the process of arranging risk management training and our counter fraud awareness work.

## Changes to the 2019/20 Plan

We agreed changes to the timings of the three audits below:

- Human Resources Recruitment - moved from Q1 to Q2 (to take account of key contact annual leave absence) - now complete
- Leisure Services - moved from Q1 to Q2 (planning completed in Q1, key fieldwork carried out in Q3) - now complete
- Corporate Plan - moved from Q2 to Q4 (to allow for corporate plan process to be completed)
- Financial planning & Monitoring - moved from Q3 to Q4 (to allow the audit to focus on the most recent round of budget setting).

We have also moved the risk management training planned for Q1 to Q4, to coincide with our audit of risk management to be carried out in Q4.

# REVIEW OF 2019/20 WORK

Audit	Lead	Due Date	Planning	Fieldwork	Reporting	Design	Effectiveness	
Risk Management and Governance Arrangements	Sue White	Q4 Mar 2020						
Risk Management Training	Sue White	Q4 Mar 2020	✓					
Main Financial Systems	Jacqueline Vanmellaerts Phoebe Barnes	Q4 Mar 2020						
Financial Planning and Monitoring	Phoebe Barnes	Q4 Mar 2020	✓					
Treasury Management	Alistair Greer	Q3 Dec 2019	✓	✓				
Housing Benefits	Robert Manser	Q2 Sept 2019	✓	✓	✓ Final	 		
Human Resources Recruitment	Jacqui Vanmellaerts Angela Hogg	Q1/Q2 Sept 2019	✓	✓	✓ Final	 		
Corporate Plan	Steve Summers	Q4 Mar 2020						
General Data Protection Regulations	Christopher Leslie Paula Harvey	Q3 Sept 2019	✓	✓	✓ Final	 		
Counter fraud	Victoria Banerji	Q1-Q4 Mar 2020	✓					
Housing Repairs and Maintenance	Angela Abbott Nicola Marsh	Q4 March 2010						
Trade Waste	Greg Campbell Darren Laver	Q2 Sept 2019	✓	✓	✓ Final	 		
Leisure Services	Kim Anderson	Q2/Q3 Dec 2019	✓	✓	✓ Final	 		
Food Safety	Gavin Dennett Gareth Olive	Q2 Sept 2019	✓	✓	✓ Final	 		
Follow Up	Jacqueline Van Mellaerts	Ongoing	-----Separate follow up report-----					

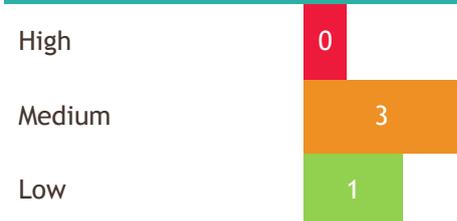
# EXECUTIVE SUMMARY – HOUSING BENEFITS (2019/20)

## EXECUTIVE SUMMARY

### LEVEL OF ASSURANCE:

Design	Moderate	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.
Effectiveness	Moderate	Evidence of non compliance with some controls that may put some of the system objectives at risk.

### SUMMARY OF RECOMMENDATIONS:



TOTAL NUMBER OF RECOMMENDATIONS: 4

### BACKGROUND:

In early 2015, the Council approved the formation of a shared service with Basildon Borough Council ('Basildon') for the provision of its Revenues and Benefits service. In January 2016, the Council aligned its revenues and benefits system and software with Basildon's by transitioning from the Northgate system to the Civica OPENRevenues system, and in December 2016 the service transferred to Basildon's premises.

The Revenues and Benefits service was subject to an internal audit review in 2016/17, which considered the transfer of data and the resulting impact on housing benefit subsidy, the arrangements for relocation of the service, and the transfer of data between Brentwood and Basildon councils. The review concluded with assurance levels of 'Limited' for both the design and effectiveness of the arrangements, as it was found that there had been insufficient governance and planning for key phases of the shared service implementation.

The Revenues and Benefits service was subject to a further internal audit review in 2017/18, which focussed on following up the performance and operation of the shared service arrangement for delivering housing benefits, covering key controls around the processes in place for housing benefit payments. The audit concluded with 'Moderate' assurance levels for both the design and the effectiveness of the housing benefit shared services systems, reflecting that the arrangements had improved since their introduction and the previous internal audit review. Areas identified for further improvement included manual checks on benefit claim processing and amendments and reconciliations of benefit payments to the ledger.

Our audit of main financial systems in 2018/19 included review of a sample of the revenue and benefit control account reconciliations and it was found that one of them was not completed on a timely basis. We will follow up separately on recommendations arising from that review and therefore reconciliations have not been covered as part of our housing benefits audit in 2019/20.

## GOOD PRACTICE:

- Application forms for new claims and supporting documentation are retained on the Civica system.
- Claimant details are being entered accurately into Civica.
- Amendments to claimant details are actioned by staff with appropriate authority.
- Regular checks are carried out on claim processing and amendments.

## KEY FINDINGS:

- New applications and amendments are not always processed and actioned on a timely basis, e.g. 11 out of 25 amendments sampled were not processed within the target of 12 working days.
- Housing benefit payments for claimants receiving Universal Credit are not being suspended and/or cancelled in a timely manner (e.g. in 23 out of 25 cases housing benefit was not cancelled within two weeks) and MPG1 forms were not evidenced as sent to the Department for Work and Pensions (DWP), to notify DWP of the overpayment or confirm no overpayment.
- Overpayment invoices are not always raised and issued in a timely manner and there were examples of insufficient debt recovery action being taken, e.g. in two cases no recovery action was taken in a four month period due to staff absence.

## CONCLUSION:

We have concluded a moderate opinion on the control design and operational effectiveness. Key controls are in place to address risks faced by the service, including managing new claims and amendments. Target timeframes for processing new applications and amendments are in place and are being achieved on average across all new claims or changes in circumstances. However, the control framework needs to be strengthened by ensuring that all new claims and amendments are processed in a timely manner, that housing benefit claims are cancelled more promptly following notification of Universal Credit, and that more timely debt recovery actions are undertaken in respect of overpayments.

## MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p>a) New applications should be processed within the target of 21 days set by the Housing Benefits shared service, or reasons for delays should be recorded in Civica.</p> <p>b) The report of outstanding new claims generated from Civica should be regularly monitored to ensure that action is prioritised for all outstanding claims above the target.</p>	Medium	<p>a) New claims are now under target at 17 days.</p> <p>b) Senior Officers regularly check Civica Open Exec performance management system to monitor pending new claims. If there are any claims due to exceed our day process, an email is sent to the assessor to follow up in order to ensure a decision is made.</p> <p>c) Changes in circumstances are now under target of 11 days.</p> <p>d) Weekly stats are completed to monitor the outstanding work load for changes in circumstances and new claims. Senior Officers</p>	<p>Kayleigh Patch (Senior Billing and Benefits Officer - Basildon Council); Lee Whitmore &amp; Marie Warner</p> <p>7 October 2019</p>

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p>c) Amendments should be processed within the target of 12 days set by the Housing Benefits shared service, or reasons for delays should be recorded in Civica.</p> <p>d) The Housing Benefits shared service should determine whether there are any reports that can be used to monitor outstanding changes in circumstances and a process set up for monitoring these.</p>		<p>also review the number of days to process for change in circumstances on our performance management system, Open Exec and identify any claims which exceed the number of days target.</p> <p><i>Internal audit supplementary comment: Whilst the targets for average number of days are being achieved, exceptions were identified in the audit sample of individual new claims and changes in circumstances, therefore we will follow up on these recommendations through sample testing during our audit of the key financial systems in quarter 4 of 2019/20.</i></p>	
<p>a) All claims receiving Universal Credit Payments should be suspended within a week from the Universal Credit payment notification, per best practice.</p> <p>b) Housing benefit payments should be cancelled within a reasonable period of time of suspension.</p> <p>c) Staff should be provided with training to ensure timely cancellation of the housing benefit claims.</p> <p>d) Periodic sample checking should be carried out to ensure compliance.</p> <p>e) MPG1 forms should be submitted to DWP as soon as the housing benefit claim is cancelled.</p>	Medium	<p>a) Universal Credit files from the DWP's Datahub are downloaded on a regular basis and payments are suspended to avoid overpayments.</p> <p>b) Work is allocated to the Civica urgent work queue for the claim to be cancelled in a timely manner.</p> <p>c) An email has been sent to all staff to ensure the correct procedures are being carried out when cancelling a claim following Universal Credit decision and staff have been provided with a training process map.</p> <p>d) This is being monitored.</p> <p>e) Going forward, DWP MPG1 forms are being completed and imported onto the claim as documentary evidence.</p> <p><i>Internal audit supplementary comment: Whilst we have now seen evidence of the e mail sent to all staff to ensure that the correct procedures are carried out going forward, we will follow up on whether these are being applied in practice through sample testing during our audit of the key financial systems in quarter 4 of 2019/20.</i></p>	<p>Kayleigh Patch (Senior Billing and Benefits Officer - Basildon Council) 7 October 2019</p>

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<p>Debt recovery actions should be undertaken on a timely basis to ensure recovery of the due debt and avoid any potential financial loss. Cases with due debt should be monitored regularly and in case of staff absences, it should be assigned to another officer to ensure timely action.</p>	<p>Medium</p>	<p>A monthly report is created by the Senior Recovery Officer in Civica at the end of each month to highlight claims and to regularly monitor overpayments which have no recovery action, ongoing recovery action and no ongoing benefit for recovery. Work items are created by the Recovery Officers and passed to a Billing and Benefits Officer to manage the overpayment adjustments accordingly and in a timely manner. This process will avoid any potential financial loss for the Council</p> <p><i>Internal audit supplementary comment: As exceptions were identified in the audit, we will follow up on this action through sample testing during our audit of the key financial systems in quarter 4 of 2019/20.</i></p>	<p>Mandy Major (Senior Revenue Officer - Revenues and Benefits - Basildon Council)</p> <p>1 September 2019</p>

# EXECUTIVE SUMMARY – GDPR OPERATIONAL (2019/20)

## EXECUTIVE SUMMARY

### LEVEL OF ASSURANCE:

Design	Substantial	There is a sound system of internal control designed to achieve system objectives.
Effectiveness	Substantial	The controls that are in place are being consistently applied.

### SUMMARY OF RECOMMENDATIONS:

High	0
Medium	0
Low	0

TOTAL NUMBER OF RECOMMENDATIONS: 0

### BACKGROUND:

In May 2018, the General Data Protection Regulation (the GDPR) replaced the Data Protection Act 1998 (the DPA) as the regulation governing the protection of personal identifiable information in the UK. The implementation of GDPR represents the most significant change to the regulations governing the processing of personal identifiable information since the Data Protection Act 1998. As well as articulating the rights of the data subject, GDPR imposes a number of requirements and constraints on organisations that process personal information.

The penalties for being in breach of the GDPR are greater than those that could be levied under the DPA. As well as the ability to impose financial penalties, the Information Commissioner's Office (ICO) can restrict or prevent an organisation from processing personal identifiable information. These penalties would result in significant financial or reputational damage and could stop the Council from operating.

The Council's Information Governance Group, which includes the members from the shared service between Bentwood Borough Council and Thurrock Borough Council, is co-ordinating the delivery of the works necessary to ensure that the Council complies with the requirements of the GDPR.

The purpose of our review was to provide assurance that arrangements are in place to allow all service areas to comply with GDPR, that these are applied in practice and that sufficient training has been completed by all officers.

### GOOD PRACTICE:

- A GDPR eLearning management system has been deployed to provide mandatory GDPR training and awareness for all members of staff and it is also a part of the new employee induction programme. We found that as of November 2019, 100% of the members of staff have completed the level 1 and level 2 Information Governance training.
- The Council has embedded an Information Asset Register that records: the personal and protected data held by the Council, legal reason for processing that data where

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appropriate, security controls that are in place for every data asset, retention schedule and procedures for each of the information assets it holds. The Information Asset register is a live document and is subject to formal annual review by the Information Governance Group.

- The Subject Access Requests procedure document is in place and we observed that all the subject access requests in 2019 were responded to within the 30 days deadline as per the GDPR requirements.
- The Council has mandated the requirement for data privacy impact assessments to be performed and has introduced a Data Protection assessment form and procedures that are used for projects which require the collection and / or use of personal data. We reviewed four Data Protection assessments that were performed in 2019 and were satisfied with the appropriateness and completeness.
- The Council has appropriate arrangements in place to log and manage data breaches in accordance with the law. There have not been any data breaches that have been required to be reported to the ICO in the year.
- The Information Asset Register records all the third parties with which personal identifiable information is held and the contractors have been provided with updated terms on sharing arrangements with regards to GDPR.

#### KEY FINDINGS:

There are no key findings identified in this audit.

#### CONCLUSION:

We found that the Council has implemented all the recommendations from the previous GDPR audit and has taken all the necessary actions to establish GDPR compliance. Consequently, we have concluded a substantial assurance over the design and operational effectiveness of the controls in place.

# EXECUTIVE SUMMARY – LEISURE SERVICES (2019/20)

## EXECUTIVE SUMMARY

### LEVEL OF ASSURANCE:

Design	Moderate
Effectiveness	Substantial

### SUMMARY OF RECOMMENDATIONS:

High	0
Medium	2
Low	1

### TOTAL NUMBER OF RECOMMENDATIONS: 2

### BACKGROUND:

In September 2018 the Policy, Projects and Resources Committee approved a new Leisure Strategy. This is one of Brentwood Borough Council’s key strategies and is closely aligned to the Council’s Corporate Plan 2016-19, the Local Development Plan, the Asset Management Strategy and the Brentwood Health and Wellbeing Board Strategy. It supports government, county and local priorities for improving the health and wellbeing of the population.

The key challenges for the Council are that it needs to reduce its expenditure on leisure services, it has a number of ageing leisure facilities, and the borough age profile is changing, with the number of people over 65 expected to increase by around a third. Increasing participation in sport and physical activity is key to supporting the health and wellbeing priorities. The Council commissioned a number of key assessments of its leisure facilities, which highlighted the improvements that are required to ensure that the Council has sustainable and fit for purpose leisure facilities. The strategy has been split into the following six key priorities, supported by work streams and action plans:

**Leadership, management, oversight** - The Council needs to ensure that there is the right management and governance in place for the Leisure Strategy to be successfully delivered.

**Built facilities** - The Council needs to ensure that its built facilities are fit for purpose, target its allocated funding appropriately, and ensure that running costs are kept to a minimum. This includes:

- Various options for the capital development of the Brentwood Centre, such as refurbishment versus full rebuild, as well as alternative management options when the lease to the Brentwood Leisure Trust expires in 2034
- Re-tendering the management of the six community halls, which are currently managed by the Brentwood Leisure Trust.

A business plan was presented to the Policy, Resources and Economic Development (PRED) Committee on 10 July 2019 in respect of capital development of the King George’s playing fields with a leisure development partner, subject to obtaining planning permission.

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**Open spaces** - The Council is considering transferring football facilities from King George's playing fields to the Brentwood Centre. This was dependent on the business plan being agreed at the PRED Committee on 10 July 2019 and would need planning permission and a decision about the future operating model. The PRED Committee referred the issue to the Extraordinary Council meeting on 30 July 2019, at which it was agreed.

**Play areas** - The strategy is to ensure that all residents have good and free access to high-quality play areas, possibly as a hub and spoke with significant play areas maintained in key locations across the borough. The Council is finalising the tender documentation for a single procurement exercise for the capital development of seven play area sites.

**Sport** - The Council recognises the importance of working with the community to develop new sporting opportunities. The strategy is to continue to work with local clubs and partners to identify funding to improve facilities and encourage increased sport and physical activity in the borough.

**Health and wellbeing** - The Brentwood Health and Wellbeing Board is working to create healthy places through new developments. This includes planning for the development of outdoor gyms in parks, to be rolled out at the same time as the parks works, but through a separate procurement exercise.

#### GOOD PRACTICE:

We identified the following good practice areas from our fieldwork:

- A comprehensive update on progress made against the key actions within the Leisure Strategy was reported to the Community and Health Committee in September 2019.
- A report setting out the requirements to commence works on a feasibility study for the Brentwood Centre building, which will inform the overall master planning for the Brentwood Centre site, was presented to the PRED Committee in September 2019.
- External and internal condition surveys have been completed for the six community halls and a contractor appointed to carry out the works, with internal capital funding set aside in the Council's 2019/20 budget.
- The Council carried out soft market testing for the management of the community halls before deciding to put it out to tender. Officers plan to report the outcome of the procurement exercise to the PRED Committee in June 2020.
- The Council has an agreement with Alliance Leisure Services under the UK Leisure Framework for development of the King George's Park Scheme to the stage of cost confidence and planning application preparation, including business planning, design and risk mitigation.
- A business plan for the development of the King George's playing fields was presented to the PRED Committee and Extraordinary Council in July 2019 and included a detailed analysis of various options to support the agreement to draw down allocated funding.
- The proposal to transfer football facilities from King George's playing fields to the Brentwood Centre was included in this business plan and was approved by Extraordinary Council in July 2019.
- Overall, we are satisfied that there is evidence of robust options appraisals, assessments and feasibility studies to support informed decision making by members with regards to the Leisure Strategy.

## KEY FINDINGS:

We identified the following areas where the control framework needs to be strengthened:

- Arrangements to monitor the implementation of the Leisure Strategy more frequently than once a year, such as on a quarterly basis, are not in place (Medium).
- A contract between the Council and BLT is not in place for the management of six community halls beyond 1 May 2019 (Medium).
- Formal minutes are not maintained for every partnership performance meeting between the Council and BLT (Low).

## CONCLUSION:

Overall, we provide moderate assurance on design and substantial assurance on effectiveness of the key controls. In the main the control framework in place for the implementation of Leisure Strategy is operationally effective, but management need to address the areas of risk identified from this review to ensure that it is suitably designed in all areas. We have raised two medium and one low level recommendations.

## MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
Progress towards implementation of the Leisure Strategy should be monitored and reported more frequently (such as on a quarterly basis) so that potential issues can be discussed and resolved on a timely basis.	Medium	Regular updates will be reported to the Community and Health Committee (4 meetings a year) either by separate reports or a part of the Chair's update report.	Kim Anderson, (Partnership, Leisure and Funding Manager) 31 January 2020
The agreement between the Council and BLT for the management of six community halls should be renewed and signed off to formalise the situation until such time as a new partner is appointed in the procurement exercise.	Medium	A new management agreement is in place with BLT up until June 2020. The Council was awaiting details of the programme for the external and internal works for the halls to be clarified before launching a halls procurement exercise to determine the future management of the Halls. This will go live in January 2020.	Kim Anderson, (Partnership, Leisure and Funding Manager) 30 November 2019

# KEY PERFORMANCE INDICATORS 2019/20

Quality Assurance as per the Internal Audit Charter	KPI Results	RAG Rating
1. Annual Audit Plan delivered in line with timetable.	Four audits have been deferred, as detailed on page 4.	
2. Actual days are in accordance with Annual Audit Plan.	To date this KPI has been met.	
3. Customer satisfaction reports - overall score at least 70% for surveys issued at the end of each audit.	One survey response relating to 2019/20 received, which scored 100%.	
4. Annual survey to Audit Committee to achieve score of at least 70%.	Survey to be issued in June 2020.	
5. At least 60% input from qualified staff.	To date this KPI has been met.	
6. Issue of draft report within 3 weeks of fieldwork 'closing' meeting.	To date this KPI has been missed by a few days for 2 out of 6 audits (see table below).	
7. Finalise internal audit report 1 week after management responses to report are received.	To date this KPI has been met.	
8. Positive result from any external review.	No external audit reviews have been carried out to date.	
9. Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt.	To date the KPI regarding Council agreement of the terms of reference has been missed by a few days for 4 out of 7 audits (see table below). To date the KPI regarding draft report has been missed for 4 out of 6 audits (see table below).	
10. Audit sponsor to implement audit recommendations within the agreed timeframe.	Of the 8 high and medium recommendations raised in respect of 2019/20 audits to date, 2 are in progress and 6 are not yet due.	
11. Internal audit to confirm to each meeting of the Audit and Scrutiny Committee whether appropriate co-operation has been provided by management and staff.	We can confirm that for the audit work undertaken to date, management and staff have supported our work and their co-operation has enabled us to carry out our work in line with the terms of reference through access to records, systems and staff as necessary.	

**AUDIT TIMETABLE DETAILS (2019/20 AUDITS)**

<b>Audit</b>	<b>Draft TOR issued</b>	<b>Management response to TOR received</b>	<b>Closing meeting</b>	<b>Draft report issued</b>	<b>Management response to draft report received</b>	<b>Final report issued</b>
HR recruitment	8/7/19	9/7/19 (KPI 9 met)	25/7/19	8/8/19 (KPI 6 met)	13/9/19 (KPI 9 not met by 22 days)	19/9/19 (KPI 7 met)
Leisure services	25/6/19	3/7/19 (KPI 6 not met by 1 day)	26/9/2019 Follow up meeting on 20/11/19	17/12/19 (KPI 6 not met by 6 days)	13/1/20 (KPI 9 not met by 26 days, mainly due to holidays)	13/1/20 (KPI 7 met)
Housing benefits	31/7/19	2/8/19 (KPI 9 met)	28/8/19	19/9/19 (KPI 6 not met by 1 day)	7/10/19 and revised on 30/10/19 (KPI 9 not met by 4 days)	30/10/19 (KPI 7 met)
Trade waste	5/8/19	8/8/19 (KPI 9 met)	28/8/19	12/9/19 (KPI 6 met)	23/9/19 (KPI 9 met)	24/9/19 (KPI 7 met)
Food safety	8/8/19	16/8/19 (KPI 9 not met by 1 day)	4/9/19	17/9/19 (KPI 6 met)	23/9/19 (KPI 9 met)	23/9/19 (KPI 7 met)
GDPR	10/10/19	22/11/19 (KPI 9 not met)	9/12/19	13/12/19 (KPI 6 met)	8/1/20 (KPI 9 not met by 12 days, over holiday period)	8/1/20 (KPI 7 met)
Treasury Management	4/11/19	12/11/19 (KPI 9 not met by 2 days)				

**KEY FOR RAG RATING:**

-  = met target
-  = not met target
-  = partly met target
-  = not applicable

# APPENDIX I

## OPINION SIGNIFICANCE DEFINITION

Level of Assurance	Design Opinion	Findings from review	Effectiveness Opinion	Findings from review
<b>Substantial</b> 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
<b>Moderate</b> 	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
<b>Limited</b> 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
<b>No</b> 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.



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The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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