INTERNAL AUDIT PROGRESS REPORT

Brentwood Borough Council

2023/2024

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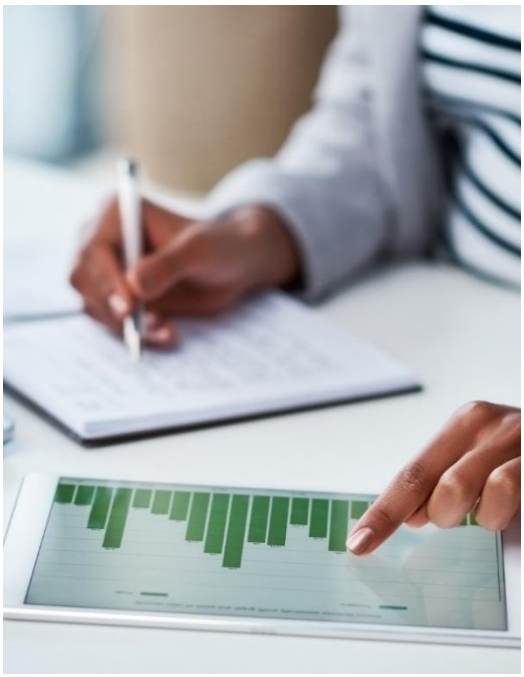
CONTENTS

SUMMARY OF 2023/24 WORK 2
REVIEW OF 2023/24 WORK 3
RISK MANAGEMENT 4
COMMUNICATIONS AND INFORMATION SHARING 7
KEY PERFORMANCE INDICATORS 12
APPENDIX 1 14

SUMMARY OF 2023/24 WORK

INTERNAL AUDIT

This report is intended to inform the Audit and Scrutiny Committee of progress made against the 2023/24 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.

2023/24 INTERNAL AUDIT PLAN

Since the last Audit and Scrutiny Committee we have completed a further two audits from the 2023/24 audit plan and present the final report:

- Risk Management
- Communications and Information Sharing.

Fieldwork is currently progressing in respect of the following audits:

- Workforce Strategy
- Estates Management (Corporate)
- Development Partnerships
- Data Protection
- Asset Management.

The remaining audits for Financial Planning and Monitoring, Main financial Systems and Disaster Recovery and Business Continuity have been planned and we anticipate presenting these reports at future Audit and Scrutiny Committee meetings.

REVIEW OF 2023/24 WORK

AUDIT	EXEC LEAD	A&SC	PLANNING	FIELD WORK	REPORTING	DESIGN	EFFECTIVE -NESS
Car Parking	Director of Assets & Investments	Sept 2023			✓	M	M
Tree Management	Director of Environment	Sept 2023			✓	L	L
Waste Management	Director of Environment	Nov 2023			✓	L	L
Risk Management	Interim Director of Resources	Jan 2024			✓	M	M
Communications and Information Sharing	Director of Policy & Delivery	Jan 2024			✓	M	M
Workforce Strategy	Joint Acting Director of People & Governance	Mar 2024		✓			
Estates Management (Corporate)	Director of Assets & Investments	Mar 2024		✓			
Data Protection (c/fwd from 2022/23)	Director of Customer & Data Insight	Mar 2024		✓			
Assets Management	Director of Assets & Investments	Mar 2024		✓			
Development Partnerships	Interim Director of Resources	Mar 2024		✓			
Disaster Recovery and Business Continuity	Interim Director of Resources	July 2024	✓				
Main Financial Systems	Interim Director of Resources	July 2024	✓				
Financial Planning and Monitoring	Interim Director of Resources	July 2024	✓				

RISK MANAGEMENT

Design Opinion	M Moderate	Design Effectiveness	M Moderate
Recommendations	0	3	0

SCOPE

BACKGROUND

- CIPFA's Good Governance Standard for Public Service states risk management is important to the successful delivery of public services.
- Councils face a wide range of strategic, operational and financial risks, from both internal and external factors, which may prevent them from achieving their objectives. Risk management is a planned and systematic approach to identifying, evaluating and responding to risks and providing assurance that responses are effective.
- A risk management system should consider the full range of a Council's activities and responsibilities, and continuously check that various good management disciplines are in place.
- A risk management system also supports the Annual Governance Statement. Appropriate responses to risk will include implementing internal controls, insuring against the risk, terminating the activity that is causing the risk, modifying the risk or, in some circumstances, accepting the risk.
- The Council has a joint Risk Management Strategy with Rochford District Council, which provides a framework for a standardised approach across both partners and includes a risk appetite statement and risk tolerance levels that define the frequency of review required for different levels of risk.
- The Audit and Scrutiny Committee is charged with monitoring the effective development and operation of risk management and corporate governance in the Council and reviews the strategic and high-level operational risks on a quarterly basis.
- The Council's arrangements for risk management were last audited in June 2021, which resulted in a Substantial rating in respect of the design of processes and a Moderate rating in respect of the operational effectiveness of controls.

PURPOSE

The purpose of the audit was to review risk management and governance arrangements against the Council's risk management strategy and ensure that the Council is operating reasonably against the CIPFA Good Governance Code.

AREAS REVIEWED

- We checked whether the Risk Management Strategy 2022 is regularly reviewed by comparing the 2022 and 2020 documents. We viewed the intranet to determine whether the strategy is easily available to all officers and considered whether risk management responsibilities are clearly outlined within the Strategy.
- We reviewed the risk management training provision by Zurich to understand what would be provided with regards to risk management, including workshop sessions for the identification of new emerging risks.
- We selected a sample of five risks with scores rated high or above from each of the strategic risk register and the operational risk register, to verify whether risks have been assigned appropriate owners, and whether there is sufficient documentation on the cause, risk and consequence of each risk.
- For the sample of risks tested we also assessed whether there is satisfactory mapping of controls to mitigate risks, whether there is adequate documentation of action taken in response to high risks.
- Through review of the strategic and operational risk registers and discussions with the Risk and Insurance (R&I) Officer we determined whether risks are being regularly updated and reviewed in accordance with the risk tolerance timescales in the Council's Risk Management Strategy.

- We confirmed whether there is regular reporting of risks to the Audit and Scrutiny Committee.

AREAS OF STRENGTH

- Biennial reviews of the Risk Management Strategy are undertaken and the report is updated where necessary. The strategy and guidance are easily accessible to all officers via the SharePoint site.
- There is effective reporting of risk, with key risks being reported to those charged with governance in the Audit and Scrutiny Committee meetings. The reports update members of the Committee on the status of the Council's annual Strategic Risk Register and high-level operational risks, including high risk areas and changes in ratings.
- The R&I Officer sends timely reminders to risk owners to update both the Strategic and Operational Risk Register, to ensure that registers are appropriately updated for Audit and Scrutiny Committee reports. These emails also contain additional information on how best to present the risks, how to evaluate controls, treatments/actions and risk scores. Guides are attached to several reminder emails, to ensure that risk owners have all the relevant information needed to update risk registers correctly and effectively.
- The roles and responsibilities for risk management are clear and risk owners are appropriately assigned in both the strategic and operational risk registers.
- Our testing of a sample of 10 risks found that all were adequately articulated in the risk registers, resulting in a good assessment of the risks and how they should be managed. Each risk had sufficient information about the rationale for either changing the risk rating or keeping it at a high level. Consideration of controls and assurances were in place to reduce or mitigate risks, resulting in appropriate net risk scoring. For the very high-level risks, documentation noted that timing would be a factor in reducing the risk rating and that the risk could not be mitigated instantaneously.

AREAS OF CONCERN

During our review, we identified the following areas for improvement:

- Staff training was last undertaken in 2020 prior to covid. A new contract has been signed by Zurich to provide training from December 2023. The training should be able to contribute significantly to the Council's risk management process, with training for staff as well as support on updating risk registers and identifying new emerging risks. Ideally, we would have reviewed the training completion rates, staff satisfaction from the training, and the risk register updates after the training workshops. However, we have been unable to fully review the training as intended in this audit as it was due to take place after the audit was completed. ***(Risk 1 - Medium)***
- Whilst risks are discussed at Corporate Leadership team (CLT) and Extended leadership team (ELT) meetings as part of general discussions, there is no separate agenda item dedicated to the identification of new and emerging risks at each meeting. Therefore, officers may not identify new or emerging risks on a timely basis to enable effective management of the risks. ***(Risk 2 - Medium)***
- We have concerns regarding the impact of template simplification on updates for both operational and strategic risk registers. The previous template for the risk registers were bulky and had too many columns containing past information, however some of this added to the understanding of what had happened to the risks and their scoring. The new template only contains risks and scoring which is harder to follow, so it is important not to lose key elements of the old template that were previously useful. Although the risks present in the risk registers are adequately articulated, delays (due to resourcing issues) in updating the newer simplified document has resulted in updates to the risk not being added in on a timely basis. The reduced action hinders progress tracking. The simplified template has also made it harder to understand reasons behind the changes in risk scores. ***(Risk 3 - Medium)***

CONCLUSION

- The Council has clear governance structures and controls in place to review, approve and mitigate risks across the organisation. However, training workshops are overdue, there is a need to formalise routine risk identification processes in regular management meetings throughout the year, and there is scope for risk registers to be updated on a more timely basis following the implementation of simplified risk register templates (while ensuring that the required level of detail is maintained).
- We have raised three medium priority recommendations to cover these findings.
- Consequently, we conclude **moderate** assurance over both the design and operational effectiveness of the Council's risk management controls.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
Risk Management Training and Workshops 1.1 The Council should monitor the completion rates for the Zurich training sessions and seek feedback from the attendees/participants to understand key takeaways and therefore its impact and effectiveness. As part of this, the Council should determine whether more regular risk management training should be provided.	Medium	1.1 Agree with recommendation to monitor completion rates and feedback, with a view to the organisation of future periodic workshops.	Risk and Insurance Officer April 2024
Identification of New and Emerging Risks 2.1 The R&I Officer should ensure that risk management is a standard agenda item at each CLT, ELT and other regular service management meetings. 2.2 2.2 Risks identified in these meetings should be minuted and included in the action logs for updating of the risk registers on a timely basis.	Medium	2.1 and 2.2 Agree with recommendations. Risk management discussed at CLT and ELT meetings will be recorded in minutes of meetings going forward. The monthly meeting of statutory officers has a standing agenda item for risk.	Risk and Insurance Officer April 2024
Delays in Updating the Risk Registers 3.1 The R&I Officer should ensure that there is a full and complete risk register in the new template that does not lose key information from the previous register template. We would also suggest keeping 'Further Planned Action' documented for each period in the same comments box, and then refreshed annually, as it is useful to see what has happened each quarter and the annual progress.	Medium	3.1 New template for Operational Risks has now been adopted and sent to Risk Owners to update. Happy to implement the recommendation regarding 'Further Planned Actions' column.	Risk and Insurance Officer April 2024

COMMUNICATIONS AND INFORMATION SHARING

Design Opinion	M Moderate	Design Effectiveness	M Moderate
Recommendations	0	4	1

SCOPE

BACKGROUND

- External communication with stakeholders is important to promote understanding of local priorities and to help the Council achieve its objectives.
- Effective internal communication can engage, inform and inspire the workforce to fulfil Council ambitions. It can encourage employees from all parts of the organisation to share ideas for continuous improvement and celebrate successes across the organisation.
- The purpose of the OneTeam strategic partnership between Brentwood Borough Council ('the Council' or 'BBC') and Rochford District Council ('RDC') is to create a unified Officer team to share knowledge and experience and develop common polices and processes.
- With effect from 1 August 2023 the Councils appointed a new Service Manager for Communications. Part of their brief was to lead internal and external communications, developing formats and platforms to enable the successful delivery of communications in a modern way.

PURPOSE

The audit reviewed the Council's communications protocol and how it engages with stakeholders internally and externally, to ensure communications are in line with agreed corporate priorities.

AREAS REVIEWED

We verified whether:

- There is a clearly defined communications framework setting out the strategy, policies and procedures officers should follow when communicating with internal and external stakeholders. As part of this, we checked whether roles, responsibilities and delegated authorities in relation to preparation and dissemination of communications are clearly defined to ensure engagement is in line with Council priorities.
- Key stakeholders have been identified to ensure that they receive appropriate and relevant information.
- The Council has agreed the communication channels it will use and whether there is sufficient planning for communications campaigns.
- Council communications are adequately reviewed and approved prior to issue.
- Communication activities are evaluated for impact.
- Social Media accounts are controlled with restricted user access.

AREAS OF STRENGTH

- Biennial reviews of the Risk Management Strategy are undertaken and the report is updated where necessary. The strategy and guidance are easily accessible to all officers via the SharePoint site.
- The Council's Communications Protocol clearly outlines the process and requirements officers should follow for issuing external communications. The protocol applies in all forms of external communications, including press releases, media appearances, public speaking opportunities, photography, social media, videos and digital communications. Roles and responsibilities for preparing and issuing communications, and oversight (approval) requirements are also outlined.
- The OneTeam service objectives (and corresponding KPIs, projects and timescales) within the OneTeam Communications Service Plan 2023/24 are directly aligned to the Council's corporate objectives. We note, however, that the corporate objectives are subject to change following the partnership with RDC, therefore a review of the current Service Plan will be required.

- The Council has agreed the communications channels it uses:
  - Social media channels: X (Twitter), Instagram, Facebook, LinkedIn, TikTok, Next Door
  - Press releases
  - Residents Newsletters
  - Business Newsletters
  - CEO's Messages (internal newsletters)
  - Quarterly staff briefings (in-person at both BBC and RDC).
- We confirmed that only current Council staff have access to the Council's social media platforms, and access is appropriate per job role for all accounts.

AREAS OF CONCERN

- Key stakeholders should be identified to ensure that the Council's communications are appropriately targeted. There is awareness of external and internal stakeholders, and corresponding communications, however stakeholder groups are broad and not formally documented.
- Relatedly, the Council takes a short-term approach to communications planning, and there is no central record of all communications in the pipeline or annual communications plan. (***Finding 1 - Medium***)
- Policies, procedures and strategy documentation in relation to communications is not in place or not up-to-date and is pending confirmation of BBC's "Vision" new plan starting from 2025 to 2030 and RDC's business plan being developed this year for 2024 to 2030. (***Finding 2 - Medium***)
- Per the Council's current Communications Protocol, documented approval is required before internal and external communications are issued. Consequently, for two out of five sampled communications, we were unable to obtain evidence confirming that approval was obtained prior to issue. (***Finding 3 - Medium***)
- Where possible, engagement analytics data is obtained for the Council's communication channels. However, this data is not formally evaluated to draw trends, determine lessons learned or decide whether communications were successful. (***Finding 4 - Medium***)
- Passwords are changed when advised by a social media platform, or if a staff member leaves the organisation. There is not a formal procedure to ensure that passwords are changed frequently. (***Finding 5 - Low***)

CONCLUSION

- There have been significant changes to the Council's communications arrangements following the partnership with RDC, and there is a need for the OneTeam to shape communications accordingly through a joint communications strategy (which targets key stakeholders via the most appropriate channels, and against which progress is regularly reviewed to ensure continuous improvement), a joint communications plan, and policies and procedures to outline the processes for issuing internal and external communications.
- In addition, evidence of approval of communications should be retained and there is scope to use engagement analytics to draw trends, determine lessons learned or assess the impact of communications.
- Therefore, we concluded Moderate assurance over both the adequacy of the design of controls and the operational effectiveness of the controls pertaining to communications and information sharing.

MANAGEMENT ACTION PLAN:

Recommendation	Priority	Management Response	Responsible Officer and Implementation Date
<u>Identifying key stakeholders and planning communications</u> 1.1 As part of the joint Communications Strategy that is being developed (see Finding 2), the Council should consider who its stakeholders are to ensure that it reaches everyone – including vulnerable and hard-to-reach groups. Regarding external stakeholders, an analysis of the latest census data and	Medium	I welcome the review outcomes and enables a roadmap to improve an already developing section. Recommendation 1.1 will be aided by the emerging Engagement Strategy which is to be completed by June 2024.	Service Manager – communications 1.1 June 2024 1.2 March 2024

government data intelligence initiatives by the Community and Partnerships team should be carried out to identify the various key stakeholders within the borough. Stakeholders identified as a result of this work, and how these will be targeted, should be reflected in the Communications Strategy. 1.2 While it is appreciated that drafting an annual communications plan is currently challenging as events have not been planned this far in advance and the team are awaiting confirmation of corporate priorities, the Council should work towards developing a communications plan. For the moment, this could be a quarterly plan with checkpoints, providing a list of the different communications to be issued (description/ channel/target audience) with anticipated dates. This should provide direction and help to ensure that the Council is reaching all categories of stakeholders within the borough. The plan should be a live document which is revised as circumstances change.		Although you suggest a quarterly plan in absence of priorities the Council will continue to work with the present priorities in place that are not due to change for 2 years and therefore will seek to bring forward an annual plan that will be reviewed regularly to ensure it is up to date and relevant.	
<u>Communications framework documentation</u> 2.1 The Council's Communications Protocol should be reviewed to ensure that the processes, roles and responsibilities for preparing, issuing and reviewing/approving communications currently outlined in the Protocol reflect joint working with RDC and the correct responsible individuals and approvers. The refreshed document should also have version control details, including date of review (last reviewed, next due for review) and details of the reviewing body. 2.2 The Council's Brand Guidelines should be reviewed and updated where necessary. 2.3 The Internal Communications Officer should follow through with their plans to put guidance together to outline the process and requirements (such as approvals process) for issuing internal communications, drawing from the BBC's current practices and RDC's Communications Protocol (which covers both internal and external communications). This guidance should be formally documented in an internal communications protocol. 2.4 The joint Communications Strategy which is in the process of being developed should be tailored to Brentwood-Rochford corporate objectives. To ensure that the strategy communicates corporate priorities, it should include the following:	Medium	Agree with recommendations however the Strategy or other documents cannot wait to be produced until new Council's Vision nor Rochford's Business Plan is developed. Therefore, any strategy or document should be created with the present and therefore still relevant priorities in place. With regards 2.3 I do not think there is any suggestion that the Communications Officer would not follow through with their plans.	Service Manager – Communications 2.1 June 2024 2.2 September 2024 2.3 August 2024 2.4 June 2024 2.5 June 2024

• Objectives and key Council messages • Audience/stakeholders (see finding/recommendation 1 for further details) • Communication channels (internal and external) • Monitoring and evaluation. 2.5 Depending on the Communications Strategy's timeframe (i.e. annual or aligned to longer term corporate plan timeframes), a corresponding roadmap/action plan should be developed with specific, measurable, assignable, relevant/realistic, time scaled (SMART) actions. These should be reviewed on a regular basis to measure success and identify/action areas for improvement.			
<u>Approval of communications</u> 3.1 Communications procedures for both internal and external communications should require that documented approval be obtained before communications can be issued. Per recommendation 2.1 in relation to external communications, the Communications Protocol should stipulate that documented approval be obtained before communications are issued. Similarly, per 2.3 above, the new procedure document on issuing internal communications should outline the process for obtaining approvals. 3.2 All approvals should be centrally stored (this could be achieved by copying in the Press Desk for all approval emails, for example).	Medium	Whilst I do understand the need to sign off communications, the organisation needs to be much more 'agile' in a modern future with the likes of 'X' and Facebook requiring often instant or quick information to be posted therefore a review of this procedure to sign off is needed that may need to demonstrate or create a different method to achieve the same result. I am not so wedded for all communications to have documented sign off but have it certainly recorded in some way.	Service Manager Communications 3.1 July 2024 3.2 July 2024
<u>Evaluating the impact of communications</u> 4.1 Engagement data/analytics should be formally analysed, benchmarked and evaluated to draw trends, meaningful conclusions and determine lessons learned. 4.2 The Council should consider developing KPIs for tracking its engagement according to current and projected performance.	Medium	Agree that this needs to be part of a modern working authority and this information should be used to drive and target communications as we move forward. It will be important to get the reporting of this information right.	Service Manager - Communications 4.1 October 2024 4.2 October 2024
<u>Social Media Access</u> 5.1 The Council should change passwords for all social media accounts on a regular basis, every six months for example (best practice is quarterly, however we recognise that this is a small team). Regular password changes should apply to X (Twitter), TikTok, and Next Door; as well as LinkedIn, Facebook and Instagram, where individuals are	Low	Agree with recommendation 5.1 however further investigation into 5.2 is required. Recommendation 5.2 appears a little over zealous considering it is highlighted that this is a small team and risk is minimal. I would suggest the password changes are of course embedded as a procedure however seek a corporate view on how best to record	Service Manager - Communications 5.1 April 2024 5.2 September 2024

	admins. This should be prescribed going forward in a documented procedure. 5.2 To ensure changes are regular/monitored, the Council could create a password tracker document, outlining: • Date passwords are changed • Next date to be changed • A sign off section for the individual that changed the passwords • Guidance on good practice password setting arrangements in line with Council policy (for example, minimum characters, use of symbols and upper/lower case letters).		password changes rather than create a separate bespoke system just for Communications. Therefore suggest to align with any organisational protocol.

KEY PERFORMANCE INDICATORS

QUALITY ASSURANCE	KPI	RAG RATING
1. Annual Audit Plan delivered in line with timetable	Two 2023/24 audits were deferred until later in the year, as detailed in previous report. Some audits have taken longer than expected due to officer engagement.	A
2. Actual days are in accordance with Annual Audit Plan	We are on track to meet this KPI	G
3. Customer satisfaction report – overall score at least 70% for surveys issued at the end of each audit	No survey responses received yet for 2023/24	-
4. Annual survey to Audit committee to achieve score of at least 70%	Average score from six respondents is above 70%.	G
5. At least 60% input from qualified staff	We are on track to meet this KPI	G
6. Issue of draft report within three weeks of fieldwork closing meeting	This KPI has been met for three out of five audits for 2023/24 to date	A
7. Finalise internal audit report one week after management responses to report are received	This KPI has been met for five out of five audits fore 2023/24 to date	G
8. Positive result from external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO were found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards	G
9. Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt	The KPI regarding Council agreement of the Terms of Reference has been met for five out of 12 completed terms of reference (see table below) The KPI regarding draft report has been met for four out of five completed audits (see table below)	A
10. Audit sponsor to implement audit recommendations within the agree timescale	Our latest follow up exercise has confirmed 17 out of 30 due recommendations (based on original due dates) have been implemented since our last progress report.	A
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 have experienced some delays in securing meetings to start our audits	A

KEY FOR RAG RATING

G = met target

A = partly met target

R = not met target

- = not applicable

AUDIT TIMETABLE DETAILS (2023/24)

Audit	Draft ToR Issued	Management Response to ToR Received	Closing Meeting	Draft Report Issued	Management Response to Draft Report Received	Final Report Issued
Car Parking	14/07/2023	21/07/2023	30/08/2023	01/09/2023	13/09/2023	13/09/2023
Tree Management	29/06/2023	03/07/2023	29/08/2023	31/08/2023	13/09/2023	14/09/2023
Waste Management Services	06/07/2023	09/07/2023	02/10/2023	06/10/2023	19/10/2023	24/10/2023
Risk Management	10/07/2023	17/07/2023	30/11/2023	02/01/2024	03/01/2024	03/01/2024
Communications and Information Sharing	12/09/2023	25/09/2023	03/11/2023	07/12/2023	08/01/2024	09/01/2024
Workforce Strategy	19/09/2023	22/09/2023	n/a	n/a	n/a	n/a
Estates Management	24/10/2023	31/10/2023	n/a	n/a	n/a	n/a
Data Protection (Carried forward from 22/23)	07/11/2023	23/11/2023	n/a	n/a	n/a	n/a
Disaster Recovery and Business Continuity	07/11/2023	n/a	n/a	n/a	n/a	n/a
Assets Management	10/11/2023	29/11/2023	n/a	n/a	n/a	n/a
Development Partnerships	20/11/2023	28/11/2023	n/a	n/a	n/a	n/a
Main Financial Systems	04/12/2023	02/01/2024	n/a	n/a	n/a	n/a
Financial Planning and Monitoring	05/12/2023	02/01/2024	n/a	n/a	n/a	n/a

APPENDIX 1

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
Substantial	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.
Moderate	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.
Limited	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.
No	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.

RECOMMENDATION SIGNIFICANCE DEFINITION

RECOMMENDATION SIGNIFICANCE	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

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