

AUDIT BOARD

Date 15th December 2011

THE INTERNAL AUDIT MONITORING REPORT OF THE SERVICE MANAGER OF THE WORCESTERSHIRE INTERNAL AUDIT SHARED SERVICE.

Relevant Portfolio Holder	Councillor Roger Hollingworth
Relevant Head of Service	Executive Director (Finance & Corporate Resources)
Key Decision / Non-Key Decision	

1. SUMMARY OF PROPOSALS

1.1 To present:

- the monitoring report of internal audit work as at 30th October 2011. The involvement of Members in progress monitoring is considered to be an important facet of good corporate governance, contributing to the internal control assurance given in the Council's Annual Governance Statement.

2. RECOMMENDATION

2.1 That the Audit Board considers and notes:

- the Internal Audit Monitoring Report; and
- the Recommendation Tracker

3. BACKGROUND

Internal Audit Monitoring Report

3.1 This section of the report provides commentary on Internal Audit's performance for the period 1st April 2011 to 30 October 2011 against the performance indicators agreed for the service for 2011/12.

3.2 **AUDIT REPORTS ISSUED SINCE 9th June 2011:**

2011 / 2012

- **Garden Waste.**
This was a full scope review to assess the effectiveness of controls within the Garden Waste Collection service. Key areas reviewed include: information provided to residents, back office activities, performance monitoring and utilising customer feedback to help maximise service provision.

AUDIT BOARD

Date 15th December 2011

Overall, the review found that adequate arrangements exist in relation to the collection of Garden Waste. The two points detailed in relation to Waste Collection audit 2010/11, see below, are equally applicable to this review.

Assurance level ~ Significant

- Creditors.

This was a limited scope audit that included testing in relation to user access to the Agresso (POP) system, reconciliations, amendments to supplier details, the BACS process and management information.

All of the key controls tested were found to be operating effectively and no weaknesses were identified in the design or operation of the system.

Assurance Level ~ Full

- Debtors.

This was a limited scope audit that included testing in relation to the actioning of credit notes, amendments to account details, the debt recovery process, reconciliations and management information.

There is generally a sound system of control with management reviews being performed in relation to account amendments, reconciliations and aged debt. The review identified that the control environment could be improved with the maintenance of records in relation to suppressed reminders.

Assurance level ~ Significant

2010/11

- Waste Collection.

This was a full scope review to assess the effectiveness of controls within the Waste Collection service. Key areas reviewed included: collection of domestic waste and recycling; trade waste; emptying of septic tanks; security of stock and utilising customer feedback to help enhance service provision.

The review verified that adequate arrangements exist in relation to the collection of waste with clear communications to customers and effective monitoring of staff performance. Key areas where improvements could be made include: the operational system does not appear to be fit for purpose and requires 'manual work arounds' and vehicles do not have a tracking device; accordingly, there is a potential risk of fraudulent activity.

AUDIT BOARD

Date 15th December 2011

Assurance level ~ Significant

- Corporate Governance for the Shared Service.
This was a joint audit with Redditch Borough Council on Corporate Governance for the Shared Service. After the audit commenced the shared service agenda was accelerated. A single business case was presented to the 18th August 2011 Shared Service Board and the proposals were approved at the full Council held on 14th September 2011. The audit was based on there being separate business cases for each shared service and, therefore, the single business case meant that the systems and processes that were in operation are to be superseded and, accordingly, the audit would no longer add value and therefore the decision was made to discontinue it.

Summary of Assurance Levels:

<u>Audit</u>	<u>Assurance Level</u>
Garden Waste	Significant
Creditors	Full
Debtors	Significant
Waste Collection (10/11)	Significant

3.3 AUDITS IN PROGRESS AS AT 30th November 2011

The following audits are currently in progress:

- Budgetary Control and Strategy.
This is a focussed review with testing concentrating on budget preparation, approval, monthly monitoring and reporting.
- Treasury Management.
This is a limited scope audit with testing being focussed on approval of investments, bank reconciliations and management information.
- Section 106 Agreements.
This is a full scope review to assess the effectiveness of controls that are operated within the Planning, Finance and Legal sections. A key area is to review controls in connection with the collection of monies and ensuring that they are used for the stated purpose.

AUDIT BOARD

Date 15th December 2011

As work on the above audits is ongoing an 'Assurance' level will be assigned on completion.

3.4 AUDIT DAYS

The tables in Appendices 1 and 2 show that significant progress has been made since April 2011 towards delivering the Internal Audit Plan and achieving the targets set for the year. Chargeability and productivity are currently showing at 56% and 47% respectively. As at 30 October 2011 a total of 130 chargeable days had been delivered against a target of 305 chargeable days for 2011/12.

Appendix 2 shows the performance indicators for the service. These indicators were agreed by the Board on the 11th April 2011.

Appendix 3 shows the 'high' and 'medium' priority recommendations which have been reported against 2011/12 audits and are reported to the Board for information. It has been agreed with the S151 officer that a management review of all audit recommendations prior to the new service would be undertaken to ensure Heads of Service have clear actions to address any concerns that have been raised. A full report on prior year actions will be reported to the next Audit Board meeting.

3.5 OTHER KEY AUDIT WORK

Much internal audit work is carried out "behind the scenes" but is not always the subject of a formal report. Productive audit time is accurately recorded against the service or function as appropriate. Examples include:

- Governance for example assisting with the Annual Government Statement
- Risk management
- Dissemination of information regarding potential fraud cases likely to affect the Council
- Drawing managers' attention to specific audit or risk issues
- Audit advice and commentary
- Internal audit recommendations: follow up review to analyse progress
- Day to day audit support and advice for example control implications, etc.
- Networking with audit colleagues in other Councils on professional points of practice
- National Fraud Initiative.
- Investigations

AUDIT BOARD

Date 15th December 2011

3.6 **ACTIONS TAKEN TO ACCELERATE INTERNAL AUDIT PLAN DELIVERY 2011/12**

The Service Manager for Worcestershire Internal Audit Shared Service has taken the following steps to ensure that delivery against the 2011/12 Plan is such that management, external audit and members are provided with the assurances that they require over the system of internal control and for the Annual Governance Statement and Statement of Accounts:

- Additional resource has been recruited to the team and resource within the team has been managed robustly in order to accelerate the delivery against the plan and ensure that the service remains effective;
- The Service Manager is rigorously monitoring delivery against the Plan to ensure that performance and delivery continue to improve and that risk is managed effectively; and
- The Service Manager is proactively and rigorously monitoring and managing absenteeism across the service.

3.7 **CONCLUSION**

The Service Manager for the Worcestershire Internal Audit Shared Service is confident she will be able to provide the required coverage for the year over the authority's core financial systems, work on which is historically undertaken in the third and fourth quarters of the year, as well as over other systems which have been deemed to be high and medium risk.

4. KEY ISSUES

- 4.1 Progress towards the delivery of the internal audit plan can be seen at Appendices 1 and 2.

5. FINANCIAL IMPLICATIONS

- 5.1 None as a direct result of this report.

6. LEGAL IMPLICATIONS

- 6.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2003 (as amended 2006) to "maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices".

AUDIT BOARD

Date 15th December 2011

7. POLICY IMPLICATIONS

7.1 None as a direct result of this report.

8. COUNCIL OBJECTIVES

8.1 Compliance with the accounting standards supports the improvement objective across the Council.

9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

9.1 The main risks associated with the details included in this report are.

- Non-compliance with statutory requirements.

10. CUSTOMER IMPLICATIONS

10.1 None as a direct result of this report.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

11.1 None as a direct result of this report.

12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

12.1 A robust internal control environment ensures that Value for Money is delivered in the service provision across the Council.

13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY

13.1 None as a direct result of this report.

14. HUMAN RESOURCES IMPLICATIONS

14.1 None as a direct result of this report.

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

15.1 Effective overall governance process.

16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998

16.1 None as a direct result of this report.

AUDIT BOARD

Date 15th December 2011

17. HEALTH INEQUALITIES IMPLICATIONS

17.1 None as a direct result of this report.

18. LESSONS LEARNT

18.1 Nothing to report for this Board.

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

19.1 None as a direct result of this report.

20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	No
Chief Executive	No
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	No
Executive Director – Planning & Regeneration, Regulatory and Housing Services	No
Director of Policy, Performance and Partnerships	No
Head of Finance and Resources	No
Head of Legal, Equalities & Democratic Services	No
Corporate Procurement Team	No

21. WARDS AFFECTED

All Wards.

22. APPENDICES

Appendix 1 ~ Delivery against the Internal Audit Plan 2011/12

Appendix 2 ~ Key performance indicators

Appendix 3 ~ High and Medium priority recommendations

AUDIT BOARD

Date 15th December 2011

23. BACKGROUND PAPERS

None.

AUTHOR OF REPORT

Name: Gillian Tanfield
Service Manager ~ Worcestershire Internal Audit Shared
Service
E Mail: gillian.tanfield@worcester.gov.uk
Tel: 01905 722163

AUDIT BOARD

Date 15th December 2011

APPENDIX 1

Delivery against Internal Audit Plan for 2011/12 as at 30 October 2011

Audit Area	DAYS USED TO 30/10/11	2011/12 PLANNED DAYS
Core Financial Systems (Note 1)	9	86
Corporate Audits (Note 2)	1	55
Other Systems Audits	99	130
TOTAL PRODUCTIVE	109	271
Audit Management Meetings	3	15
Corporate Meetings / Reading	1	5
Annual Plans and Reports	1	8
Audit Committee support	6	6
Other chargeable	10	0
TOTAL CHARGEABLE	130	305
Annual leave	36	48
Statutory leave	12	15
Sickness	11	10
Other leave	6	13
Training	5	3
General administration	17	20
General management	7	8
Attendance at general meetings	5	5
WIASS projects	3	3
TOTAL	232	430

Note 1

Core Financial Systems are audited in quarters 3 and 4 in order to maximise the assurance provided for Annual Governance Statement and Statement of Accounts.

Note 2

Due to the transformation a number of the corporate audits are under consideration / review as to whether there will be any value added at this time. A number of audits may be deferred if no value added at this time can be demonstrated.

AUDIT BOARDDate 15th December 2011**APPENDIX 2****Performance against Key Performance Indicators as at 30 October 2011**

	KPI	As at 30th October 2011	Target	Frequency of monitoring	Frequency of reporting
1	Chargeability %	56%	72%	Monthly by WIASS management	Monthly to Client Officer Group Quarterly to Audit Committee
2	Productivity %	47%	64%	Monthly by WIASS management	Monthly to Client Officer Group Quarterly to Audit Committee
3	% Plan delivered excluding overruns	33%	95% for year	Monthly by WIASS management	Monthly to Client Officer Group Quarterly to Audit Committee
4	Overruns as a % of time spent	23%	5%	Monthly by WIASS management	Monthly to Client Officer Group Quarterly to Audit Committee
5	Customer satisfaction surveys	100%	95% Good or above	Monthly by WIASS management	Monthly to Client Officer Group Quarterly to Audit Committee
6	Number of audits delivered compared to plan	N/a (Annual)	19	Annually by WIASS management	Annually to Client Officer Group and Audit Committee
7	Annual survey of Internal Audit Service	N/a (Annual)	Good or above	Annually by WIASS management	Annually to Client Officer Group and Audit Committee

The Internal Audit Self-Assessment checklist assessing compliance with the CIPFA Code of Practice for Internal Audit in Local Government in the UK 2006 will also be completed at the end of the annual cycle. Any areas of partial or non-compliance with the Code will be reported as exceptions to the Client Officer Group and Audit Committee.

AUDIT BOARD

Date 15th December 2011

HIGH AND MEDIUM PRIORITY RECOMMENDATIONS

APPENDIX 3

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
2010/11 Waste Collection					
1	M	<p><u>Promotion of services</u></p> <p>In discussion with the Business Support Manager it was advised that no advertisement is currently undertaken for the Trade Waste and Cesspool services provided.</p> <p>It is acknowledged that there is information available on the Councils website, for example, 'Frequent Asked Questions' and the opportunity to apply for contracts online; however, there is no formal advertisement of these services.</p> <p>Through Internal Audit discussions it has have been</p>	<p>Failure to maximize the potential for income</p>	<p>We recommend that an exercise is undertaken to ascertain the potential cost benefits of advertising the additional paid for services, for example, Trade Waste, Septic Tank and Cesspool emptying.</p> <p>Following this exercise, the decision should be made as to whether the Council would benefit from advertising and decide upon the most appropriate method.</p> <p>If management perceives there is be no benefit from advertising then no further action needs to be</p>	<p>Response: Agreed.</p> <p>Responsible Manager:</p> <p>Business Support Manager</p> <p>Implementation date:</p> <p>31st March 2012</p>

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		advised that Bromsgrove District Council currently have approximately 550 trade waste customers with the potential for 1200 and that some customers have been 'lost' in recent years.		taken.	
2	M	<u>Uniform System</u> Through Internal Audit discussion it has been advised that the current system in operation (Uniform) is not fit for purpose, that is, it is not a system specifically designed for the tasks at hand and relies on the team to 'make it fit'. It does however hold information in relation to Household refuse rounds, Garden waste service requests for example, who has/hasn't paid and delivery lists	Inadequate records management potential resulting in poor customer service.	We recommend that as part of the transformation and shared service agenda with Redditch Borough Council, consideration is given to: <ul style="list-style-type: none">- assessing the functionality of the Uniform system to establish whether it can be utilised on a day to day basis;- assessing the capabilities of the system in operation at Redditch Borough Council and whether it has the functionality and/or capacity to be utilised across both Councils;	Response: Agreed Responsible Manager: Head of Environment Services Implementation date: 31 st March 2013

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		<p>for bins.</p> <p>In addition, it has been set up to handle service requests but is not used due to duplication of work, that is, the information held on the 'Oneserve' system used at the Customer Service Centre has no automated integration with Uniform. This results in a requirement for the business support team to manually enter information.</p> <p>Consideration has been given to the use of SMARTpoint; however, discussions appear to have been ceased.</p>		<p>alternatively</p> <ul style="list-style-type: none">- undertaking an exercise with the view of introducing a system that could be utilised across the two authorities to aid efficiencies in service.	

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
3	M	<p><u>Tracking devices</u></p> <p>In discussion with the Operations Manager it was advised that vehicles do not have currently tracking devices on them.</p> <p>It is acknowledged that the priorities of the service are in relation route optimisation; however, without tracking devices there is a risk of fraudulent activity from staff.</p> <p>Additional benefits of tracking systems include assistance with customer queries and monitoring of fuel efficiency of vehicles.</p>	<p>Potential of fraudulent activity of staff</p>	<p>We recommend that following the implementation of route planning software, a cost benefit analysis is undertaken in relation to the introduction of tracking devices to all vehicles.</p> <p>If it is agreed that following this analysis no benefits can be realised then no further action is required.</p>	<p>Response: Agreed</p> <p>Responsible Manager:</p> <p>Operations Manager</p> <p>Implementation date:</p> <p>31st December 2012</p>

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
4	M	<p><u>Stock system</u></p> <p>In discussion with the Business Support Manager it was advised that due to the age of the stock system, ICT can not 'support' it; additionally there are issues with the integrity of the information. For example:</p> <ul style="list-style-type: none">- items can be 'booked in' and the system could detail that there is either no stock available, or double the amount that has been booked; alternatively,- stock can be 'booked out' and the records will advise that there is still stock available. <p>With a lack on integrity in the system there is the potential for fraudulent activity and added costs to the Council, for example:</p>	<p>Potential mis-appropriation, fraud and reputation damage.</p>	<p>We recommend that as part of the transformation and shared service agenda with Redditch Borough Council (RBC), consideration is given to:</p> <ul style="list-style-type: none">- assessing the capabilities of the system in operation at RBC and whether it has the functionality and/or capacity to be utilised across both Councils; or, alternatively,- undertaking an exercise with the view of introducing a system that could be utilized across the two authorities to aid the management of stock.	<p>Implemented during the course of the review.</p>

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		<ul style="list-style-type: none"> - additional stock may be purchased resulting in a potentially over stocked warehouse; and - customer complaints could be received due to unavailability of stock, whereas the system advises stock is available. 			
2011/12 Garden Waste					
1	M	<p><u>Approval of Charges</u></p> <p>Through Internal Audit discussion it has been advised that there is no delegated authority in relation to the approval of charges for the service.</p> <p>Accordingly, Members may not have sufficient information in relation to the cost of service to the Council in order to make an</p>	<p>Potentially insufficient information available for Members to make an informed decision.</p>	<p>We recommend that ongoing analysis of charges specific to the Garden Waste Service is undertaken and that as part of the charge setting process, a key summary of findings is provided to Members in order for them to make an informed decision for charges in relation to the forthcoming season.</p>	<p>Response: Agreed.</p> <p>Responsible Manager:</p> <p>Environmental Business Development Manager</p> <p>Implementation</p>

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		<p>informed decision.</p> <p>Internal Audit have been advised that charges specific to the Garden Waste Service are now being separated.</p>			<p>date:</p> <p>31st August 2012</p>
2	M	<p><u>Extended contracts</u></p> <p>In discussion with the Environmental Business Manager it was advised that at present customers commit to the service for 1 season; however, there is a push to get customers on to a direct debit scheme whereby an annual payment is taken resulting in minimal action by the customer.</p> <p>The aim is to increase the likelihood of potential income in addition to minimising impact on</p>	<p>Failure to maximise ongoing service provision.</p>	<p>We recommend that an analysis of the available contract options should be considered as part of business transformation and shared service.</p> <p>At a minimum, options should include:</p> <ul style="list-style-type: none">- payment methods, for example, annual or upfront costs, bearing in mind potential increase in charges;- cost options, that is, do customers benefit from signing	<p>Response: Agreed.</p> <p>Responsible Manager:</p> <p>Environmental Business Development Manager</p> <p>Implementation date:</p> <p>31st August 2012</p>

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		resources.		long term contracts; - changes of circumstances, for example, changes of address as resident, should not be 'financially punished' for signing up for a long term contract; and - Potential implications of having different options.	
3	M	<u>Allocation of bins</u> In discussion with the Business Support Manager it was advised that no communication is held between departments in relation to customer notifications such as change of address. It is acknowledged that with the current procedure of bins being allocated to properties rather than residents this is not a service issue; however, it could potentially increase customer	Failure to maximise customer service.	We recommend that as part of business transformation, consideration should be given to how the bins are allocated, that is, to remain as property or allocate to the resident so should they move within the district, service can resume at the new property.	Response: Agreed. Responsible Manager: Business Support Manager Implementation date: 31 st January 2013

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		service and Council records.			
4	M	<u>Customer feedback</u> Through Internal Audit discussions it has been advised that a survey was issued to existing customers in relation to how they rate key elements of the service; however, at the time of testing the feedback received has not been analysed.	Reputational damage to the Council due to inefficient service provision and adverse public perception.	We recommend that the feedback received should be analysed and where appropriate, mitigating actions taken to enhance service provision and the customer experience.	Response: Agreed. Responsible Manager: Waste Policy & Promotions Manager Implementation date: 31 st August 2012
2011/12 Debtors					
1	M	<u>Suppressed Reminders</u> Through Internal Audit discussion it was advised that	Inadequate audit trail.	We recommend that in order to provide an adequate audit trail in	Response: We are happy to

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		<p>no record of suppressed reminders is maintained.</p> <p>Accordingly, in the event of a customer query and/or recovery action being progressed, for example, to Legal or Bristow and Sutor, there would be no supporting evidence that the reminder had been suppressed.</p>		<p>the event of a customer query, evidence is retained of all suppressed reminders. This to include detailed reasoning for suppression.</p>	<p>accept and implement the recommendation.</p> <p>Responsible Manager:</p> <p>Accountancy Services Manager and Exchequer Manager.</p> <p>Implementation date:</p> <p>The timetable for implementation is reliant on the outcome of the transformation. Also Debtors may not remain part of Exchequer it may become part of Revenues and Benefits, and again</p>

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
					the implementation timetable will be subject to this. Date: 1 st December 2011

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Definition of Audit Opinion Levels of Assurance

Opinion	Definition
Full Assurance	<p>The system of internal control meets the organisation's objectives; all of the expected system controls tested are in place and are operating effectively. No high or medium priority recommendations have been identified.</p> <p>No specific follow up review will be undertaken; follow up will be undertaken as part of the next planned review of the system.</p>
Significant Assurance	<p>There is a generally sound system of internal control in place designed to meet the organisation's objectives. However isolated weaknesses in the design of controls or inconsistent application of controls in a small number of areas put the achievement of a limited number of system objectives at risk. No high priority recommendations have been identified. Isolated medium priority recommendations have been identified however the majority of recommendations made are low priority.</p> <p>Follow up of medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
Moderate Assurance	<p>The system of control is generally sound however some of the expected controls are not in place and / or are not operating effectively therefore increasing the risk that the system will not meet it's objectives. Assurance can only be given over the effectiveness of controls within some areas of the system. Isolated high priority recommendations have been identified and / or the number of medium priority recommendations is significant in aggregate.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Opinion	Definition
Limited Assurance	<p>Weaknesses in the design and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in many of the areas reviewed. Assurance is limited to the few areas of the system where controls are in place and are operating effectively. Some high and many medium priority recommendations have been identified.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>
No Assurance	<p>No assurance can be given on the system of internal control as significant weaknesses in the design and / or operation of key controls could result or have resulted in failure to achieve the organisation's objectives in the area reviewed. A significant number of high priority recommendations have been identified.</p> <p>Follow up of high and medium priority recommendations only will be undertaken after 6 months; follow up of low priority recommendations will be undertaken as part of the next planned review of the system.</p>

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 15th December 2011

Definition of Priority of Recommendations

Priority	Definition
H	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.
M	Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation within 3 to 6 months is important in order to provide satisfactory control of the risk(s) the system is exposed to.
L	Control weakness that has a low impact upon the achievement of key system, function or process objectives. Implementation of the agreed recommendation is desirable as it will improve overall control within the system.