

Worcestershire Regulatory Services

Supporting and protecting you

**Joint Committee
2nd October 2014**

Regulatory Services Internal Audit Report 2013/14 ~ Update Report

Recommendation

Members note the report and appendix

Contribution to Priorities

The development of robust financial and operational controls will ensure the priorities of the service are delivered.

Introduction/Summary

As part of the objectives as set out in the Bromsgrove Internal Audit Plan for 2013/2014 as approved by the Audit Board on the 14th March 2013, Worcestershire Internal Audit Shared Service were required to undertake internal audit activity in the Regulatory Services area. The work that was undertaken provides an assurance to all partners of the service.

Background

There will be regular audit activity within the Regulatory Services area due to the nature of the Service. The reviews were full system audits that were carried out by Worcestershire Internal Audit Shared Service.

Report

Attached at Appendix 1 are the Regulatory Services audit reports for 2013/14 detailing the findings and recommendations of two audits. The reports have been reported in their entirety to the Joint Committee for information.

The reports contained in Appendix 1 provide a confirmation of background information, the audit scoping, an executive summary of audit findings and an assurance opinion. Detailed findings and recommendations along with the action plan proposed by management are also included, and, the definitions of the assurance categories and the priority applied to each of the points.

All the findings and recommendations have been discussed

with management prior to the audit report being issued.

In summary there was:

One 'high' and two 'medium' priority recommendations with regard to the Shared Services audit.

One 'high', one 'medium' and one 'low' priority recommendation with regard to the Hackney Carriage and Private Hire Licensing.

No issues were brought forward from a previous audit. The recommendations are being addressed by management within an acceptable time frame due to their nature.

Follow up monitoring of the 'high' priority recommendations will take place during 2014/15 due to the implementation time requirement.

A further audit of Regulatory Services is planned to take place this year and the audit days have been included in the Bromsgrove 2014/15 audit plan as Bromsgrove is the host of the service. The scoping of the audit is to be agreed by the Partner s151 Officers and Senior Management from the service area.

Financial Implications

None other than those stated in the Appendix

Legal Implications

None other than those stated in the Appendix

Sustainability

None as a direct result of this report

Contact Points

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Background Papers

Held in Worcestershire Internal Audit Shared Service

Worcestershire Internal Audit Shared Service



(Final) Internal Audit Report Shared Services 2013/14

30th May 2014

Distribution:

To: Steve Jorden - Head of Regulatory Services
Sue Garratt - Licensing and Support Services Team Manager
CC: Jayne Pickering - Executive Director (Finance & Resources)
Kevin Dicks - Chief Executive
S.151 Officers

1. Introduction

- 1.1 The audit of the Shared Services – Worcestershire Regulatory Services Management process was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit plans for Redditch Borough Council as approved by the Audit & Governance Committee on 18th March 2013, and Bromsgrove District Council as approved by the Audit Board on 14th March 2013. The audit was a risk based systems audit of the Shared Services – Regulatory Services Management process.
- 1.2 Worcestershire Regulatory Services (WRS) provide a County wide service for issues relating to Trading Standards, Environmental Health and Licensing. Worcestershire Regulatory Services is a shared service acting on behalf of Worcestershire County Council, Redditch Borough Council, Bromsgrove District Council, Wyre Forest District Council, Worcester City Council, Malvern Hills District Council and Wychavon District Council, and is hosted by Bromsgrove District Council. The full year budget for 2013/14 was £5,626m.
- 1.3 The following entries on the corporate risk register were relevant to this review:
- COR7 – Shared Services fail to deliver/ satisfy the needs of the councils.
- 1.4 The following Service Risk Register entries were relevant to this review:
- Effective and efficient budgetary control;
 - Level of savings required outstrips ability of business transformation and change processes to deliver efficiencies;
- 1.5 This audit work was completed by Philip Griffiths (Auditor) in March 2014.

2. Audit Scope and Objectives

- 2.1 The review assessed whether the following control objectives of the Shared Services – Worcestershire Regulatory Services Management process were being achieved:
- To ensure budget holder responsibilities have been defined for each budget area, and budget monitoring practices occur in a regular and timely manner, critically analysing actual expenditure against budgets and financial forecasts.
 - To ensure financial and non-financial performance targets have been defined in the service business plan, including the identification and monitoring of efficiency savings, cost reductions and income generation;
 - To ensure that financial savings identified by partner Councils are assessed for their impact on service delivery;
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- That there are appropriate procedures in place for monitoring chargeable activities, to ensure income is properly accounted for and notified to partner authorities;
- To ensure that provision of information to member Councils for completion of government returns and setting of fees is based on data that is comprehensive and accurate;
- That there are appropriate procedures in place to ensure reporting of financial information to the Worcestershire Shared Services Joint Committee and the Worcestershire Regulatory Services Management Board is correct, and represents a fair view of the current financial position of the service.

2.2 The review was a full system audit, and concentrated on the Shared Services – Worcestershire Regulatory Services Management process from the host authority’s point of view during April 2013 to March 2014.

2.3 Therefore the audit did not cover the individual services undertaken for and on behalf of other clients or partner organisations of Worcestershire Regulatory Services, except where they relate to the above objectives. However a separate audit was undertaken for 2013/14 of Hackney Carriage and Private Hire Taxi licensing and a separate audit report issued.

3. Audit Opinion and Executive Summary

From the audit work carried out we have given an opinion of **moderate assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the “Definition of Audit Opinion Levels of Assurance” table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit in respect of the specific audit objectives. Where there is no specific reference to an audit objective in the findings and recommendations table at point 4 below, recipients of this report can take reassurance that a reasonable level of assurance was determined during audit testing for those objectives.

We have given an opinion of **moderate assurance** in this area because there is a generally sound system of financial control in place, albeit recent events concerning the need to make high value savings within the service have been problematic including a delayed agreement of the Service budget, which had a knock-on affect on the ability to achieve the desired savings in the necessary timeframe. Several areas of system weakness have also been identified with regards to the performance monitoring process, following the recent implementation of the new Uniform system developed from the merger of multiple different systems previously managed by the different partner organisations, which monitors work activity undertaken by the shared service. The information on this new system is currently subject to extensive data cleansing, although management practices have been recently introduced to identify and rectify these issues. A full reconciliation between license records held by Worcestershire Regulatory Services and the payments received by District Councils is not being completed. The issue is currently being addressed, however this has an impact on the overall audit assurance level for this work.

The recommendations identified during the audit have been prioritised according to their significance/ severity in the table below. We have used this prioritisation to inform our audit opinion. The definitions for high, medium and low priority are set out in the “Definition of Priority of Recommendations” table in Appendix B.

Priority	Number of Recommendations
High	1
Medium	2
Low	0

4. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the “Definition of Priority of Recommendations” table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
New matters arising					
1	High	<p><u>Performance Monitoring Data</u></p> <p>There have been a number of issues with the implementation of the new Idox Uniform system during the 2013/14 financial period.</p> <p>Difficulties have been experienced with historic data from previous systems being merged together into the single system. A number of duplicated records have been found, as well as incomplete information. Temporary staff members have been hired to rectify many of the records.</p> <p>The individual teams are managing information in an inconsistent manner, requiring different key fields to be completed. Mandatory field entries are not required on this system.</p> <p>These errors and inconsistencies with information management have resulted in the need to perform extensive cleansing and manipulate extracted information to ensure integrity and suitability of the data provided for performance monitoring purposes.</p>	<p>Inaccurate or incomplete data used for performance monitoring, leading to reputational damage.</p>	<p>Additional development is required on the recently implemented Idox Uniform system to normalise the quality of entered information, to enable a more time effective and reliable performance reporting process, and to provide a consistent approach to data management and reporting within the Service across all partner organisations.</p>	<p>Responsible Manager: Licensing and Support Services Team Manager</p> <p>Implementation date: On-going data cleansing of all permanent licensing records i.e. Premises Licenses to be cleaned and finalised by September 2014.</p> <p>Annual licenses should be cleansed and finalised at the end of the implementation year December 2014.</p> <p>On-going training in the use of the software system will be provided to support consistency of data inputting.</p> <p>Training on software changes/updates will be given as and when necessary.</p>

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
2	Medium	<p><u>Budget Setting</u></p> <p>The setting of the Worcestershire Regulatory Service budget should be approved by September prior to the financial period in question.</p> <p>The budget for 2014/15 was not approved until 20th February 2014 due to on-going negotiations regarding the individual financial savings required, and the timing of individual partner budget setting practices.</p> <p>In addition, the final approved budget for Worcestershire Regulatory Services does not correspond with the financial information provided in the Service Plan for 2014/15.</p>	<p>Lack of timely approval, leading to reduced capacity to achieve identified savings reductions in the desired financial period.</p>	<p>The timing of the budget preparation needs to be re-assessed to synchronise with the different budget setting practices at each partner organisation.</p> <p>All reported budget information should be correct at the time of approval by the Worcestershire Shared Service Joint Committee.</p>	<p>Responsible Manager: Head of Worcestershire Regulatory Services</p> <p>Implementation date: There is a process for agreeing the WRS budget clearly laid out in the SLA, however due to some partners having to respond to a changing financial position during this period, final agreement was not reached until after the due date. Plans to better align WRS budget setting with partner budget setting processes are being developed by the WRS Management Board in time for the 2014/15 financial year.</p>
3	Medium	<p><u>Information for Fee Setting</u></p> <p>Partner Councils are expected to provide information to the Worcestershire Regulatory Services on the income received for each licensing activity, along with their individual costs for supporting the process.</p> <p>The Service is then required to proportion the costs of managing license arrangements. Currently this is being done using the number of applications per district, and does not currently take into account individual time requirements of each type of work. This information is to be recorded during 2014/15, for use in future fee setting activities. Once</p>	<p>Incorrect charging leading to inappropriate profits or unacceptable losses for this process.</p>	<p>There needs to be a formal process for requesting and receiving financial information from each of the district partners, for the purposes of setting license fees.</p>	<p>Responsible Manager: Head of Worcestershire Regulatory Services</p> <p>Implementation date: There is a formal process currently in place but not written down.</p> <p>A review of the roles and responsibilities and operation of the Management Board is currently being undertaken by the Chairman of MB. Management board representatives will be contacted</p>

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		<p>done, the Service recommends whether each partner Council should change their license fees for the period.</p> <p>There is no formal procedure for receiving financial information from each of the partner councils. At the time of the audit, information had not been received for Malvern Hills District Council or Worcester City Council.</p> <p>Councils are not allowed to make a profit on licensing activities over a 3-yearly rolling period. Each individual council is liable for their own profits and losses incurred.</p>			<p>in future where partners fail to respond to financial information requests in a timely manner.</p>

APPENDIX A

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.</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.</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 its objectives. Assurance can only be given over the effectiveness of controls within some areas of the system.</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>
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.</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.</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>

APPENDIX B

Definition of Priority of Recommendations

Priority	Definition
High	<p>Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives.</p> <p>Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.</p>
Medium	<p>Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives.</p> <p>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.</p>
Low	<p>Control weakness that has a low impact upon the achievement of key system, function or process objectives.</p> <p>Implementation of the agreed recommendation is desirable as it will improve overall control within the system.</p>

Worcestershire Internal Audit Shared Service



(Final) Internal Audit Report

Worcestershire Regulatory Services Hackney Carriage & Private Hire Taxi Licensing 2013~14

23rd June 2014

Distribution:

To: Steve Jordan ~ Head of Regulatory Services
Mark Kay ~ Business Manager
Sue Garratt ~ Licensing and Support Services Team Manager
Section 151 Officers
Kevin Dicks ~ Chief Executive

CC: John Moyles ~ Interim Financial Services Manager
Sam Morgan ~ Financial Services Manager



Introduction

- The audit of Regulatory Services (Hackney Carriage//Private Hire Taxi Licencing) was carried out in accordance with the Worcestershire Internal Audit Shared Service Audit Plan for Bromsgrove District Council for 2013/14 as approved by the Audit Board on 14th March 2013. The audit was a risk based systems audit of Worcestershire Regulatory Services as hosted by Bromsgrove District Council.
- The following entry on the corporate risk register was relevant to this review:
 - i. **COR7** – Shared Services fail to deliver / satisfy the needs of the councils
- Worcestershire Regulatory Services is responsible for assessing all license applications received for all Worcestershire authorities, including Hackney Carriage/Private Hire Taxi Licences. Delegated authority has been given for Worcestershire Regulatory Services' Technical Officers to approve all licences apart from where the application is outside the normal scope/criteria. These cases must be referred to the Licensing Committee of the relevant council for a decision. The level of fees charged is set by each council, however charges must be set at a level which is 'designed to meet but not exceed the cost the Council reasonably believes will be incurred' unless a justifiable reason can be produced.
- The cost of licensing services to all of the Worcestershire districts was £350,000 in 2013/14.
- This audit was undertaken by Catherine Turnock during the months of February and March 2014.

2. Audit Scope and Objectives

- The review assessed whether the following control objectives of Worcestershire Regulatory Services (Hackney Carriage//Private Hire Taxi Licencing) were being achieved:
 - i. Hackney Carriage and Private Hire Taxi new application licences haven only been granted with the appropriate supporting evidence, including for appropriate payment, in line with legislation and each council's agreed Policy;
 - ii. Renewal application licences have only been granted with the appropriate supporting evidence, including appropriate payment, in line with legislation and each council's agreed Policy;
 - iii. There was a process in place to ensure licences are renewed at the appropriate time;
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- iv. Monitoring and enforcement arrangements are in place to ensure the public is protected.
- The review was a full system audit concentrating on Hackney Carriage / Private Hire Taxi Licencing processes and enforcement activity of Worcestershire Regulatory Services Shared Service, hosted by Bromsgrove District Council. It covered the period from 1st April 2013 to the date of the audit.
- The audit did not cover any other types of licensing carried out by Worcestershire Regulatory Services as a shared service, for example Alcohol Licences.

3. Audit Opinion and Executive Summary

From the audit work carried out we have given an opinion of **moderate assurance** over the control environment in this area. The level of assurance has been calculated using a methodology that is applied to all Worcestershire Internal Audit Shared Service audits and has been defined in the "Definition of Audit Opinion Levels of Assurance" table in Appendix A. However, it should be noted that statements of assurance levels are based on information provided at the time of the audit in respect of the specific audit objectives. Where there is no specific reference to an audit objective in the findings and recommendations table at point 4 below, recipients of this report can take reassurance that a reasonable level of assurance was determined during audit testing for those objectives.

We have given an opinion of **moderate assurance** in this area because some of the expected controls are not in place or are not operating effectively. Assurance can, therefore, only be given over the effectiveness of controls within some areas of the system. New and renewed licences for Hackney Carriage / Private Hire Taxi drivers, vehicles and operators are issued by Regulatory Services Licensing Officers only on receipt of required supporting documents and with evidence of payment to districts, which is in line with each council's policy and the legislation. The Uniform system has been live since June 2013 and is being used to record all new applications with renewal records being updated on an ongoing basis. Work is underway in team meetings to further standardise officers' use of the system, and is moving towards full roll out of the Electronic Document and Records Management System (ERDMS) so that all supporting evidence will be scanned to Uniform. However, there remain issues with the integrity of the historical data transferred to Uniform from previous systems, and data cleansing has not yet been fully completed. A new Licensing Officer with an Information Technology background has been recruited and will be working on Uniform as a 'project' from early 2014/15 to improve the integrity of the data held. Due to the data issues, a full reconciliation of licences issued by Worcestershire Regulatory Services compared to income received for licensing to districts cannot yet be completed.

A plan for regular licence checks and safety inspections is in place, which at least meet individual Licensing Committee's requirements, and a new process has been developed to centrally record all issues raised with drivers, vehicles and operators by district area. This will,

from early April 2014, be recorded on Uniform. It is currently too early to judge how successful this is, but ongoing monitoring will be undertaken by the Worcestershire Shared Service Joint Committee as one of the performance measures in the 2014/15 Service Plan. The recommendations identified during the audit have been prioritised according to their significance / severity in the table below. We have used this prioritisation to inform our audit opinion. The definitions for high, medium and low priority are set out in the “Definition of Priority of Recommendations” table in Appendix B.

Priority	Number of Recommendations
High	1
Medium	1
Low	2

4. Detailed Findings and Recommendations

The issues identified during the audit have been set out in the table below along with the related risks, recommendations, management responses and action plan. The issues identified have been prioritised according to their significance / severity. The definitions for high, medium and low priority are set out in the "Definition of Priority of Recommendations" table in Appendix B.

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
New matters arising					
1	High	<p><u>Reconciliation of Income</u> There is currently no full annual reconciliation of payments received by districts for taxi licences to licences awarded. This is planned but has not yet been undertaken due to the significant issues experienced with the integrity of the data held on the Uniform system. In addition, testing has shown that there is variation in the way in which districts record income from taxi licensees, which would make some reconciliations challenging, for example there are not always references to the licensee/receipt number in the general ledger for Bromsgrove District Council and Worcester City Council.</p> <p>There is also variation in the consistency of data held in hard copy files.</p>	<p>Risk that licences are issued without proper payment being made/coded to the correct ledger account, leading to financial loss and reputational damage.</p>	<ul style="list-style-type: none"> • Worcestershire Regulatory Services to continue to work to cleanse data in Uniform and hard copy files so that accurate information on licence income received can be provided to districts for reconciliation to ledgers. • Worcestershire Regulatory Services and Head of Finance Services in Worcester City Council and Bromsgrove District Council to review and consider processes that will make reconciliation possible. 	<p>Responsible Manager: Licensing & Support Services Team Manager (Worcestershire Regulatory Services)</p> <p>Interim Financial Services Manager (Worcester City Council) Financial Services Manager (Bromsgrove District Council)</p> <p>Implementation date: By December 2014</p>

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
2	Medium	<p><u>Fee Setting</u> There is considerable variation between councils in terms of Licence fees and the duration for which they are held prior to requiring renewal. For some authorities there needs to be a more transparent process for setting taxi licence fees annually by Licensing Committees. There is no current requirement for standardisation, but the legislation states that no profit can be made by licensing authorities from licensing income.</p> <p>The Deregulation Bill, when it receives Royal Assent, will standardise licence durations, but this will further highlight disparity between licence fees across districts.</p>	<p>Risk of challenge regarding why fees and durations of licences vary which cannot be responded to, leading to reputational damage.</p>	<p>Worcestershire Regulatory Services to complete the planned fees exercise for taxis across all districts to calculate an approximate 'cost' to the Shared Service.</p> <p>Districts to consider the cost of licensing at a district level to arrive at a total actual cost.</p> <p>Districts to consider how/whether to move to more transparent charging processes.</p>	<p>Responsible Manager: Licensing & Support Services Team Manager (Worcestershire Regulatory Services)</p> <p>All district councils' Section 151 Officers</p> <p>Implementation date:</p> <p>WRS are watching the journey of the Deregulation Bill closely; a report outlining the impact of the Deregulation Bill has already been presented to the Management Board for their consideration and agreement.</p> <p>Finance teams will need to work with WRS to arrive at an actual cost of a licence once the impact of the Bill is realised and implementation timescales understood.</p> <p>In the meantime, WRS will be undertaking the planned fees exercise for taxis from September 2014 onwards.</p> <p>Districts to consider implications of fees exercise by April 2015 for 2015/16.</p>

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
3	Low	<p><u>Payments</u> Payment (usually in cheque form) is sometimes received directly by Worcestershire Regulatory Services accompanying a licensee's returned renewal slip. In these cases, Licensing Officers write applicant's details on the backs of any cheques, which are then taken to customer service centres for depositing. The exception to this process is for Worcester City Council, where cheques received direct at WRS are written on (as above) and sent on a daily basis direct to the finance team through internal post for processing. However, there is no process for Worcester City Council acknowledging receipt of cheques or for providing receipts to confirm deposit. This does not, reportedly, happen too frequently currently, but if the renewal slip becomes a more standardised method of renewal it will become more frequent in future.</p>	<p>Risk that licences are awarded where no payment has been made, leading to financial loss and reputational damage.</p>	<p>Worcestershire Regulatory Services and Worcester City Council to work together to consider putting in place a process whereby receipt and banking of cheques sent through internal post is confirmed.</p>	<p>Responsible Manager: Licensing & Support Services Team Manager (Worcestershire Regulatory Services)</p> <p>Interim Financial Services Manager (Worcester City Council)</p> <p>Implementation date: Immediate</p> <p>A meeting will be arranged between Finance and WRS to discuss processes and ensure immediate implementation.</p>
4	Low	<p><u>Websites – reporting of complaints</u> District council's Licensing Committees stipulate the number and frequency of scheduled enforcement exercises required for regulation by Worcestershire Regulatory Services. This requirement varies between authorities but, for most authorities, the main method of ensuring public safety</p>	<p>Risk that any action to ensure breaches in conditions is not undertaken promptly or efficiently leading to potential reputational damage and public concern.</p>	<p>In updating of districts' websites, which is a project scheduled by Worcestershire Regulatory Services for early 2014/15, consider including clear links to districts' complaints policies for Licensing Complaints.</p>	<p>Responsible Manager: Licensing & Support Services Team Manager (Worcestershire Regulatory Services)</p> <p>Implementation date: July 2014</p> <p>Work has already begun in this area;</p>

Ref.	Priority	Finding	Risk	Recommendation	Management Response and Action Plan
		<p>currently is through acting upon complaints received about drivers, vehicles or operators. Expectations are that complaints are to be addressed by Worcestershire Regulatory Service in line with each council's corporate complaints procedure. However, this is not currently publicised so that the public is clear about how and where to make complaints or what they can expect to happen. There is no link on the district councils' Licensing websites to complaints policies.</p>		<p>Ensure Worcestershire Regulatory Service staff are trained on the requirements of individual council processes.</p>	<p>Licensing Officer is now in post who has taken on this role; however, implementation is delayed slightly due to Districts moving to a different support platforms for their webpages.</p> <p>In the meantime the Licensing Officer responsible for websites already has 3 of the 6 district log ons and is doing some background information gathering.</p> <p>Clear links to WRS complaints procedure will be included on all district and WRS website pages.</p>

APPENDIX A

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.</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.</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 its objectives. Assurance can only be given over the effectiveness of controls within some areas of the system.</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>
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.</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.</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>

APPENDIX B

Definition of Priority of Recommendations

Priority	Definition
High	<p>Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives.</p> <p>Immediate implementation of the agreed recommendation is essential in order to provide satisfactory control of the serious risk(s) the system is exposed to.</p>
Medium	<p>Control weakness that has or is likely to have a medium impact upon the achievement of key system, function or process objectives.</p> <p>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.</p>
Low	<p>Control weakness that has a low impact upon the achievement of key system, function or process objectives.</p> <p>Implementation of the agreed recommendation is desirable as it will improve overall control within the system.</p>
