





Current assessment rationale for grading the priority of recommendations in Internal Audit reports

Risk rating	Assessment rationale
 Critical	<p>Critical and urgent in that failure to address the risk could lead to one or more of the following occurring:</p> <ul style="list-style-type: none"> ▪ Significant financial loss (through fraud, error, poor value for money) ▪ Serious safeguarding breach ▪ Life threatening or multiple serious injuries ▪ Catastrophic loss of service ▪ Failure of major projects ▪ Critical Information loss leading to Information Commissioner's Office (ICO) referral ▪ Reputational damage – Intense political and media scrutiny i.e. front-page headlines, television coverage. ▪ Possible criminal, or high profile, civil action against the Council, Members or officers. ▪ Intervention by external agencies <p>Remedial action must be taken immediately</p>
 Major	<p>Major in that failure to address the issue or progress the work would lead to one or more of the following occurring:</p> <ul style="list-style-type: none"> ▪ High financial loss (through fraud, error, poor value for money) ▪ Safeguarding breach ▪ Serious injuries or stressful experience requiring medical treatment, many work days lost. ▪ Significant disruption to service (Key outcomes missed, some services compromised. Management action required to overcome medium term difficulties) ▪ Major Information loss leading to internal investigation ▪ Reputational damage – Unfavourable external media coverage. Noticeable impact on public opinion. ▪ Scrutiny required by external agencies <p>Remedial action must be taken urgently</p>
 Moderate	<p>Moderate in that failure to address the issue or progress the work would lead to one or more of the following occurring:</p> <ul style="list-style-type: none"> ▪ Medium financial loss (through fraud, error or poor value for money) ▪ Significant short-term disruption of non-core activities ▪ Scrutiny required by internal committees. ▪ Injuries or stress level requiring some medical treatment, potentially some work days lost ▪ Reputational damage – Probable limited unfavourable media coverage. <p>Prompt specific action should be taken</p>
 Low	<p>Low in that failure to address the issue or progress the work would lead to one or more of the following occurring:</p> <ul style="list-style-type: none"> ▪ Low financial loss (through error or poor value for money) ▪ Minor errors in systems/operations or processes requiring action or minor delay without impact on overall service delivery schedule. Handled within normal day to day routines. ▪ Reputational damage – Internal review, unlikely to have a wider impact. <p>Remedial action is required</p>
Assurance Level	Description
Good	There is a sound system of internal control designed to achieve the objectives of the system/process and manage the risks to achieving those objectives. Recommendations will normally only be of Low risk rating. Any Moderate recommendations would need to be mitigated by significant strengths elsewhere.
Satisfactory	Whilst there is basically a sound system of control, there are some areas of weakness, which may put the system/process objectives at risk. There are Moderate recommendations indicating weaknesses but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any Major recommendations relating to part of the system would need to be mitigated by significant strengths elsewhere.
Limited	There are significant weaknesses in key areas in the systems of control, which put the system/process objectives at risk. There are Major recommendations or a number of moderate recommendations indicating significant failings. Any Critical recommendations relating to part of the system would need to be mitigated by significant strengths elsewhere.
No	Internal controls are generally weak leaving the system/process open to significant error or abuse or reputational damage. There are Critical recommendations indicating major failings

Overdue Major Internal Audit Recommendations as at 14 September 2021

Audit Review Title	Recommendation	Latest Target Date	Last Status Update	Owner
Building Security (2019/20)	<p>Original deadline for implementation: 31 August 2019</p> <p>Partner organisations who require access to Council buildings should be required to regularly report any leavers / confirm individuals still require access. The Security Office should then ensure records are updated and any redundant access rights are removed promptly.</p>	31 August 2019	<p>Last update from the service was provided on 12 May 2021.</p> <p>This indicates that progress has been made. A more up to date status has been requested.</p> <p>In addition, it is acknowledged that since this audit was undertaken there will have been considerably less people accessing Council buildings due to Covid.</p>	Category and Contract Manager
Personal Budgets Families: Direct Payments (2017/18)	<p>Original deadline for implementation: 31 December 2018</p> <p>Implement a robust process to ensure all cases with Direct Payments are managed effectively, including monitoring of spending. Implement procedures to ensure that all cases are tracked by the Resource Coordinators and monitoring is undertaken in respect of cases where decisions are made outside of Panel. Details of information required by Purple for cases due to be managed by them and any financial checks / monitoring that they undertake should be established, documented and subsequently made available to all relevant staff.</p>	29 January 2021	<p>Last update from the service was provided on 22 April 2021 as follows:</p> <p>Adults have a Direct Payments Monitoring Team which is currently being reviewed - the plan is that they will commence monitoring Childrens should the review be favourable.</p>	Director of Local Delivery (Children and Families)