



Committee and Date

Audit Committee

20th July 2023

10:00am

Item

Public



Internal Audit Performance 2022/23

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Cabinet Member (Portfolio Holder):	Lezley Picton, Leader of the Council Brian Williams, Chairman of the Audit Committee Gwilym Butler, Portfolio Holder – Finance and Corporate Resources		

1. Synopsis

This report summarises Internal Audit’s work in the final quarter of 2022/23 to inform the year end opinion. Progress was slightly behind target. Where reviews identified lower assurances, these are highlighted providing members with an opportunity to challenge.

2. Executive Summary

- 2.1. This report provides members with an update of work undertaken by Internal Audit in the final two and a half months of the 2022/23 Internal Audit Plan. The team has achieved the target to deliver a minimum of 90% of the revised annual plan by the year end with 94% percent of the revised plan having been completed (**see Appendix A, Table 1**), slightly below previous delivery records (97% 2021/22 and 2020/21).
- 2.2. Three good, six reasonable, five limited and two unsatisfactory assurance opinions have been issued. The 16 final reports contained 126 recommendations, five of which were fundamental.

- 2.3. Internal Audit continues to add value to the Council in its delivery of bespoke pieces of work, including sharing best practice and providing advice on system developments.

3. Decisions

- 3.1. The Committee is asked to consider and endorse, with appropriate comment
- a) the performance of Internal Audit against the 2022/23 Audit Plan.
 - b) Identify any action(s) it wishes to take in response to any low assurance levels and fundamental recommendations, brought to Members' attention, especially where they are repeated.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1. Delivery of a risk-based audit Internal Audit Plan is essential to ensuring the probity and soundness of the Council's control, financial, risk management systems and governance procedures. Areas to be audited are identified following a risk assessment process which considers the Council's risk register information and involves discussions with managers concerning their key risks. These are refreshed throughout the period of the plan as the environment (delivery risks) changes. In delivering the plan, the adequacy of control environments is examined, evaluated and reported on independently and objectively by Internal Audit. This contributes to the proper, economic, efficient and effective use of resources. It provides assurances on the internal control systems, by identifying potential weaknesses and areas for improvement, and engaging with management to address these in respect of current systems and during system design. Without this, failure to maintain robust internal control, risk and governance procedures creates an environment where poor performance, fraud, irregularity and inefficiency can go undetected, leading to financial loss and reputational damage.
- 4.2. Provision of the Internal Audit Annual Plan satisfies the Accounts and Audit Regulations 2015, part 2, section 5(1) in relation to internal audit. These state that:
- 'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- 4.3. 'Proper practices' can be demonstrated through compliance with the Public Sector Internal Audit Standards (PSIAS). Vacancy management and recruitment, whilst an ongoing risk, is being managed proactively and activities undertaken to mitigate and manage this going forward.
- 4.4. The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998 and there are no direct environmental or equalities consequences of this proposal.

5. Financial Implications

5.1. The Internal Audit plan is delivered within approved budgets. The work of Internal Audit contributes to improving the efficiency, effectiveness and economic management of the wider Council and its associated budgets.

6. Climate Change Appraisal

6.1. This report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation; or on climate change adaptation. However, the work of the Committee will look at these aspects relevant to the governance, risk management and control environment.

7. Background

7.1. Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. Internal Audit reviews appraises and reports on the efficiency, effectiveness and economy of financial, governance, risk and other management controls. The Audit Committee is the governing body with delegated authority under the Constitution to monitor progress on the work of Internal Audit.

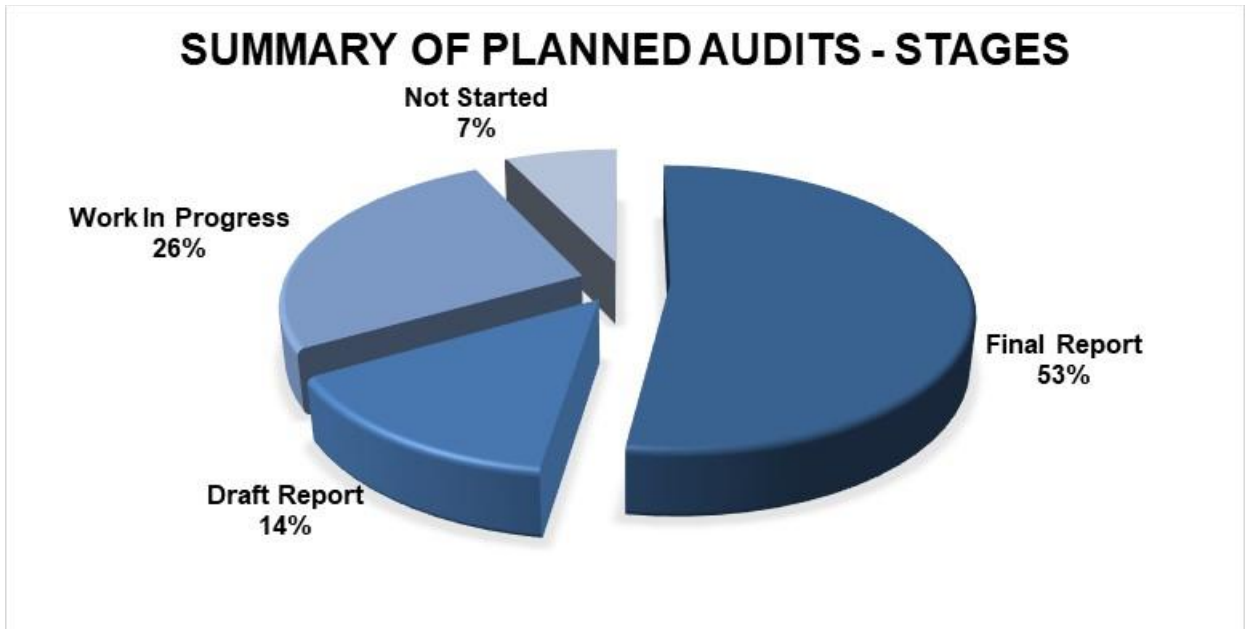
7.2. The 2022/23 Internal Audit Plan was presented to, and approved by the Audit Committee at the 22nd, February 2022 meeting, with adjustments being approved in September, November and January. This report provides an update on progress made against the plan up to 31st March 2023.

8. Performance Against the Plan 2022/23

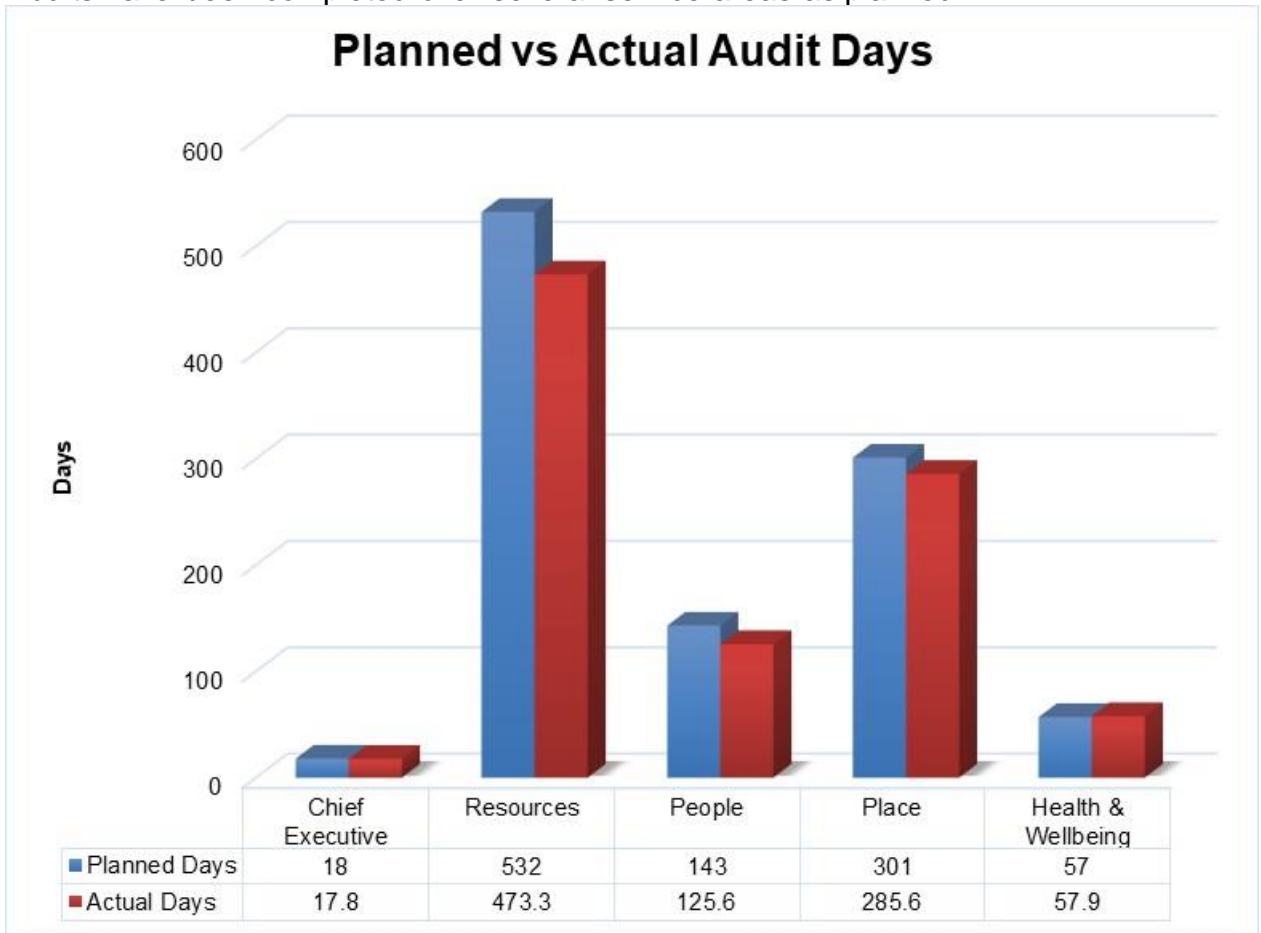
8.1. The 2022/23 plan provides for a total of 1,569 audit days. Over the year there have been changes to planned audit activity which has been adjusted to reflect changes in resources and risks. Part of the audit plan has been delivered by external contractors, whilst the majority of work has been completed there are two audits that have not been started. Assurances have been received that planned work will commence imminently.

8.2. Performance is on par with previous delivery records at 94% (97% 2021/22; and 2020/21), and the team has achieved the target to deliver a minimum of 90% of the revised annual plan by the year end.

8.3. In total, 16 final reports have been issued in the period from 16th January to 31st March 2023, all are listed with their assurance rating and broken down by service area at paragraph 8.5. The year to date position is shown at **Appendix A, Table 2**. The following chart shows performance against the approved Internal Audit Plan for 2022/23:



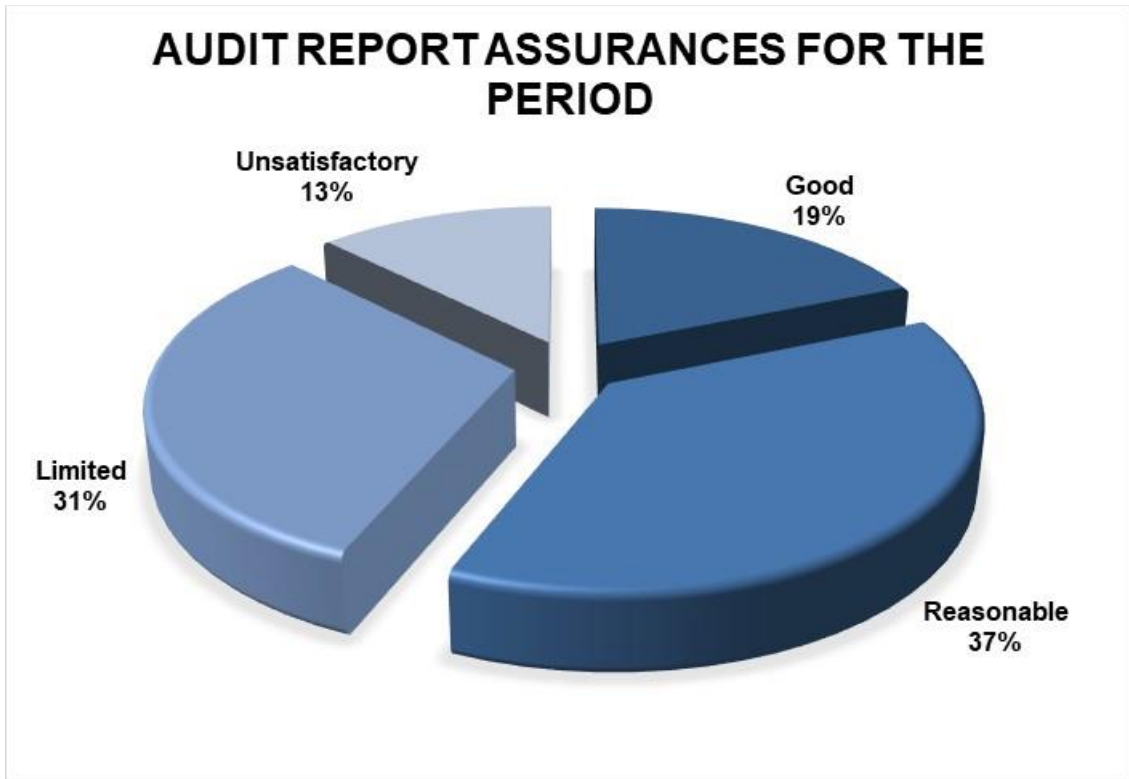
8.4. Audits have been completed over several service areas as planned:



8.5. The following audits have been completed in the period:

Audit Name	Audit Opinion					Recommendations			
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice
Health and Wellbeing									
Contaminated Land		1				0	0	3	0
	0	1	0	0		0	0	3	0
People - Adults									
Comforts Fund Reviews - Avalon	1					0	0	1	0
Other, including added value and briefing notes						0	3	0	0
	1	0	0	0		0	3	1	0
People - Children									
Nursery Grants 3 to 5 years		1				0	1	3	2
Other, including added value and briefing notes						0	2	1	0
	0	1	0	0		0	3	4	2
Place									
Community Infrastructure Levy	1					0	0	1	0
Highways Permits	1					0	0	2	0
Economic Growth Projects		1				0	0	4	0
Registrars Income Collection		1				0	1	8	0
Theatre Severn		1				0	1	19	0
Tree Safety 2022/23				1		1	4	7	0
	2	3	0	1		1	6	41	0
Resources - Finance and Technology									
Capital Management and Monitoring		1				0	1	3	0
Backup Arrangements			1			1	0	4	0
Database Administration			1			0	6	4	0
Firewalls			1			0	4	6	0
Microsoft Azure and Power Platform Follow Up			1			1	3	12	0
IT Business Administration				1		1	2	2	0
Other, including added value and briefing notes						0	4	1	0
	0	1	4	1		3	20	32	0
Resources - Legal and Governance									
Information Security Management Follow up			1			1	2	4	0
	0	0	1	0		1	2	4	0
Total	3	6	5	2		5	34	85	2
%	19%	38%	31%	12%		4 %	27 %	67%	2 %

8.6. The assurance levels awarded to each completed audit area appear in the graph below:



8.7. The overall spread of recommendations agreed with management following each audit review are as follows:



In the period 16th January to 31st March 2023, nine reports have been issued providing good or reasonable assurances and accounting for 57% of the opinions delivered. This represents a slight decrease in the higher levels of assurance for this period, compared to the previous year outturn of 59%. This is balanced by a corresponding increase in limited and unsatisfactory assurances, currently 43% for the period compared to the previous year outturn of 41%. Finance and Technology

have received four limited and one unsatisfactory assurance level in the period and the Place Directorate has seen the highest number of unsatisfactory assurance opinions.

- 8.8. Details of control objectives evaluated and not found to be in place as part of the planned audit reviews that resulted in limited and unsatisfactory assurances, appear in **Appendix A, Table 3**. The appendix also includes descriptions of the levels of assurance used in assessing the control environment and the classification of recommendations, **Tables 4 and 5** and provides a glossary of common terms, **Table 6**.
- 8.9. Twelve draft reports, awaiting management responses, will be included in the next performance report. Work has also been completed for external clients in addition to the drafting and auditing of financial statements for several honorary funds and the certification of grant claims.
- 8.10. A total of 126 recommendations have been made in the 16 final audit reports issued during this period; these are broken down by service area at paragraph 8.5, the year-to-date position is show at **Appendix A, Table 2**. Five fundamental recommendations have been identified which are detailed below:

- **Tree Safety**

Recommendation - The current organisational structure at Shropshire Council should be reviewed with a view to ensuring one individual or department has oversight and understanding of woodland development and tree management. This review should delegate responsibility for the development of a biodiversity strategy (incorporating woodland creation and management) that contributes effectively to Shropshire's net zero by 2030 targets and managing tree safety risks.

Risk - Without clarity on roles and responsibilities for tree management an overarching strategy that covers biodiversity, tree and hedge planting as well as tree safety Shropshire may fail to meet its net zero by 2030 carbon target and tree management will remain peripheral to all departments, reactive and lacks direction and focus. This could lead to severe damage to property or person which could result in injury or death. This could also result in legal action, fines and reputational damage.

Management Response - Issue to be raised at senior management level because it crosses service area / directorate boundaries. This also needs to be considered in the wider context of the Council's financial position and ensuring that we have the correct model for managing trees, woodland and biodiversity that is resourced.

Date to be Actioned – October 2023

- **Backup Arrangements**

Recommendation - The backup recovery processes need to be simplified, provide additional coverage for M365 apps.

Risk – A lack of appropriate back up facilities supporting key material systems may lead to being unable to recover in the event of an incident.

Management Response - With the adoption of a modern backup solution we will refresh our backup processes as our new solution provides capability across the mentioned areas.

Date to be Actioned – June 2023

- **Microsoft Azure and Power Platform Follow Up**

Recommendation - The review of the structure should be completed as a matter of priority to ensure that the Azure/M365 adequate administrative arrangements are in place, including clearly defined responsibilities for receipt and analysis of M365 Message Center notifications.

Risk - The absence of appropriate resourcing leads to poor management of the platforms, increasing the risk of configuration error leading to a cyber event.

Management Response - Since the publication of the initial briefing note a significant amount of work has been put into strengthening the controls around Azure/M365, including establishing an MS Planner to manage notifications from the message centre. In light of a strategic partner being appointed to work with the Council, we will be extending the interim arrangements while a skills and maturity assessment is conducted with the partner. This will inform the most appropriate structure moving forwards.

Date to be Actioned – September 2023

- **IT Business Administration**

Recommendation - As recommended in 2020/21 and 2021/22, a contract for the provision of ICT hardware i.e. PC's, laptops and mobile devices should be secured in line with the Council's Contract Procedure Rules at the earliest opportunity.

Risk - Non-compliance with the Council's Contract Procedure Rules resulting in a failure to ensure that legal requirements are met and value for money is achieved which could result in a financial and reputational loss to the Council. Without a contract, terms and conditions are not agreed and supplier performance and costs cannot be easily measured or addressed. This could result in a financial loss to the Council if the supplier ceased to provide goods or was not delivering or performing as expected and goods needed to be sought elsewhere at short notice.

Management Response - The business case to allow the budget has been completed and is being reviewed by colleagues in Finance. Investigations have been held with several suppliers on the different technologies available and an appropriate framework has been identified. The associated paperwork for this is being completed and we are intending for this to be issued in March with a 3 month procurement cycle likely.

Date to be Actioned – July 2023

- **Information Security Management Follow Up**

Recommendation - The Information Governance Leadership and Organisational Oversight Group (IGLOO) should ensure arrangements for the independent assurance over the Information Governance Framework and Information Security are retained and documented.

Risk - Since the Head of Service - Policy of Governance and Governance's job description is operationally responsible for the Information Governance Framework and is also Chief Audit Executive, the Council may lose independent (third line) assurance over its Information Security / Information Governance arrangements.

Management Response - Independent assurance was raised during the IGLOO meeting held on 24 March 2023 where members of the group were asked

for input into this. Appropriate arrangements will be made as the new Head of Policy and Governance takes up their role on April 1 2023.

Date to be Actioned – June 2023

8.11. It is the identified manager's responsibility to ensure accepted audit recommendations are implemented within an agreed timescale. **Appendix A, Table 7** sets out the approach adopted to following up recommendations highlighting Audit Committee's involvement.

8.12. The following demonstrates areas where Audit have added value with unplanned, project or advisory work, not included in the original plan located at **Appendix A, Table 1**.

- **Strategic Partner Framework** – A review of the initial phase of the transformation which established the governance arrangements for the programme and identified the initial projects that would be prioritised.
- **Transport Operational Project Board** – Representation on the Flexiroute system implementation project board providing critical challenge and advice on internal controls.
- **Schools self-assessment review and feedback** – Annually a sample of schools are asked to complete a controls evaluation self-assessment. The results are reviewed by Internal Audit to inform the annual plan of work and specific feedback provided to schools where appropriate.
- **Demand Responsive Transport** – Connect On-Demand will replace existing low-frequency scheduled bus services in various zones covering rural areas of Shropshire with demand-responsive transport (DRT) services using new minibuses, bookable through an app. Audit representation on the project board providing critical challenge and advice on internal controls.
- **Payroll Data Analytics** – Analysis of payroll data was undertaken to identify data quality improvements. This information was shared with the HR/Payroll Manager to enable the HR Business Partners to support those not using the system correctly.
- **National Fraud Initiative (NFI)** – The team are co-ordinating the review of matches from the 2022/23 NFI process.

Performance Measures

8.13. All Internal Audit work has been completed in accordance with agreed plans and the outcomes of final reports have been reported to the Audit Committee.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Internal Audit Performance and Revised Annual Audit Plan 2022/23 – Audit Committee 14th February 2023

Internal Audit Performance and Revised Annual Audit Plan 2022/23 – Audit Committee 24th November 2022

Internal Audit Performance and Revised Annual Audit Plan 2022/23 – Audit Committee 15th September 2022

Draft Internal Audit Risk Based Plan 2022/23 - Audit Committee 22nd February 2022
Public Sector Internal Audit Standards (PSIAS)
Audit Management system

Accounts and Audit Regulations 2015, 2018 and Accounts and Audit (Coronavirus)
(Amendment) Regulations 2020, Amendment Regulations 2022

Local Member: All

Appendices

Appendix A

Table 1: Summary of actual audit days delivered against plan 1st April to 31st March 2023.

Table 2: Final audit report assurance opinions and recommendation summary 1st April to 31st March 2023.

Table 3: Unsatisfactory and limited assurance opinions in the period 1st April to 31st March 2023.

Table 4: Audit assurance opinions

Table 5: Audit recommendation categories

Table 6: Glossary of terms

Table 7: Recommendation follow up process (risk based)

APPENDIX A

Table 1: Summary of actual audit days delivered and revisions to the audit plan in the period from 1st April to 31st March 2023

	Original Plan	Revised Plan	31 st March 2023 Actual	% of Original Complete	% of Revised Complete
Chief Executive	14	18	17.8	127%	99%
Health and Wellbeing	10	57	57.9	579%	102%
People	65	143	125.6	193%	88%
Adult Services	15	58	65.7	438%	113%
Children's Services	22	47	20.4	93%	43%
Education and Achievement	28	38	39.5	141%	104%
Place	129	301	285.6	221%	95%
Resources	318	532	473.3	149%	89%
Finance and Technology	202	320	275.2	136%	86%
Legal and Governance	49	63	58.0	118%	92%
Workforce and Improvement	67	149	140.1	209%	94%
S151 Planned Audit	536	1,051	960.2	179%	91%
Contingencies and other chargeable work	682	307	303.0	44%	99%
Total S151 Audit	1,218	1,358	1,263.2	104%	93%
External Clients	211	211	206.8	98%	98%
Total	1,429	1,569	1,470.0	103%	94%

Table 2: Final audit report assurance opinions and recommendation summary - 1st April to 31st March 2023

Audit Name	Audit Opinion					Recommendations			
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice
Chief Executive									
Corporate Governance		1							
	0	1	0	0		0	0	0	0
Health and Wellbeing									
Contaminated Land		1						3	
	0	1	0	0		0	0	3	0
People - Adults									
Comforts Fund Reviews - Avalon	1							1	
Individual Service Funds (ISFs)		1				1	1	1	
Other, including added value and briefing notes							4	1	
	1	1	0	0		1	5	3	0
People - Children									
Supporting Families Grant - June Claim	1								
Nursery Grants 3 to 5 years		1					1	3	2
Supporting Families Grant - September Claim		1					1		
Schools Themed Audits 2021/22		1					7	28	
Schools Themed Audits		1						29	
Other, including added value and briefing notes							3	1	
	1	4	0	0		0	12	61	2
Place									
Community Infrastructure Levy	1							1	
Highways Permits	1							2	
Local Enterprise Partnerships	1								
Contracts and Tendering - Property		1					1	5	2
Economic Growth Projects		1						4	
Gladstone Application 2021/22		1					6	5	
Registrars Income Collection		1					1	8	
Theatre Severn		1					1	19	
Confirm Application			1				7	5	
WSP Contract Management 2021/22			1				2	9	
Acton Scott Working Farm Museum				1			13	13	
Much Wenlock Leisure Centre				1			21	22	
Tree Safety 2022/23				1		1	4	7	

Audit Name	Audit Opinion					Recommendations			
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice
	3	5	2	3		1	56	100	2
Resources - Finance and Technology									
ERP Development and Administration	1							1	
Capital Management and Monitoring		1					1	3	
Encryption		1					2	2	
ResourceLink Database Administration		1					4	1	
Sales Ledger - Periodic Income 2021/22		1					4	2	
Sales Ledger 2021/22		1					3	4	
SNOW - IT Asset Management		1					2	3	
Backup Arrangements			1			1		4	
Database Administration			1				6	4	
Debt Recovery 2021/22			1				5	4	
Firewalls			1				4	6	
General Ledger 2021/22			1				7	11	
Microsoft Azure and Power Platform Follow Up			1			1	3	12	
Purchase Ledger 2021/22			1				9	27	
Telecommunications, Contracts and Procurement Follow up 2021/22			1				5	3	
Third Party Contractor Access Controls 2021/22			1				2	4	
IT Business Administration				1		1	2	2	
Other, including added value and briefing notes							4	1	
	1	6	9	1		3	63	94	0
Resources - Workforce and Improvement									
Risk Management	1						1	2	
Home and flexible Working Arrangements		1					5	8	
Payroll 2021/22				1		1	19	9	
	1	1	0	1		1	25	19	0
Resources - Legal and Governance									
Information Security Management Follow up			1			1	2	4	
Management and Control of CCTV Operations			1				10	9	
	0	0	2	0		1	12	13	0
Total	7	19	13	5		7	173	293	4

Audit Name	Audit Opinion					Recommendations			
	Good	Reasonable	Limited	Unsatisfactory		Fundamental	Significant	Requires Attention	Best Practice
%	16 %	43 %	30 %	11 %		2 %	36 %	61 %	1 %

Table 3: Unsatisfactory and limited assurance opinions issued in the period from 16th January to 31st March 2023¹

Unsatisfactory assurance - None in current period

Directorate– Tree Safety (Unsatisfactory 2020/21)

- To establish the extent to which the previous audit recommendations have been implemented.
- There are written policies and procedures in place in relation to tree safety that reflect the requirement of the Health and Safety Executive (HSE) Legislation.
- There are up to date records, monitoring, surveying and risk assessment procedures to control the risk of tree safety.
- There are procedures to monitor the information and reports received from contractors and ensure that where appropriate, remedial works are ordered and carried out on a timely basis.
- There are procedures to ensure that payments to the main contractors and payments for remedial works are authorised and correct

Directorate– IT Business Administration (Unsatisfactory 2021/22)

- Policies and procedures are in place to ensure compliance with internal and external requirements.
- Appropriate contracts are in place that are subject to continuous monitoring.

Limited assurance

Directorate– Backup Arrangements

- An appropriate backup and recovery plan is in place which forms part of an overall disaster recovery plan.
- Recovery procedures are routinely tested.
- Logical access to back up processes and data is restricted to authorised personnel

Directorate– Database Administration

- To ensure that routine database administrative procedures have been defined and documented.
- To ensure that user authentication methods have been configured in accordance with internal policy and industry best practices.

¹ Listed are the management controls that were reviewed and found not to be in place and/or operating satisfactorily and therefore positive assurance could not be provided for them.

- To ensure that clear and well defined database user administration procedures are documented and operating effectively in practice.
- To ensure that third party access is appropriately managed.
- To ensure that database auditing/access logs and alerts are configured and monitored.

Directorate– Firewalls

- To ensure that firewall administration access rights are restricted to authorised staff.
- To ensure that changes to firewall settings are subject to approval.
- To ensure that there are regular reviews and validation of firewall rules
- To ensure that firewall logs have been configured and are regularly reviewed.

Directorate– Microsoft Azure and Power Platform Follow Up

Azure (Unsatisfactory 2021/22)

- To ensure that Microsoft Azure/M365 configuration management responsibilities clearly defined
- To ensure that permissions in M365 reflect any delegated responsibilities
- To ensure that Azure/M365 administration and security procedures are documented

Power Platform (Briefing note 2021/22)

- Controls exist to ensure that usage of the Power Platform complies with both internal policies such as the Corporate Information Security Policy, the Access Control Policy and external legislation such as the Data Protection Act 2018.

Directorate– Information Security Management (Limited 2021/22)

- To ensure that an information security policy is in place and is reviewed on a regular basis to determine that it is updated to reflect changes to the operating environment and new threats.
- To ensure that processes are in place for the management oversight of the information security function.
- To ensure that the information security function has established processes to ensure that routine testing of information-security-related controls is performed in accordance with regulatory requirements and risk assessments that have identified high risk or vulnerable assets.
- To ensure that an incident management policy has been established that defines the classification of information security incidents and the actions to be executed when an information security incident is identified, and the process has been communicated to units who are first responders.

Table 4: Audit assurance opinions: awarded on completion of audit reviews reflecting the efficiency and effectiveness of the controls in place, opinions are graded as follows

Good	Evaluation and testing of the controls that are in place confirmed that, in the areas examined, there is a sound system of control in place which is designed to address relevant risks, with controls being consistently applied.
Reasonable	Evaluation and testing of the controls that are in place confirmed that, in the areas examined, there is generally a sound system of control but there is evidence of non-compliance with some of the controls.

Limited	Evaluation and testing of the controls that are in place performed in the areas examined identified that, whilst there is basically a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.
Unsatisfactory	Evaluation and testing of the controls that are in place identified that the system of control is weak and there is evidence of non-compliance with the controls that do exist. This exposes the Council to high risks that should have been managed.

Table 5: Audit recommendation categories: an indicator of the effectiveness of the Council's internal control environment and are rated according to their priority

Best Practice (BP)	Proposed improvement, rather than addressing a risk.
Requires Attention (RA)	Addressing a minor control weakness or housekeeping issue.
Significant (S)	Addressing a significant control weakness where the system may be working but errors may go undetected.
Fundamental (F)	Immediate action required to address major control weakness that, if not addressed, could lead to material loss.

Table 6: Glossary of terms

Significance

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

Chief Audit Executive Annual Opinion

The rating, conclusion and/or other description of results provided by the Chief Audit Executive addressing, at a broad level, governance, risk management and/or control processes of the organisation. An overall opinion is the professional judgement of the Chief Audit Executive based on the results of several individual engagements and other activities for a specific time interval.

Governance

Comprises the arrangements (including political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the outcomes for intended stakeholders are defined and achieved.

Risk

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Control

Any action taken by management, the board and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Impairment

Impairment to organisational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel and properties and resource limitations (funding).

Table 7: Recommendation follow up process (risk based)

When recommendations are agreed the responsibility for implementation rests with management. There are four categories of recommendation: fundamental, significant, requires attention and best practice and there are four assurance levels given to audits: unsatisfactory, limited, reasonable and good.

The process for *fundamental recommendations* will continue to be progressed within the agreed time frame with the lead Executive Director being asked to confirm implementation. Audit will conduct testing, either specifically on the recommendation or as part of a re-audit of the whole system. Please note that all agreed fundamental recommendations will continue to be reported to Audit Committee. Fundamental recommendations not implemented after the agreed date, plus one revision to that date where required, will in discussion with the Section 151 Officer be reported to Audit Committee for consideration.