

APPENDIX 1 – 2020-21 INTERNAL AUDIT ANNUAL REPORT

Internal Audit Annual Report Audit Committee 5th October 2021

Introduction: This Appendix gives summary details of the 2020-21 audit plan that was agreed by Audit Committee in May 2020. It shows the indicative scope as well as the completion status of each individual project. It is included to provide Audit Committee with assurance that the audit plan – which is the key vehicle for providing the Council with independent assurance – has been effectively delivered.

* Denotes a principal risk

1. Summary of assurance ratings for completed reviews

#	Ref	Audit Title	Assurance Rating
Assurance ratings for planned audit reviews			
1	HASS19-6	Housing Revenue Account (HRA)	Moderate
2	CC20-3	Financial Strategy – Adult Social Care Transformation	Moderate
3	CC20-4	Capital Programmes	Moderate
4	CC20-6	Contract Management	Limited
5	FR20-3	IT Application Reviews – CivicaPay	Moderate
6	PS20-1	Youth Offending / Youth Crime	Moderate
7	PS20-2	Safeguarding Adults	No assurance (including one critical priority finding in relation to records management)
8	PS20-6-1	School – Establishment Review – Blessed Sacrament Roman Catholic Primary School	Moderate
9	PS20-6-2	School – Establishment Review – Gillespie Primary School	Moderate
10	PS20-6-4	School – Establishment Review – Robert Blair Primary School	Moderate
11	PS20-6-5	School – Establishment Review – Sacred Heart Catholic Primary School	Moderate
12	PS20-7	Domestic Violence	Moderate
13	ER20-3	Parking Services	Limited
14	HOU20-1	HomeBuild Programme	Moderate
15	HOU20-2	Tenancy Management Organisations – Establishment Review – Elthorne First Tenant Management Co-Op	No assurance (establishment review)
16	HOU20-5	Health and Safety – Asbestos <i>(the report is currently at draft stage and awaiting management responses to audit recommendations)</i>	To be confirmed based on management response, as management have stated that

			they intend to provide further audit evidence.
Extended follow up outcomes (see rating key in Appendix 3)			
17	CC20-5	Information Governance	A good rate of implementation was noted
18	FR20-4-1	IT Audit Reviews – Cyber Security	A good rate of implementation was noted
19	FR20-4-2	IT Audit Reviews – Symology	Agreed actions have been fully implemented
20	FR20-4-3	IT Audit Reviews – Technology Debt	A good rate of implementation was noted
21	PS20-3	Social Care Provider Failure	Agreed actions have been fully implemented
Reviews completed where an assurance opinion was not provided (a management letter was issued)			
22	AD19-2	Conewood Children’s Centre	Five high priority findings (establishment review)
23	CC20-2	Project Management Office – PMO Redesign; Adult Social Care (ASC) Transformation; PFI 2; and Fleet Electrification	Seventeen high priority findings across four audit areas, details of which were reported to Audit Committee in January 2021
24	FR20-1	Controls mapping: 1) Accounts payable/outflows; 2) Payroll and staff expenses; 3) Income; and 4) Treasury	n/a – output is controls matrices
25	AD20-1	Stronger Families	No high priority findings
26	AD20-2	Commercial Waste Recovery Plan	Four high priority findings (advisory review)
27	AD20-3	People Friendly Streets	One high priority finding (advisory review)
28	ER20-4	Business Continuity Planning	One high priority finding
29	HOU20-3	Voluntary Sector Organisation (VSO) – Disability Action in Islington	Five high priority findings (establishment review)
Reviews in progress to be completed by October 2021			
30	CC20-1	Landlord Duty of Care – Lifts	To be confirmed once fieldwork is concluded. Fieldwork is in progress
31	FR20-5	Use of Contingent Workers	To be confirmed once fieldwork is concluded. Fieldwork is in progress
32	PS20-6-3	School – Establishment Review – Moreland Primary School	To be confirmed once fieldwork is concluded. Fieldwork is in progress
33	PS20-6-6	School – Establishment Review – St Luke’s Church of England Primary School	To be confirmed once fieldwork is concluded. Fieldwork is in progress

2. Detailed 2020-21 audit plan update

2.1 Audits brought forward from 2019/20

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
HASS19-6	Housing Revenue Account (HRA)	The purpose of this review is to assess the adequacy of the design and operation of controls in place for management and ongoing monitoring the HRA's financial viability, in order to ensure that the HRA meets the Council's strategic and corporate objectives, complies with relevant legislation and provides value-for-money to residents.	20	Completed. No high priority findings identified.	Moderate
AD19-2	Conewood Children's Centre	This additional review was undertaken at management's request.	15	Completed. Five high priority findings were raised, details of which were reported to Committee in January 2021.	n/a – a management letter was issued

2.2 Corporate/Cross-Cutting

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
CC20-1	Landlord Duty of Care - Lifts*	On-going programme of assurance against this area of Principal Risk. Cross-cutting review of the Council's arrangements for ensuring compliance with health and safety requirements across its property portfolio. Scope to focus on lift maintenance and replacement within the Council's housing stock.	20	At review, a need for additional audit work to cover off areas of key risk was identified. As a result, fieldwork is ongoing, and a revised completion date of October 2021 is anticipated.	To be confirmed on completion of fieldwork, fieldwork is currently in progress

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
CC20-2	Project Management Office *	Assurance surrounding key actions to mitigate this principal risk. Scope to include deep-dive into a sample of key projects/work-streams.	20	Completed. High priority findings were raised in each of the four areas reviewed, details of which were reported to Committee in January 2021.	n/a – a management letter was issued
CC20-3	Financial Strategy (Programme Level Controls) – Adult Social Care Transformation *	Risk based review of key programme objectives. Scope to include assurance surrounding the mitigation actions recorded against this principal risk.	10	Completed. No high priority findings identified.	Moderate
CC20-4	Capital programmes *	Risk based review with a focus on funding and approval of spend. Scope to include governance and financial monitoring arrangements, including deep-dive into a sample of key projects.	20	Completed. One high priority finding was raised, details of which can be seen at Appendix 2.	Moderate
CC20-5	Information Governance *	Scope to be refined in-year to focus on high risk areas.	10	<p>Extended follow up completed. We looked at the rate of implementation of recommendations related to five medium priority findings. We found that:</p> <ul style="list-style-type: none"> • Recommendations relating to one finding have been implemented; • Recommendations relating to three findings have been partially implemented; and • Recommendations relating to one finding have not been implemented. <p>The medium priority findings where recommendations were partially implemented related to:</p> <ul style="list-style-type: none"> • Assignment of roles and responsibilities; • Retention of records; and 	n/a – as this related to a follow up review

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
				<ul style="list-style-type: none"> Updates to asset register. <p>The medium priority finding where recommendations were not implemented related to:</p> <ul style="list-style-type: none"> Classification and retention of records. <p>Revised target implementation dates between 31 October 2021 and 31 March 2022 have been agreed for the outstanding recommendations.</p>	
CC20-6	Contract Management *	On-going programme of assurance against this area of key risk. To include follow up of previous audit recommendations.	20	Completed. Two high priority findings were raised, details of which can be seen at Appendix 2.	Limited
CC20-7	Commercial Property	Risk based review to ensure that the Council fulfils its statutory and legislative duties as a responsible landlord, and to maximise the generation and collection of income.	-	<p>Initially deferred to 21/22 based on discussion with Community Wealth Building Leadership Group (CWBLG) on 8th July 2020 as this area was no longer a principal risk within the revised Principal Risk Report which was taken to that meeting. Resource was reallocated to follow up work in 20/21.</p> <p>When the 21/22 draft audit plan was discussed at CWBLG on 18th March 2021, the view was taken that there was higher risk areas to be audited in 21/22. Therefore this review will be kept under review for the 22/23 audit plan/future years based on risk assessment.</p>	n/a – the review did not proceed as a result of the revised risk assessment

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
CC20-8	Risk management – assurance mapping	Internal Audit input into assurance mapping for principal risks.	20	This exercise took place in early Q4 and informed the 2021-22 audit plan which was approved by Audit Committee in May 2021.	n/a – as this related to an assurance mapping exercise
CC20-9	Fraud support	Internal Audit input into the reactive investigations to be undertaken in-year.	20	Internal Audit provided grant-specific fraud support in the early part of the Covid pandemic in April and May 2020. Ongoing input into reactive investigations continued throughout the year.	n/a – as this related to fraud support
CC20-10	Annual Governance Statement (AGS) and audit plan production	Preparation of the Council's Annual Governance Statement and audit plan.	10	The AGS is produced in Q1 of each year covering the preceding year. The 2020-21 AGS was presented to Audit Committee in July 2021. The annual audit plan was produced in early Q4 and agreed by DMTs/CMB ahead of Audit Committee in May 2021.	n/a – as this related to production of the AGS and the audit plan
CC20-11	Follow ups	Follow up of recommendations made in 19-20.	100	Follow ups are a key indicator of the value of Internal Audit, and provide assurance that audit recommendations have in fact enhanced the control environment. Internal Audit invested additional time in follow ups in 2020/21 to ensure that more in-depth review and a greater depth of testing was possible, and to ensure that the quality of follow up work was not negatively affected by the challenges of remote working. 191 auditor days of follow up work were delivered in 2020-21 (see appendix 3 for details), including time spent on the extended follow ups documented in this	See Appendix 3 for details of follow up outcomes.

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
				appendix. In addition to this, a significant amount of management time was invested into the development of the Controls Board and the revised approach to follow up work going forwards.	

2.3 Resources

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
FR20-1	Key Financial Systems (KFS)	Review of key financial systems in line with the rolling plan.	50	<p>The KFS budget for 20/21 was allocated to a deep dive control design assessment of four key financial areas:</p> <ul style="list-style-type: none"> - Accounts payable/outflows - Payroll and staff expenses - Income - Treasury <p>The purpose of this review was to:</p> <ul style="list-style-type: none"> • Understand the financial risks that exist in key areas of the finance service and across the Council as a whole; • Identify the controls mitigating these risks and ownership of controls; • Assess the design and strength of these controls; and 	n/a – as the output took the form of controls matrices

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
				<ul style="list-style-type: none"> Strengthen the financial control environment to enable process improvement. <p>Controls matrices have been produced as the primary output of this audit and have been issued in draft to management for comment.</p>	
FR20-3	IT Application Reviews - CivicaPay	Key controls testing, including a deep-dive into one IT application. Focus on key controls and risks related to availability, integrity, confidentiality and accountability.	20	Completed. Two high priority findings were raised, details of which can be seen at Appendix 2.	Moderate
FR20-4-1	IT Audit Reviews – Cyber Security	IT audit reviews to be undertaken focussing on high risk areas. To include extended follow-up of Cyber Security and Technology Debt reviews undertaken in 2019-20.	10	<p>Extended follow up completed.</p> <p>Seven of the eight findings raised at audit have been followed up (at the date of follow up, the due date for actions relating to the eighth finding had not yet been reached).</p> <p>To date:</p> <ul style="list-style-type: none"> Recommendations relating to three medium priority findings have been implemented; and Recommendations relating to four findings (two high priority and two medium priority) have been partially implemented. <p>The findings where recommendations were partially implemented related to:</p> <ul style="list-style-type: none"> Vulnerability scanning (high priority); Legacy/end of life technology and infrastructure (high priority); 	n/a – as this related to a follow up review

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
				<ul style="list-style-type: none"> • Cyber security risk management (medium priority); and • Incident response (medium priority). <p>A revised target implementation date 30 September 2021 has been agreed for the outstanding recommendations.</p>	
FR20-4-2	IT Audit Reviews - Symology		10	<p>Extended follow up completed. We looked at the rate of implementation of recommendations related to two high priority findings and three medium priority findings. We found that all recommendations had been implemented.</p>	n/a – as this related to a follow up review
FR20-4-3	IT Audit Reviews – Technology Debt		10	<p>Extended follow up completed. All recommendations have been followed up. To date:</p> <ul style="list-style-type: none"> • Recommendations relating to three findings (one high priority and two medium priority) have been implemented; and • Recommendations related to one medium priority finding have been partially implemented. <p>The medium priority finding where recommendations were partially implemented related to:</p> <ul style="list-style-type: none"> • IT asset management. 	n/a – as this related to a follow up review

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
				A revised target implementation date of 30 September 2021 has been agreed for the outstanding recommendations.	
FR20-5	Use of Contingent Workers	Risk based review of key controls regarding the use of agency and consultancy staff. Scope to include controls surrounding approval, extension, vetting and financial monitoring.	20	Due to technical issues relating to arranging audit access to key systems, this audit was deferred to 2021-22 and fieldwork is underway. A completion date of October 2021 is anticipated.	To be confirmed on completion of fieldwork, fieldwork is currently in progress

2.4 People

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
PS20-1	Youth Offending/ Youth Crime *	Programme review of the governance arrangements in place surrounding the Council's strategy to tackling youth offending/youth crime. Scope to provide assurance surrounding controls and mitigating actions included against this principal risk.	20	Completed. No high priority findings were identified.	Moderate
PS20-2	Safeguarding Adults *	Risk based review focussing on the controls in place to support the identification and management of this area of Principal Risk, including arrangements for responding to safeguarding concerns regarding Modern Day Slavery and homeless people. Scope to be refined in year.	15	Completed. The review covered four key areas of risk i.e. governance arrangements, staff training and vetting, records management and safeguarding case management. No findings were raised in relation to governance arrangements and staff training and vetting. One critical priority finding was raised in relation to records management and two high priority findings were raised in relation to safeguarding case management; details of which can be seen at Appendix 2.	No assurance

PS20-3	Social Care Provider Failure *	Extended follow-up of the review undertaken in this area in 2016-17. Scope to include arrangements for identifying, preventing and responding to potential provider failure incidents within the Social Care market.	10	An extended follow up audit was completed. We looked at the rate of implementation of recommendations related to four high priority findings and one medium priority finding. We found that recommendations relating to four findings (three high priority and one medium priority) had been implemented. Management had reached the decision to accept the residual risk from the remaining high priority finding (relating to planning for provider failure) rather than carry out further action. This decision was driven by the potential for adverse consequences arising from the originally agreed action. We concurred that this was an appropriate decision, and that mitigating controls were in place to reduce the residual risk.	n/a – follow up
PS20-4	High Needs/Special Educational Needs (SEN) Children's Placements	Carried forward from 2019-20. Risk based review of the controls in place surrounding high-needs children's placements. Scope to include monitoring and reporting of high cost care placements / packages.	-	Deferred to 21/22 based on discussion with People Directorate Management Team on 7 th July 2020, as this area was no longer a principal risk within the revised Principal Risk Report which was taken to that meeting. Resource was reallocated to follow up work in 20/21.	n/a – the audit has been deferred to 21/22 and scoping is currently underway was part of the 21/22 audit plan.
PS20-5	Better Care Fund *	Cross cutting review across Children's and Adults including pooled budget arrangements.	-	The review was initially deferred to 21/22 based on discussion with People Directorate Management Team on 7 th July 2020, as this area was no longer a principal risk within the revised Principal Risk Report which was taken to that meeting. Resource was reallocated to follow up work in 20/21. When the 21/22 draft audit plan was discussed at PDMT on 9 th March 2021, the view was taken that there was	n/a – the review did not proceed as a result of the revised risk assessment

				higher risk areas to be audited in 21/22. Therefore this review will be kept under review for the 22/23 audit plan/future years based on risk assessment.	
PS20-6-1	School – establishment reviews	Risk based review of Blessed Sacrament Roman Catholic Primary School.	10	Completed. One high priority finding was raised, details of which can be seen at Appendix 2.	Moderate
PS20-6-2		Risk based review of Gillespie Primary School.	10	Completed. Two high priority findings were raised, details of which can be seen at Appendix 2.	Moderate
PS20-6-3		Risk based review of Moreland Primary School.	10	Due to operating constraints on schools relating to the pandemic, the start date of this audit was delayed. A completion date of September 2021 is anticipated.	To be confirmed on completion of fieldwork, fieldwork is currently in progress
PS20-6-4		Risk based review of Robert Blair Primary School.	10	Completed. One high priority finding was raised, details of which can be seen at Appendix 2.	Moderate
PS20-6-5		Risk based review of Sacred Heart Catholic Primary School.	10	Completed. One high priority finding was raised, details of which can be seen at Appendix 2.	Moderate
PS20-6-6		Risk based review of St Luke's Church of England Primary School.	10	Due to operating constraints on schools relating to the pandemic, the start date of this audit was delayed. A completion date of September 2021 is anticipated.	To be confirmed on completion of fieldwork, fieldwork is currently in progress
PS20-7	Domestic Violence *	Risk based review of the effectiveness of the controls in place to mitigate the key risks surrounding intervention and support services, safeguarding, relationships with key partners and intelligence gathering (including trend analysis and early identification and intervention).	15	Completed. No high priority findings were identified.	Moderate

2.5 Environment and Regeneration

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
ER20-1	CCTV Project *	Continuation of risk and control design support to the CCTV Project Board.	-	Initially deferred to 21/22 based on discussion with Environment and Regeneration Leadership Team (ERLT) on 2 nd July 2020 as this area was no longer a principal risk within the revised Principal Risk Report which was taken to that meeting. ERLT asked for this budget to be used on assurance surrounding Commercial Waste (see AD20-2 below for details). When the 21/22 draft audit plan was discussed at ERLT on 10 th March 2021, the view was taken that there was higher risk areas to be audited in 21/22. Therefore this review will be kept under review for the 22/23 audit plan/future years based on risk assessment.	n/a – the review did not proceed as a result of the revised risk assessment
ER20-3	Parking Services	Carried forward from 2019-20. Risk based review of the effectiveness of the governance arrangements in place surrounding the interpretation, monitoring and compliance with legislative requirements. Scope to focus on a sample of key projects in this area, including HGV and School street initiatives.	20	Completed. Four high priority findings were raised, details of which were reported to Committee in January 2021.	Limited
ER20-3	Building Control	Risk based review to ensure that Council is fulfilling its statutory responsibilities for building owners and developers carry out work that complies with the Building Act and Building Regulations legislation.	-	Initially deferred to 21/22 based on discussion with Environment and Regeneration Leadership Team (ERLT) on 2 nd July 2020 as this area was no longer a principal risk within the revised Principal	n/a – the review did not proceed as a result of the revised risk assessment

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
				<p>Risk Report which was taken to that meeting. Resource was reallocated to follow up work in 20/21.</p> <p>When the 21/22 draft audit plan was discussed at ERLT on 10th March 2021, the view was taken that there was higher risk areas to be audited in 21/22. Therefore this review will be kept under review for the 22/23 audit plan/future years based on risk assessment.</p>	
ER20-4	Business Continuity Planning *	Risk based review surrounding the governance and monitoring arrangements for the Council's Business Continuity Planning framework, including alignment and coordination with IT Disaster Recovery Plans.	10	<p>During Internal Audit visit to Environment and Regeneration Leadership Team (ERLT) on 2nd July 2020 it was agreed that this audit would be a lessons learned exercise, as many business continuity plans had been tested in practice due to Covid-19.</p> <p>Completed. One high priority finding was raised, details of which can be seen at Appendix 2.</p>	n/a – a management letter was issued

2.6 Housing

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
HOU20-1	HomeBuild Programme	<p>On-going programme of assurance against this area of Principal Risk. Risk based review focussing on key programme objectives.</p> <p>Scope to also include a follow-up of the recommendations raised within the 2019-20 review (currently in progress).</p>	20	Completed. One high priority finding was raised, details of which were reported to Committee in January 2021.	Moderate
HOU20-2	Tenancy Management Organisations (TMO)	Recalibration of TMO work programme and advisory support to TMO team.	15	A significant exercise has taken place between September and November 2020, comparing the roles and responsibilities of the TMO management team with those of Internal Audit to ensure that there is no unnecessary duplication of assurance effort across the teams. Emerging from this exercise, a streamlined Terms of Reference has been prepared and issued to the TMO team. An updated work programme has been developed to streamline and focus testing on the key risk areas within the ToR. Risk management support has also been provided to the TMO team.	n/a – this related to advisory input
		Risk based review of Elthorne First Tenant Management Co-Operative.	15	<p>Fieldwork on an initial TMO began in December 2020, however due to pandemic-related constraints, this audit had to be deferred. A second TMO (Elthorne First Tenant Management Co-Operative) was identified for review.</p> <p>Complete. Eight high priority findings were raised, details of which can be seen at Appendix 2.</p>	No assurance

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
HOU20-3	Voluntary Sector Organisation	Risk based review of Disability Action in Islington.	10	<p>Some 2020/21 budget was used to carry out extended supplementary testing on Disability Action in Islington, which was audited as part of the 2019/20 plan.</p> <p>Complete. Five high priority findings were raised, details of which were reported to Committee in January 2021.</p>	n/a –a management letter was issued
		Risk based reviews of other VSOs.	5	<p>Discussions were held throughout the year with the Head of Communities, who confirmed that risk assessments had been carried out (Internal Audit provided input into the design of these assessments in previous years). These risk assessments did not identify VSOs which required audits in the course of the year.</p> <p>However, in late March 2021, a request was made for an audit of Highbury Roundhouse in response to a reassessed risk level. Due to the timing of the request, this audit was added to the 2021-22 audit plan, but some preparatory work was undertaken in March 2021.</p>	n/a – preparatory work was undertaken only
HOU20-4	Right-to-Buy	Risk based review of arrangements for processing and managing Right-to-Buy applications in accordance with legislative requirements. Scope to include fraud prevention/detection measures.	-	<p>Initially deferred to 21/22 based on discussion with Housing Management Team (HMT) on 30th June 2020 as this area was no longer a principal risk within the revised Principal Risk Report which was taken to that meeting. Resource was reallocated to follow up work in 20/21.</p>	n/a – the review did not proceed as a result of the revised risk assessment

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
				When the 21/22 draft audit plan was discussed at HMT on 16 th March 2021, the view was taken that there was higher risk areas to be audited in 21/22. Therefore this review will be kept under review for the 22/23 audit plan/future years based on risk assessment.	
HOU20-5	Health and Safety – Asbestos *	Risk based review of key risk area (scope to be agreed in year)	15	Completed. A draft report has been shared with management, who have stated that they intend to provide further audit evidence to demonstrate that issues identified at audit are effectively mitigated. A completion date of September 2021 is anticipated.	To be confirmed once management have provided additional evidence

2.7 Additional Reviews

Three additional reviews have been requested in the 2020/21 year to date (with a combined audit budget of 35 days).

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
AD20-1	Stronger Families	Added to the audit plan when the Troubled Families Programme was extended for an additional year to March 2021. Audit review and sign off of compliance with requirements within Memorandum of Understanding between the Council and MHCLG.	5	Completed. No high priority findings identified.	n/a – a management letter was issued
AD20-2	Commercial Waste Recovery Plan	Added to the audit plan in response to emerging Covid-19 risks. The audit will provide support for the Commercial Waste post-Covid recovery plan.	15	Completed. Four high priority findings were raised, details of which can be seen at Appendix 2.	n/a – a management letter was issued

Ref	Audit title	Indicative scope	Planned days	Status	Assurance rating
AD20-3	People Friendly Streets	Added to the audit plan in response to Audit Committee request for additional assurance in this area.	15	Completed. One high priority finding was raised, details of which can be seen at Appendix 2.	n/a – a management letter was issued

3. Audit plan completion statistics (as at September 2021)

Audit status	Number of reviews
Total number of reviews included on the audit plan (see 1.1 to 1.7 above. Total includes six schools reviews under PS20-6).	39
Audits deferred to 21/22 or not proceeding due to revised risk assessment: 1. CC20-7 – Commercial Property; 2. PS20-4 – High Needs/SEN Children’s Placements; 3. PS20-5 – Better Care Fund; 4. ER20-1 – CCTV Project; 5. ER20-3 – Building Control; and 6. HOU20-4 – Right to Buy.	6
Remaining audits due for completion as part of the 2020-21 plan	33
Audits completed to reporting stage <i>Audits completed and report issued in final</i> 21 (72%) <i>Audits completed and awaiting management response</i> 8 (28%)	29 (88%)
Audits in progress and due to complete by October 2021 (see section 1: two schools, Lifts and Contingent Workers)	4 (12%)

4. Basis of our opinion and assurance statements

Level of assurance	
Substantial ●	There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be Advice and Best Practice.
Moderate ●	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
Limited ●	There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.
No ●	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.

APPENDIX ENDS