

Swindon Borough Council

Civic Offices, Euclid Street, Swindon, SN1 2JH

Swindon Internal Audit Services

Memorandum to: Hitesh Patel Group Director, Business Transformation

Copies: David Titcombe Head of ICT
 Matt Gott Director, Partnership, Policy and Communications
 Kirsty Cole Group Finance Manager - Corporate
 Nicola Houwayek Head of HR Policy & Strategy
 Mike Fitzgerald Finance, Director Swindon Commercial Services

From: Lorraine Sarson Principal Auditor

Date: 9th December 2009

Your Reference:

Our Reference: BT/Mobile Phones/MF

Telephone: 01793 463936

Fax: 01793 464603

Internal Audit Review - Mobile Phones

Introduction

The review was carried out as part of the planned audit work for the financial year 2009/10 in order to provide assurance to the Director of Business Transformation that there are adequate controls within the mobile phones process. The Council's External Auditor's also expect Internal Audit to cover fraud and corruption arrangements in place to prevent any material loss to the Council. Mel Fitzgerald conducted the review.

Swindon Borough Council has an agreement with Vodafone for the supply of mobile telephones. This is a two-year rolling contract, which was set-up against the Office Of Government Commerce (OGC) framework agreement.

Mobile phones are issued through the Capita Central Telecommunications team under the Director of Customer Communications, with the exception of Swindon Commercial Services, who manage their own mobile phones but should comply with the OGC framework agreement.

Approach

A checklist detailing key risks and expected controls within the mobile phone system was produced and completed during the audit to determine the extent of internal controls in the mobile phone system. This was to ensure that resources are properly applied, value for money is secured, fraud and other losses prevented and that legislation and Council policies i.e. Financial Regulations etc. are complied with.

Audit Opinion

- (a) **Materiality and impact: Medium.** The Council has 1,248 agreements with Vodafone under a corporate contract providing SIM cards for use in mobile phones, traffic light systems and parking meters. In the last year Vodafone charged the Council £143,643 under this contract. Whilst it is a system of low materiality, there could be a medium impact and reputation risk to the Council in the event of fraud and corruption with misuse and wastage of Council resources. Under the New Ways Of Working programme (NWOW) there is expected to be a higher level of dependency on mobile phones with a reduction of landline communications.
- (b) **Changes since last audit:** A previous audit on mobile phones was carried out in March 2006. The table below shows a summary of whether recommendations made at that audit have been implemented or not:

	Implemented	Not Implemented	In Progress	Other/no longer applicable.	TOTAL
Recommendations 2005/06	0	8	0	8	16

All recommendations were agreed for implementation for the last audit however none of these have been implemented but they continue to be relevant. The audit opinion has been formed in view of weaknesses identified in both the previous and current reviews, which has highlighted a number of key areas where the potential exposure to fraud and corruption risks is high and continues unchecked or effectively controlled.

It should be noted that the IT Telecoms Officer was responsible for the service during at the time of the last audit. However, during 2009 responsibility transferred to the Council's IT Business Partner.

- (c) **Opinion on system controls: Fundamental weaknesses identified:** (see Appendix B) i.e. the auditor completing the review concluded that the matters arising from the review are sufficiently significant to place doubt on the reliability of the procedures reviewed. Implementation of the recommendations made is a priority to ensure that reliance can be placed on the system.
- (d) **Overall assessment of risk:** The combination of the medium materiality and impact of the system along with the opinion on the system controls gives an overall risk assessment to the Council as being **of concern**. See below:

		MATERIALITY AND IMPACT		
SYSTEM CONTROL		High	Medium	Low
1	High standard	Minimal	Minimal	Minimal
2	Satisfactory	Moderate	Minimal	Minimal
3	Significant Improvements required	Of Concern	Moderate	Minimal

4	Fundamental weaknesses identified	Significant	Of Concern	Moderate
---	--	--------------------	-------------------	-----------------

The following key recommendations should be implemented in order to achieve the improvements required:

- A significant number of key system controls to prevent possible fraud and corruption, wastage and misuse of mobile phones are absent. In addition recommendations made in the audit report from March 2006 have not been implemented.
- Managers are severely compromised, as they are unable to manage and monitor mobile phone and data usage or charges. A means of providing managers with an on-line bill approval process for their service area should be evaluated and where possible implemented.
- Premium lines should be barred; justification for international calls should be established. Monitoring should be conducted to identify any potential misuse of Council mobile phones in line with the corporate mobile phone policy.
- Formal procedures should be introduced for the informing of lost/stolen mobile phones ensuring that the relevant budget holder is informed at all times that a phone has been lost or stolen.
- A standard and consistent process should be established to ensure that there is a central record of all equipment issued to officers including mobile phones. The mobile phone inventory should be reviewed and updated to ensure that all mobile phones and SIM cards owned by the Council can be fully accounted for. The inventory should include mobile phones at SCS. There must be an effective process to trigger recovery of all mobile phone equipment from staff leaving the employ of the Council or where SIM cards are no longer required for traffic light systems etc.
- A full review should be conducted of the agreement in place with Vodafone for the provision of Internet usage via 3G SIM card. The Council should establish if they are getting value for money in this area and whether other options of achieving cost savings on Internet usage are available.

The action plan attached at Appendix A provides a checklist of the findings of the review, potential risks, and identifies officers responsible for implementing the recommendations, time-scales and a priority ranking.

The management responses to the recommendations made in the report can be found at Appendix C. All recommendations will be followed up in line with good practice depending on the type of recommendations made.

I would like to thank you and your staff for the help and assistance given to Mel during the course of this review. If there are any queries in respect of the results, please contact either Mel or me.

Many thanks,

Section 6: Findings and Recommendations - Action Plan

The purpose of this action plan is to provide a summary of the matters arising during the audit of Mobile Phones Anti Fraud and Corruption together with the associated risks, recommendations and proposed actions. In order for you to identify the most significant matters arising, which affect the reliance that can be placed on the controls reviewed, the recommendations have been prioritised.

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Proposed Timescale
1	There is a defined corporate policy for the procurement and use of mobile phones and staff are aware of its existence.				
1.1	<p>A mobile phone policy is in place within the Council, however it has not been formally reviewed. The policy is out of date.</p> <p>The policy refers to Telephone Liaison Officers (TLO's); these posts are no longer in existence since the transformation to the Capita Partnership.</p> <p>There is no guidance for staff or managers on the treatment of mobile phones during extended leave such as maternity and long-term sick.</p> <p>The policy also does not include the misuse of photographs, video and internet.</p>	<p>Staff are unaware of the Council's policy and procedures with regards to having a mobile phone.</p> <p>Staff who have a mobile phone are unaware of their responsibilities.</p> <p>Misuse of phones and unable to demonstrate effect use of resources.</p> <p>Undue criticism from local/national press leading to loss of public confidence.</p>	<p>The mobile phone policy should be reviewed regularly and updated to reflect the current ways of working, staff and manager responsibilities and cover the consequences of misuse of all the technology that phones come equipped with such as camera, internet.</p> <p>Corporate Board should formally approve the revised mobile phone policy.</p> <p><i>Similar recommendation made in the 2005/06 audit report AP1.1.</i></p>	High	IT Business Partner – December 2009.

Internal Audit Report – Mobile Phones Anti Fraud and Corruption

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Proposed Timescale
1	There is a defined corporate policy for the procurement and use of mobile phones. Staff are aware of its existence.				
1.2	<p>Staff are required to sign a Mobile Phone Control form to confirm they have read and understand the terms and conditions of the mobile phone policy and that they agree to comply with these. It is also to confirm that an employee has received a specific mobile phone together with any additional equipment issued.</p> <p>From a sample of 10 mobile phone contracts examined, 50% did not have a signed declaration. Consequently, there is no record that staff have agreed to the terms and conditions of the mobile phone policy or to acknowledge receipt of a mobile phone and any additional equipment issued.</p> <p>From the 5 Mobile Phone Control forms examined, one form was signed by a different officer to that to which the phone was issued to.</p>	<p>Unable to demonstrate effect use of resources.</p> <p>Staff deny receiving a mobile phone.</p> <p>Misuse of mobile phone and unable to take effect action or recovery of costs against employee in the absence of a signed mobile phone contract.</p> <p>There is no evidence that staff have read the mobile phone policy.</p> <p>Staff unaware of there responsibilities.</p> <p>Undue criticism from local/national press leading to loss of public confidence.</p> <p>Fraud and corruption.</p>	<p>Mobile phones should only be issued subject to the recipient signing up to the mobile phone agreement.</p> <p>All mobile phones issued to staff should be supported by a signed mobile phone agreement.</p> <p>An inventory review should be conducted in line with the requirements of Financial regulations.</p> <p><i>Similar recommendation made in the 2005/06 report AP2.2.</i></p>	High	<p>IT Business Partner –</p> <p>December 2009.</p>

Internal Audit Report – Mobile Phones Anti Fraud and Corruption

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Proposed Timescale
1	There is a defined corporate policy for the procurement and use of mobile phones. Staff are aware of its existence.				
1.3	<p>It was identified through Oracle Solutions that some Council employees are on the Orange network, which is not in compliance with the OGC contract.</p> <p>The Telecoms Manager was not aware of employees on a different network to Vodafone.</p>	<p>Non-compliance with mobile phone guidance and OGC contract.</p> <p>Unable to identify council owned mobile phones.</p>	<p>Mobile phones that are currently on any network other than Vodafone, which is part of the OGC framework agreement, should be identified and changed to the Vodafone contract.</p> <p><i>Similar recommendation made in the 2005/06 report AP2.1.</i></p>	High	<p>IT Business Partner –</p> <p>November 2009.</p>
2	Justification process is completed and authorised prior to staff being provided with a mobile phone.				
2.1	<p>The Telephony Technical Administrator advised that a business justification form is completed and authorised by the relevant Director prior to a mobile phone being issued. There is no approval sought from the relevant budget holder.</p> <p>For the sample of 10 mobile phone contracts examined there was no business justification form retained to demonstrate on what basis these mobile phones were authorised.</p> <p>The Telephony Technical Administrator provided the Auditor with a business justification form template. It was found that the form does not include a full review of equipment required for an officer to fulfil their duties, and by having a mobile do they necessarily require any other equipment such as a landline phone.</p>	<p>Officers do not need a mobile phone or subsequently where they do, a landline is no longer required.</p> <p>Budget holder unaware phones and costs under their remit.</p> <p>Cost of calls diverted from landline to mobile phones is excessive.</p>	<p>The policy for mobile phones should be reviewed to establish what criteria should apply for NWOW and the different working categories.</p> <p>A review should be conducted against these criteria in conjunction with the new ways of working; a rolling exercise should be conducted on all staff with mobile phones to ensure there is sufficient justification for them to have a mobile phone. Where there is no valid reason the phones should be withdrawn.</p> <p>All mobile phone contracts should be supported with a business justification that has been formally approved by the relevant budget holder.</p> <p>Anomalies should be picked up as part of the rolling exercise as detailed above.</p>	High	<p>IT Business Partner –</p> <p>In conjunction with Telecoms Manager.</p> <p>January 2010</p> <p>From next request for a mobile phone.</p>

Internal Audit Report – Mobile Phones Anti Fraud and Corruption

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Proposed Timescale
3	Random spot checks are conducted on mobile phones in use around the Council.				
3.1	There is no process in place to ensure that random spot checks are carried out on mobile phones to ensure that mobile phone/sim cards are being used by the officer who was issued the phone originally.	Misappropriated phones/sim cards go undetected.	Rolling monthly management verification checks should be carried out to ensure that the officer on the central mobile phone register is using the mobile phones/sim cards issued to them. <i>Outstanding recommendation from 2005/06 AP3.1.</i>	High	IT Business Partner – In conjunction with Telecoms Manager. November 2009.
3.2	The Telephony Technical Administrator in the Telecommunications Team purchases mobile phones through the Vodafone on-line system, receives and issues the phones to the requesting officers. Segregation of duties does not exist in this process. In Swindon Commercial Services the Business Support Manager Operations purchases, receives and processes the payments for mobile phones	Misappropriation of mobile phones. Non-compliance with Financial Regulations.	Segregation of duties should exist for the purchasing, receiving, issuing and payment for, a mobile phone. Where this is not possible there should be an independent management check of on-line order items back to source documentation to ensure that all orders are bona-fide and authorised. <i>Outstanding recommendation from the 2005/06 audit AP2.3.</i>	High	Telecoms Manager. November 2009.

Internal Audit Report – Mobile Phones Anti Fraud and Corruption

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Proposed Timescale
4	Individual mobile phone bills are received on a regular basis. The employee's service manager independently checks these.				
4.1	<p>Managers receive a charge for each mobile phone, but this is not supported with an itemised mobile phone bill.</p> <p>The Finance Support Officer within Capita inputs a journal on Oracle from summary bills received from the Telecoms Team. The Journal records the name of the user and the total amount for that quarter.</p> <p>No formal procedures exist for the monitoring of mobile phone calls to ensure that costs and usage are reasonable and in accordance with the mobile phone policy.</p> <p>At the time of the audit the invoice received from Vodafone in April 2009 had not been recharged via journal to relevant departments. Capita paid the invoice on the 3rd June 2009; this was prior to managers having opportunity to review charges before payment.</p> <p><i>The Deputy Group Finance Manager – Corporate advised that this is an area identified for improvement as part of the Continuous Service Improvement Plan.</i></p>	<p>Officers with mobile phones run up high bills on non-Council related activities. These go undetected. Lack of segregation of duties.</p> <p>Misappropriation goes undetected.</p> <p>Inappropriate costs to the Council.</p> <p>Departmental budget Implications/overspends due to poor budget management.</p> <p>Adverse publicity.</p> <p>Breach of Financial Regulations.</p>	<p>Capita must pay mobile telephone bills promptly. Departments should then be recharged for their mobile phone recharges promptly.</p> <p>Evaluate the means of providing managers with an on-line mobile phone bill approval process for their service area. This would enable managers to conduct payment certification checks before payment is made by Capita i.e. 7-14 days prior to date of payment being due.</p> <p>Managers should be provided with individual itemised mobile phone bills. Managers should sign-off payment certification checks to confirm they are satisfied with the phone usage.</p> <p><i>Outstanding recommendation from the 2005/06 audit (AP4.2).</i></p> <p>In the event of a breach of the Council's Corporate Mobile Phone Policy and Code of Conduct managers should take appropriate steps to address these.</p>	High	<p>Group Finance Manager – Corporate</p> <p>December 2009.</p>

Internal Audit Report – Mobile Phones Anti Fraud and Corruption

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Proposed Timescale
4	Individual mobile phone bills are received on a regular basis. The employee's service manager independently checks these.				
4.2	<p>The Vodafone bill received in April 2009 was examined.</p> <p>The highest cost for the quarter totalled £1340. It was found that the top ten highest costs were for internet charges and data browsing.</p> <p>These costs appear excessive; there is no evidence that there has been a review to demonstrate best value. In addition with the lack of budget monitoring there is no evidence that this level of usage has been deemed appropriate for business use.</p>	<p>Best value not achieved.</p> <p>Fraud goes undetected.</p> <p>Waste of taxpayer's money.</p>	<p>A full review should be conducted of the agreement in place with Vodafone for the provision of internet usage via SIM card.</p> <p>The Council should establish if they are getting value for money in this area and other ways of achieving cost savings on internet usage.</p> <p>Managers should actively monitor mobile phone/sim card data usage and charges to ensure they are justified and reasonable.</p>	High	<p>IT Business Partner – In conjunction with Telecoms Manager.</p> <p>Budget Holders.</p> <p>December 2009.</p>
4.3	<p>The mobile phone expenditure code subjective element is D5120, however a further 24 codes were identified as being used by various departments, which does not make it easy for the Council to identify the actual cost of mobile phones.</p> <p><i>The Deputy Group Finance Manager – Corporate advised that this is an area identified for improvement as part of the Continuous Service Improvement Plan.</i></p>	<p>Budget implications.</p> <p>Unable to identify actual mobile phone costs.</p>	<p>All mobile phone costs should only be charged to the mobile phone subjective expenditure code in order for the Council to identify the corporate costs.</p> <p><i>Outstanding recommendation from the 2005/06 audit AP2.4.</i></p>	High	<p>Group Finance Manager – Corporate</p> <p>November 2009.</p>

Internal Audit Report – Mobile Phones Anti Fraud and Corruption

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Proposed Timescale
5	In the event lost/stolen phones are consistently being reported, trends are identified by members of staff.				
5.1	There is currently no formal procedure in place to establish trends in misuse of mobile phones or phones being constantly lost.	Misappropriation goes undetected. Costs of new equipment not passed onto the member of staff as outlined in the mobile phone policy.	The Telecoms Team should produce exception reports to identify any potential misuse of Council mobile phones. In the event of suspected misuse this should be reported and where necessary followed up with the individual's line manager.	Medium	IT Business Partner – In conjunction with Telecoms Manager. November 2009.
5.2	In the event of a mobile phone being lost or stolen, the employee can either report this to the Telecommunications team or Vodafone direct. There are no official procedures for ensuring that the budget holder is aware that the phone is missing. In the event of the employee informing Vodafone direct it is possible for the phone to go undetected as missing.	Budget holder unaware of missing phone.	Formal procedures should be introduced for the informing of lost/stolen mobile phones. The employee should be charged for the cost incurred to the Council. The budget holder should be informed promptly of any phone incidents i.e. mobile phones lost or stolen. <i>Outstanding recommendation from the 2005/06 audit AP3.3.</i>	High	IT Business Partner – In conjunction with Telecoms Manager. January 2010

Internal Audit Report – Mobile Phones Anti Fraud and Corruption

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Proposed Timescale
6	A record of having a mobile phone is included in the employees personnel file. A process is in place to ensure there is a trigger and relevant team is informed of staff leaving the Council to ensure the phone is returned.				
6.1	<p>Staff personnel files do not contain information that a member of staff has a mobile phone.</p> <p>Whilst it is acknowledged that it is the manager's responsibility to inform of staff leaving, there is no formal trigger to ensure the phone is returned.</p> <p>The Telecoms Team advised that they are not always informed that a member of staff has left the Council, although this is stated in the mobile phone policy.</p> <p><i>It should be noted that it is not the Telecoms Team's responsibility to identify leavers. They should be promptly informed by managers.</i></p> <p>As part of the NWOW a number of items of equipment will be issued to officers i.e. laptops. At present there is no means of capturing the issue of equipment to individual staff to ensure it is effectively monitored and returned should an employee leave the Council.</p>	<p>Phone not returned when staff leave.</p> <p>Non-employees continue to use the phone leading to excessive costs to the Council.</p> <p>If the phone is given to another member of staff, they will not have signed up to the mobile phone policy leading to a lack of awareness.</p>	<p>A formal procedure should be established to ensure that when an employee, in receipt of a mobile phone, leaves the Council, that the Telecoms Team is promptly informed.</p> <p>The phone should then be returned to the Telecoms Team. In the event the phone is given to another member of staff the Telecoms Team should be informed of the Officer and they should sign the Mobile phone Control Form.</p> <p>As part of NWOW, policies and procedures should be established to ensure that there is a central record of all equipment issued to officers including mobile phones.</p>	High	<p>Head of HR Policy & Strategy.</p> <p>January 2010.</p>

Internal Audit Report – Mobile Phones Anti Fraud and Corruption

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Proposed Timescale
7	Regular reports/bills are received from the service provider that clearly identifies all types of mobile phone usage.				
7.1	<p>The Telecoms Team advised that phones are barred from making premium rate calls and text. However, a review of the quarterly bill received in April 2009 identified that premium rate numbers are being used.</p> <p>In light of this information the Telecoms Team looked at the previous full years billing. They identified that premium rate numbers call costs totalled £1,076.</p> <p>Following this finding being identified during the audit the Telecoms Team have now requested a block on all premium rate numbers.</p>	<p>Excessive bills incurred.</p> <p>Non-work related use of mobile phones/breach of Mobile Phone Policy.</p>	<p>The Telecoms Team must ensure that a bar is placed on all contract mobile phones to prevent premium rate calls.</p> <p>The Telecoms Team should produce exception reports on a regular basis to monitor for any premium rate calls. In the event that any premium rate calls are detected these should be barred immediately.</p> <p>Staff issued with a mobile phone should be reminded not to use premium rate numbers.</p> <p>Where non-compliance continues this should be escalated accordingly and the mobile phone in question retrieved. Relevant staff should be recharged the costs incurred by the Council.</p> <p>Disciplinary action should be taken where appropriate.</p>	Low	<p>IT Business Partner – In conjunction with Telecoms Manager.</p> <p>November 2009.</p>
7.2	<p>The Telecoms Team were unaware if insurance with Vodafone covered the eventuality of the Council's mobile phones being cloned by external sources, and if the Council would then be able to reclaim the costs incurred should an instance of fraud arise.</p>	<p>Inappropriate costs to the Council.</p> <p>Loss to the Council.</p> <p>If Council phones are targeted the Council would no be able to reclaim the cost.</p>	<p>Confirmation should be obtained whether the Council is insured against fraudulent use, such as cloning, within the Vodafone Contract.</p>	High.	<p>IT Business Partner – In conjunction with Telecoms Manager.</p> <p>November 2009.</p>

Internal Audit Report – Mobile Phones Anti Fraud and Corruption

Ref.	Matters Arising from Review	Risk	Recommendations	Priority	Responsible Officer and Proposed Timescale
8	An inventory exists of mobile phones and Sims cards.				
8.1	<p>The Telecoms Team maintains an inventory for corporate mobile phones and SIM cards (not including SCS). However, its accuracy and completeness is not reliable, i.e. the Inventory does not always identify the location of SIM cards, the amount of SIM cards on the Inventory did not agree to the amount being charged for by Vodafone.</p> <p>An inventory of mobile phone does not exist within SCS, therefore when SCS decouple it will be difficult for the Council to fully account for all assets during the decoupling process.</p> <p>Financial Regulations 6.2.1 states that: <i>'Asset registers are maintained for the authority, assets are recorded when they are acquired by the authority and the records are updated as changes occur with respect to the location and condition of the asset'.</i></p>	<p>Non-compliance with Financial Regulations 6.2.1.</p> <p>The Council cannot account all mobile phones/SIM cards within the Council.</p>	<p>The mobile phone inventory should be reviewed and updated to ensure that all mobile phones and SIM cards can be clearly accounted for. This should include, mobile number model/serial number and where or who it is located with including phones in use at SCS.</p> <p>The inventory should be updated promptly should any change arise.</p> <p>An annual review should be conducted and the inventory signed by the person conducting the check.</p>	High	<p>IT Business Partner – In conjunction with Telecoms Manager.</p> <p>January 2010.</p>
8.2	<p>At the time of the audit there was a surplus of SIM cards held in the Telephony Technical Administrator drawer ready for issue. They were not accounted for on the inventory. In addition the drawer is not secure as the keys are left in the Telephony Technical Administrator tray on the desktop.</p>	<p>Misappropriation of SIM cards.</p> <p>Unable to account for SIM cards.</p> <p>SIM cards are stolen.</p>	<p>Any surplus of phones and SIM cards should be recorded on the mobile phone inventory.</p> <p>Stocks should be held securely at all times.</p> <p><i>It should be noted that the Telecom Team advised they have destroyed and disposed of these cards at the time of the audit as they were found to be defective.</i></p>	Medium	<p>Telecoms Manager.</p> <p>November 2009.</p>

Standard Audit Opinions

1. The audit opinion is based on two different criteria the first is the materiality of the system and it's impact on the Council if there was a system failure. This has been spilt into High, Medium or Low.
2. The second criteria, is the standard of control found within the system audited. This has been categorised into 4 different levels i.e. high; satisfactory; significant improvements required and, fundamental weakness. Each of these categories has a standard opinion (see below).

Standard Audit Opinions on System Control
<p>Audit Opinion 1. <i>High Standard</i></p> <p>The auditor completing the review concluded the significant system controls are in place and operating effectively and only minor recommendations have been made.</p>
<p>Audit Opinion 2. <i>Satisfactory Standard</i></p> <p>The auditor completing the review concluded that most of the significant controls are in place and operating satisfactorily although some non-compliance was identified and therefore there is scope for improvement.</p>
<p>Audit Opinion 3. <i>Significant Improvements Required</i></p> <p>The auditor completing the review concluded that existing procedures needed to be improved to ensure that they are fully reliable. A number of significant recommendations have been made to improve missing or failing controls.</p>
<p>Audit Opinion 4. <i>Fundamental Weaknesses Identified</i></p> <p>The auditor completing the review concluded that the matters arising from the review are sufficiently significant to place doubt on the reliability of the procedures reviewed. Implementation of the recommendations made is a priority to ensure that reliance can be placed on the system.</p>

3. The combination of these two factors gives an overall risk assessment to the Council of one of three scores i.e. significant, moderate or minimal.