

## **Item: 7.3**

**Monitoring and Audit Committee: 22 September 2022.**

**Internal Audit Report: Customer Services Platform.**

**Report by Chief Internal Auditor.**

### **1. Purpose of Report**

To consider internal audit on procedures and controls in place to ensure the Customer Services Platform performs as expected and whether its implementation has met its objectives.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

That Internal Audit has undertaken an audit of procedures and controls in place to ensure that the Customer Services Platform performs as expected and whether its implementation has met its objectives.

#### **2.2.**

The findings contained in the internal audit report, attached as Appendix 1 to this report, concerning the procedures and controls relating to the Customer Services Platform.

**It is recommended:**

#### **2.3.**

That the Committee review the audit findings to obtain assurance that action has been taken or agreed where necessary.

### **3. Background**

#### **3.1.**

The Council launched an online Customer Services Platform, MyOrkney, in March 2020. This platform enables people to contact the Council, make secure payments, and to report and track issues and requests online.

### **3.2.**

The objectives of the MyOrkney online platform included reducing the need for customers having to phone or walk in either with requests or to receive information, customers having to repeat their request or query, and to make communication between internal teams more efficient.

### **3.3.**

The objective of this audit was to review the procedures and controls in place to ensure that the Customer Services Platform performs as expected, links effectively with other Council systems and whether its implementation has met its objectives.

## **4. Audit Findings**

### **4.1.**

The audit provides adequate assurance that the processes and procedures relating to the Customer Services Platform are well controlled and managed.

### **4.2.**

The internal audit report, attached as Appendix 1 to this report, includes five low priority recommendations and one medium priority recommendation within the action plan. There are no high level recommendations made as a result of this audit.

### **4.3.**

The Committee is invited to review the audit findings to obtain assurance that action has been taken or agreed where necessary.

## **5. Corporate Governance**

This report relates to the Council complying with governance and scrutiny and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

## **6. Financial Implications**

There are no financial implications associated directly with the recommendations in this report.

## **7. Legal Aspects**

### **7.1.**

Complying with recommendations made by the internal auditors helps the Council meet its statutory obligations to secure best value.

## **7.2.**

Under Section 50A(4) of the Local Government (Scotland) Act 1973, the public should be excluded from the meeting in respect of any discussion relating to the Annex to Appendix 1. The Annex contains exempt information as defined in paragraphs 6, 8 and 9 of Part 1 of Schedule 7A of the Act.

## **8. Contact Officers**

Andrew Paterson, Chief Internal Auditor, extension 2107, email [andrew.paterson@orkney.gov.uk](mailto:andrew.paterson@orkney.gov.uk).

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## **9. Appendix**

Appendix 1: Internal Audit Report: Customer Services Platform.



## Internal Audit

### Audit Report

### Customer Services Platform

**Draft issue date:** 1 June 2022

**Final issue date:** 12 August 2022

<b>Distribution list:</b>	<b>Customer Services Manager</b>  <b>Head of Improvement and Performance Strategy, Performance and Business Solutions</b>  <b>Corporate Director for Strategy, Performance and Business Solutions</b>
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## Audit Opinion

Based on our findings in this review we have given the following audit opinion.

**Adequate**

**Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.**

A key to our audit opinions and level of recommendations is shown at the end of this report.

## Executive Summary

Our audit provides adequate assurance that the new Customer Service Platform (CSP) project has delivered on its main objectives of:

- providing more efficient and effective processes,
- providing service users with the option to communicate and transact with the Council digitally and at any time,
- providing a central system to record and manage customer contact and requests.

Delivery of the new CSP was well managed and followed good PRINCE2 (Projects IN Controlled Environment) Agile principles. This included the formation of a project team with defined roles and responsibilities, and well-defined plans for each stage of the project. Innovation Fund Application Forms were well prepared and presented to the Member/Officer Working Group (MOWG) who, as part of their remit, managed allocations made from the Innovation Fund.

The former CSP was at the end of its life and was no longer supported by the supplier. The Council was unable to configure the system or to amend or add new functionality so that customers could access services online. Although not originally planned for, processes were developed so that applications for COVID-19 business support grants could be made through the new CSP. This activity serves as an example for the need for the CSP to be dynamic in adapting to the needs of the community.

The report includes 6 recommendations which have arisen from the audit. These relate to the need for the Council, now that the new CSP has reached business-as-usual mode, to determine how ongoing annual licensing costs for the CSP and any future development of the platform is funded.

Our report also comments on the governance of the CSP project in adherence to the protocols covering innovation funding. Although recognising that responding to COVID-19 required prioritisation and the reallocation of resources within the project delivery team, which impacted on resources available for the implementation of the CSP, our report details the importance for regular project reviews, which should include amongst other matters, whether the benefits expected from a project have been realised.

Total	High	Medium	Low
6	0	1	5

The assistance provided by officers contacted during this audit is gratefully acknowledged.

## Introduction

On 20 March 2020, the Council publicly launched MyOrkney, an online CSP which is available for people to contact the Council, make secure payments, and to report and track issues and requests. During the period between the purchase date of the customer services platform in January 2017 and its launch in March 2020, some customer records started to be set up and linked to new processes that were developed. During this period Customer Services Administrators logged some customer requests received face to face or by phone.

The MyOrkney platform can be accessed remotely and at a time that suits the customer.

Objectives from the introduction of the MyOrkney online platform included reducing the need for customers having to phone or walk in either with requests or to receive information, customers having to repeat to the Council their request or query, and to make communication between internal teams more efficient.

The MyOrkney online platform was launched around the time of the commencement of the COVID-19 pandemic. The pandemic severely hindered the ability of the Council to provide face to face customer services at School Place in Kirkwall or at the Stromness Warehouse Buildings.

This review was conducted in conformance with the Public Sector Internal Audit Standards.

## Audit Objectives

The objective of this audit was to review the procedures and controls in place to ensure that the CSP performs as expected, links effectively with other intended Council systems and whether its implementation has met its objectives.

## Audit Scope

The scope of the audit included reviewing whether:

- The MyOrkney platform interfaces effectively with other intended software systems throughout the Council.
- The MyOrkney system has made communication between teams more efficient.
- The MyOrkney platform provides online access for the public to the full range of services intended.
- The MyOrkney system is operating efficiently as a central storage of customer records and as a platform for processing communications via all mediums including, phone, in person, and by letter, as well as online.
- Usage of the MyOrkney platform has been effective in reducing the need for and volume of phone and face to face communication.
- MyOrkney is meeting its objective to making it easier for the public to get in touch with the Council, make online payments and to report and track issues and requests.
- MyOrkney has achieved greater customer satisfaction for the public in communicating with the Council.

# Background

## 1. Original Business Case

- 1.1. The business case made for this project provided several reasons justifying why a new Customer Relationship Management (CRM) solution was needed within the Council. These included:
  - 1.1.1. The Council's existing CSP was at the end of its life and was no longer being supported by the software provider. The Council did not have access to configure, amend, or add new functionality to the software system.
  - 1.1.2. There was no capability for service users to transact with the Council online and digitally.
  - 1.1.3. There was no central system to record and manage customer contact and requests.
  - 1.1.4. Customer contact was often made directly with individual services, there was no overall consistency of contact methods. Some of the existing Council processes were identified as having inefficiencies and not being customer centric. This presented problems in ensuring good practices of customer services and in providing a streamlined service to the public.
  - 1.1.5. There was a requirement for rekeying data and duplication throughout the Council.
  - 1.1.6. The absence of a centralised recording tool prevented the Council from being able to analyse data to the service requirement of customers, impeding the ability to measure the Council's performance and to improve service delivery.

## 2. Organisational Benefits

- 2.1. The aims of the new CSP included the development and implementation of efficient processes to provide significant workload reductions across Council services.
- 2.2. The initial implementation of the project focused on: roads, waste, complaints and compliments, bookings, revenues and various other processes from a prioritised backlog. A significant proportion of the initial processes being implemented were within the former Development and Infrastructure Service.
- 2.3. The intention was that reduced workloads would have an impact on the level of administration support needed within Services. With more people communicating digitally with the Council, it was anticipated that there would also be a reduction of workload within Customer Services. However, the CSP has also led to a channel shift of activity towards Customer Services in being the point of contact for customer communications as well as the need for back-office administration of the platform itself.
- 2.4. It was also considered that data protection benefits would be realised by managing customer data within an approved and controlled environment which adheres to the Council's data protection policies.
- 2.5. Customers were to be encouraged to access services online, however the system also allows for people to contact the Council via the more traditional channels of telephone and face to face, should they wish to do so.
- 2.6. The system also has the potential to integrate with other systems throughout the Council which was to be the subject of later consideration.

### 3. Project Objectives

3.1. The implementation of the CSP had the following project objectives:

#### 3.1.1. Savings

3.1.1.1. To achieve baseline revenue time releasing savings of at least £121,500 per year.

3.1.1.2. To assist in the rationalisation of Council IT systems, reducing maintenance and licensing costs.

#### 3.1.2. General system outcomes

3.1.2.1. To provide centralised storage of customer records with easy access by relevant staff.

3.1.2.2. To provide a single interface for online customer transactions with the Council.

3.1.2.3. To provide a single method of taking payments for deployed processes.

3.1.2.4. To provide a single interface for the Customer Service Team to handle customer requests and interaction for all contact channel (phone, in person, email, web, letter).

3.1.2.5. To provide business intelligence information and visibility of customer interaction.

3.1.2.6. To improve decision making and customer experience, including communication, service timescales and the quality of service delivered.

3.1.2.7. The CSP to be in line with the Council website appearance.

#### 3.1.3. CSP process purpose

3.1.3.1. To provide standardised and documented processes, accessible by all related areas, as appropriate.

3.1.3.2. To reduce duplication in stored data and rekeying requirements.

#### 3.1.4. Sundry outcomes

3.1.4.1. To provide a funded and sustainable approach to ongoing process development.

### 4. Governance Arrangements for the Innovation Fund.

4.1. The Policy and Resources Committee, at a meeting held on 3 February 2015, recommended to the Council that the Spend to Save Development Fund be redesignated as the Innovation Fund. The change being made to better reflect the different types of funding allocations being made from the fund. Projects through the former Spend to Save Development Fund had not always delivered savings to baseline budgets, some projects prevented future cost pressures and allocations had also been made in respect of system improvements which brought about increased efficiency and time releasing savings through automation of existing systems.

4.2. Together with dividing the Innovation Fund into three distinct categories of, spend to save, preventative and system development projects, on 15 April 2015, the Policy and Resources Committee recommended proposed operating protocols that included a requirement for payback periods for the three categories to be set at up to 7 years for spend to save and preventative projects, and up to 5 years for system development projects.



- 4.3. Previously the required payback period for spend to save funding was set at up to 10 years. The reductions to required payback periods, set in early 2015, were due to an anticipation that significant savings to baseline budget would be needed over the next 4-5 years as a result of potential future reductions in annual budget settlements. Although unknown at the time, recent annual budget settlements from the Scottish Government have been more favourable than the original expectation.
- 4.4. The recommendations set out at 4.1 were approved by Council on 3 March 2015, the recommendations at 4.2 and 4.3 were approved by Council on 28 April 2015.

## Audit Findings

### 5.0 Project Delivery

- 5.1. The project has mainly delivered on each of the needs from a new CRM solution, set out in the business case for the project.
- 5.2. Taking each of the reasons in the business case set out in section 1 in turn, the project has:
  - 5.2.1. Implemented a modern CSP which the Council can amend and add new functionality to. The Council has access to create new forms on the system and has trained staff in the creation of forms. The MyGovScot System is used, at least in part, by 30 of the 32 local authorities in Scotland and functionality for the public to request or query Council services by 21 of the other local authorities within Scotland.
  - 5.2.2. The public are able to communicate with the Council digitally and at any time.
  - 5.2.3. Correspondence may be carried through the CSP which is recorded centrally.
  - 5.2.4. Streamlining of processes has accompanied the implementation of the CSP.
  - 5.2.5. Requests from customers are now accessed by Services by accessing a dashboard within the CSP or by system generated emails from the CSP to the Service. Before the new CSP system, typical processes were for paper or email documents to be sent by post to the Service. The former processes being inefficient, correspondence made was unrecorded and provided very limited oversight of the progression of customer requests.
  - 5.2.6. The CSP model provides some reports analysing the service requirements of customers. At the time of this report the Council is awaiting details of the architecture of the supplier's software analytics system in order to assess its data security protocols before more detailed analysis of data can take place.
- 5.3. The first application for funding from the Innovation Fund included the CSP system to form part of the Council's "connected communications project" meaning that the system would integrate with the new telephone system. The desirability of interfacing the CSP to other Council systems such as the Concerto asset management system and the Northgate Revenues system was also to be considered. By the time of our report, the desirability of integrating the CSP to these other systems has not been assessed.
- 5.4. Whether the CSP should be integrated with the telephone system or with any other software systems operated within the Council should be assessed.

#### Recommendation 1

- 5.5. Although the pandemic was not a factor that could have been anticipated in deciding whether to commence with the CSP back in 2016 it was ultimately possible for the

platform to go live on 20 March 2020, just prior to lockdown due to the COVID-19 pandemic. MyOrkney has facilitated digital interaction at a time face to face correspondence could not take place.

- 5.6. To date, 92 processes have been developed as a result of the CSP project. This together with reviews of existing processes has led to efficiencies and time-releasing savings throughout the Council.
- 5.7. At the time of our review there were 4,128 customer accounts created by the public on MyOrkney.
- 5.8. In the 2021/22 financial year 9,866 requests from the public were made online. This being an increase of 147 or 1.5% from the previous financial year of 9,719.
- 5.9. In broad terms, it can be assumed that each online transaction avoids a phone call or walk in which previously would have been received either through Customer Services or directly to the respective Service.
- 5.10. There were also at least 12,744 “quick queries”, 2,468 matters reported, and 133 bookings made during the 2021/22 financial year, totalling at least 15,345 communications from the public where Customer Service Advisers recorded the details of customer request made by phone, walk in or emails onto the CSP. This has improved the efficiency of internal communication and facilitates customer care being carried out in compliance with Council process.
- 5.11. Although the above figures demonstrate the take up of digital communication within Orkney, continuing to increase the volume of transactions through the MyOrkney platform would channel activity to more efficient, and lower cost processes within the Council and facilitates digital communication with customers who choose to do so.
- 5.12. It is therefore recommended that the option of the MyOrkney platform be regularly promoted to the public.

**Recommendation 2**

- 5.13. There is a facility for customers to rate their experience between a score of 1 to 5, with 5 being the highest score, and also to leave a comment after using the CSP. To date 1,500 review ratings have been provided by customers using the CSP. 70% of responses gave the highest rating of 5 and 86% of ratings were either a 4 or 5.
- 5.14. A summary of satisfaction ratings for the CSP is shown in table 1 below:

Rating	1	2	3	4	5	Total
Count	65	33	120	237	1045	1500
Percentage	4%	2%	8%	16%	70%	100%

*Figure 1*

- 5.15. A survey of customer experiences in using the MyOrkney option may also provide valuable customer feedback.

**Recommendation 3**

## 6.0 CRM Project Payback

- 6.1. Two bids for funding for the CRM project from the Innovation Fund were approved: the first in 2016 for an allocation of £123,926 and also in 2017 for £175,100 totalling £299,026.
- 6.2. The projected payback period was estimated to be within 5 years, post-implementation of the customer service platform going live, this being first estimated to be by 2023/24.
- 6.3. To achieve a payback period of 5 years, to the total funding requirement of £299,026, the estimated efficiency time saving needed was £121,500 per annum, being phased in over the first years of the project going live. This equated to a reduction in the staffing establishment across the Council by 5 Full Time Equivalent (FTE) G4 posts. This being an increase from the estimate made within the first innovation bid of efficiency savings of 3.5 FTEs.
- 6.4. Both the 3.5 and 5.0 FTE savings estimated were described in their respective innovation fund application forms as being considered as prudent.
- 6.5. There is not a record of substantiating evidence for the estimation of efficiency savings equating to 3.5 or 5.0 FTEs.
- 6.6. Time efficiency saving generated from the CSP project is the accumulation of time savings to each individual process improvement, developed as a result of utilising forms either on the CSP or accessible on the same website page on the CSP. Time saving would therefore be granular as each process was implemented.
- 6.7. The methodology for estimating time releasing savings from the project was to compare and quantify the process time, pre and post implementation, for each new process developed.
- 6.8. The monetary value of time savings for the first 25 processes implemented from the project is estimated at £20,948 per annum of which £13,667 or 65% related to processes within the former Development and Infrastructure Service. The savings total of £20,948 is comprised of savings from the 25 processes of £25,940 less the additional costs of £4,992 in activity within Customer Services in logging data onto the platform.
- 6.9. Although we are unable to confirm processing times pre implementation retrospectively, and therefore the efficiency savings obtained, we note that process documentation, where carried out is detailed and accurately calculated.
- 6.10. Estimation of time release savings were not carried out for the next 67 processes implemented as part of the project. Officers cite time restrictions during the pandemic and urgency to get the process for Government grant forms online as the main reasons for time savings for these processes not being documented. While not quantified efficiencies were delivered along with other benefits including improved customer experience.
- 6.11. There are several reasons why the estimation to the first 25 process cannot be extrapolated to give an indication of savings obtained within each Service, or the Council as a whole. The initial processes were selected in a prioritised manner focused on replacing the processes that were on the old portal that was being decommissioned. Further processes were selected based on the potential for time saving which focused predominantly on Roads and Waste. Some processes, such as processes of business support grants was new activity rather than revision to a previous process carried out within the Council.
- 6.12. Some processes, such as booking of offices within the Stromness Warehouse building or approval for out of Orkney travel, were not introduced by the time of the 21/22 financial

year due to other customer facing processes being prioritised and lockdown impinging on office-based working and travel.

- 6.13. To date, 1 FTE G5 post has been extracted from the customer services budget being a reduction of £23,200. A further saving of £15,700 within the Chief Executive's Service Plan was originally put forward for the 2021/22 financial year but was not implemented during the annual budget setting process for that year. No further savings to revenue budgets have been made across any other Council services to date as a result of implementing the CSP. The saving already extracted from the customer services budget of £23,200 is significantly greater than the estimated net efficiency saving of approximately £2,045 to Customer Services from the first 25 process improvements after reflecting both the greater efficiency from receiving correspondence digitally and the channelling of administration tasks to the customer services team.
- 6.14. The new CSP is now in business-as-usual mode and so the Council is at a position where it needs to fund its ongoing licence cost. The annual licence costs are shown within Annex A.
- 6.15. A report was presented to the Corporate Leadership Team meeting of 16 February 2022 requesting funding for the CSP where it was agreed that the annual licensing costs would be funded from recharges to be made across all Council services.
- 6.16. The Council should consider the mechanism to be used to apportion licence costs. One of the principles to apportionments has been that a service or activity must reflect all the costs associated with that service or activity, wherever in the management structure they arise. Services will need to absorb these apportioned costs within their existing annual budget allocations.

#### **Recommendation 4**

### **7.0 Innovation Fund Governance**

- 7.1. The CSP has been delivered mainly in adherence with protocols adopted by the Council covering applications supported by the Innovation Fund.
- 7.2. However, there are some exceptions where protocols were not followed during the development of this project.
- 7.3. Protocols for the operation of the Innovation Fund, set out in a report entitled, Innovation Fund, Proposed Operating Protocols, (the Innovation Fund Report), were considered and recommended for adoption by the Policy and Resources Committee on 15 April 2015. These protocols included, inter alia, a requirement that "the permanent removal of staffing from the staffing establishment at pre-agreed levels will be a requirement for all System Development applications to the Innovation Fund".
- 7.4. Our report, at 6.3, shows that efficiency savings of £121,500 or the reduction of five full time equivalents would have been needed for the project to break even within five years of its implementation. Permanent removal of staffing from the staffing establishment was not pre-agreed with Services. It is believed by officers that efficiencies from the implementation of the CSP have freed up staff to carry out other existing or new activity.
- 7.5. Governance processes for the Innovation Fund, set out in Appendix 2 of the Innovation Fund Report, also include requirements for the "identification of unit costs linked to outcomes and outputs and how these relate to improved efficiencies, should be progressed as a priority" and "all applications to the Fund should follow SMART principles in stating outcomes and objectives, particularly with regard to achievable savings".

- 7.6. Appendix 3 of the Innovation Fund Report further requires that “all savings from the proposed innovation project must be both quantifiable in financial terms and open to independent verification”.
- 7.7. At 6.5 of our report, we have identified that there is not a record which provides specific or measurable data to support the efficiency savings detailed within the Innovation Fund applications for funding to the CSP.
- 7.8. The report noted that one of the weaknesses of the former Spend to Save Development Fund (STSDF) process was the failure to properly integrate with the budget setting process. This was primarily as a result of the meetings of the MOWG being scheduled too late in the financial year (typically November) to feed into the timescales associated with the efficiency savings and service pressure processes.
- 7.9. In order to rectify this, one of the required two bi-annual meetings of the MOWG was to be set for late August in order to feed into the September meeting of the Policy and Resources Committee. This would in turn enable the efficiency savings derived from approved projects to be incorporated within the efficiency savings proposals being submitted by Corporate Directors as part of the budget setting process.
- 7.10. Although bi-annual MOWG meetings took place in 2015 and 2016, only one meeting took place in 2017 and during 2018 no meetings of the group took place. One briefing report was sent to the persons forming the MOWG during that year. There is not a record of any meetings taking place or briefing notes being sent to the MOWG since 2018.
- 7.11. Governance arrangements for the Innovation Fund include a requirement that “all savings targets and that, where possible, all savings generated by their Spend to Save projects should be incorporated in the budget setting process and reference made to the Fund in the efficiency savings template”.
- 7.12. Only the Chief Executive’s service has made savings in the annual budget setting process of £23,200. No other service has put forward savings as a result of this project.
- 7.13. The tracking of benefits realisation and post implementation reviews against set targets are important areas of scrutiny which should form part of the governance in oversight of all projects carried out by the Council.

#### **Recommendation 5**

### **8.0 Data Security**

- 8.1. The CSP is a hosted system which now contains a large amount of personal data.
- 8.2. So far penetration testing of the CSP has taken place upon major changes to the system as it has developed.
- 8.3. It is recommended that going forward the CSP should be subjected to annual penetration testing.

#### **Recommendation 6**

## Action Plan

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
1) The merits compared to the cost to potentially interfacing the CSP directly with the telephone system or with other Council systems should be assessed.	Low	Options appraisal to be completed. Direct interfacing with the telephone system is unlikely to be an effective solution. Business case for linking with other council systems to be considered as part of future development priorities where relevant and proportionate.	Service Manager, Improvement and Performance	31 March 2023
2) The option of the MyOrkney platform be regularly promoted to the public.	Low	Consider as part of Digital Strategy delivery plan and communications strategy.	Service Manager, Improvement and Performance	31 March 2023.
3) A survey of customer experiences in using the MyOrkney option may also provide valuable customer feedback.	Low	There is the option for customers to leave feedback after each form is completed. This feedback is already used to improve forms and processes.  A customer service survey is planned in 2022 which will include a section on our online services.	Team Manager, Customer Services	23 December 2022.
4) The Council should consider the mechanism to be used to apportion costs of the CSP across services. Services will need to absorb these apportioned costs within their	Low	While it has been agreed to apportion costs the specific mechanism has not been agreed. This will need developed in 2022/23.  Costs for proposed integrations between systems would need to be detailed and justified through an appropriate	Service Manager, Customer Services & Corporate Administration	31 March 2023

existing annual budget allocations.		systems development business case.		
5) Processes within the Council should ensure that actual benefit realisation from all projects is reported in detail and compared to those estimated within the original business case, as part of post project reviews.	Medium	This is a critical area which has been identified as an area of the Our People Our Plan priority 3 (performance) project. An improved approach to project benefits realisation and measuring outcomes is being developed. This work will address this recommendation.	Service Manager, Improvement and Performance.	31 March 2023
6) The CSP should be subjected to annual penetration testing.	Low	Service to liaise with IT to arrange annual penetration testing.	Service Manager, Customer Services & Corporate Administration Interim (until above filled).  Service Manager, Improvement and Performance.	31 March 2023

## Key to Opinion and Priorities

### Audit Opinion

Opinion	Definition
<b>Substantial</b>	The framework of governance, risk management and control were found to be comprehensive and effective.
<b>Adequate</b>	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
<b>Limited</b>	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
<b>Unsatisfactory</b>	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

### Recommendations

Priority	Definition	Action Required
<b>High</b>	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
<b>Medium</b>	Weakness in governance, risk management and control that if unresolved exposes the organisation to a high level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
<b>Low</b>	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.