

Internal Audit Annual Report 2022/23



Newark and Sherwood District Council

Contents

Annual Opinion

Page 1

Governance
Risk
Internal Control
Financial Control

Our work

Page 10

Scope of Work
Restriction of Scope
Other Significant Work
Quality Assurance

Benchmarking

Page 12

Assurances
Recommendations
Key Performance Indicators

Appendices

Page 15

Appendix 1 - Details of Audits
Appendix 2 - Details of Audit Plan Changes
Appendix 3 - Assurance Definitions
Appendix 4 - Glossary of Terms

Lucy Pledge – Head of Internal Audit
Matthew Waller – Audit Manager

Lucy.pledge@lincolnshire.gov.uk
Matthew.Waller@lincolnshire.gov.uk

This report has been prepared solely for the use of Members and Management of Newark and Sherwood District Council. Details may be made available to specified external organisations, including external auditors, but otherwise the report should not be used or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared and is not intended for any other purpose.

The matters raised in this report are only those that came to our attention during our work – there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements or were not brought to our attention. The opinion is based solely on the work undertaken as part of the agreed internal audit plan.





Purpose of Annual Report

The purpose of the Annual Internal Audit Report is to meet the Head of Internal Audit annual reporting requirements set out in the Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2015. In particular:-

- Include an opinion on the overall adequacy of and effectiveness of the Council's governance, risk and control framework and therefore the extent to which the Council can rely on it;
- Inform how the plan was discharged and the overall outcomes of the work undertaken that supports the opinion;
- A statement on conformance with the PSIAS and the results of the internal audit quality assurance;
- Draw attention to any issues particularly relevant to the Annual Governance Statement.

Annual Opinion

The opinion on the adequacy and effectiveness of the Council's arrangements for governance, risk management and control framework for 2022/23 is:

| | |
|---|--|
| Governance  | Performing Adequately - Some improvements identified over the Council's governance and control framework. |
| Risk  | Performing Well - No concerns that significantly affect the risk management framework. |
| Internal Control  | Performing Well - No concerns that significantly affect the risk management framework. |
| Financial Control  | Performing Well - No concerns that significantly affect the financial control framework. |

This opinion is based upon the work performed by Internal Audit and assurance intelligence we have gathered across the Council's assurance framework, including the Combined Assurance Model and the Risk Management Framework.

Internal Audit have not reviewed all risks and assurances of the Council and the opinion is reliant on a robust management led governance, control and assurance framework.



Governance



"Achieving the Intended Outcomes While Acting in the Public Interest at all Times"

It is comprised of systems, processes, culture and values, by which the Council is directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.

Each year the Council is required to reflect on how its governance arrangements have worked – identifying any significant governance issues that it feels should be drawn to the attention of the public – in the interests of accountability and transparency.

The Audit & Governance Committee help ensure that these arrangements are working effectively. They regularly review the governance framework and oversee the development of the Council's Annual Governance Statement.

The Annual Governance Statement is at draft stage. Whilst no significant governance issues have been identified it is acknowledged that the change in Council membership may potentially impact the Council's governance arrangements. An induction and training program has been put in place to address this.

On the 17th May 2022, the Council implemented new governance arrangements - a cabinet and overview and scrutiny committee structure.

The Council also reviewed and updated its Constitution and decision-making arrangements to reflect the new governance framework.

A six-month review was undertaken to assess how the new arrangements were working in practice. The review confirmed that arrangements were working well but identified some areas for improvement - acknowledging that it was still early days in the arrangements.

A further review is planned in 2023/24 - once the new Council and arrangements are more embedded.

It is crucial to the Council's success that its governance arrangements are applied in a way that demonstrates the spirit and ethos of good governance – this cannot be achieved by rules and procedures alone.

An Internal Audit of the Council's governance arrangements was planned during 2023/24 – benchmarking the Council's arrangements against the Centre for Governance and Scrutiny's 'Governance, Risk and Resilience Framework'. This audit was cancelled given the Council's planned review.

We therefore suggest that the Council consider benchmarking its arrangements against the Centre for Governance and Scrutiny's 'Governance, Risk and Resilience Framework'. This could be included in the planned review.



"Achieving the Intended Outcomes While Acting in the Public Interest at all Times"

It is comprised of systems, processes, culture and values, by which the Council is directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.

The Chartered Institute of Public Finance & Accountancy (CIPFA) has recently published new Audit Committee guidance. An overview of the new guidance was provided to the Audit & Governance Committee in November 2022 – further training is planned during 2023/24.

Included in this guidance is some useful self-assessment tools. It also suggests that the Audit & Governance Committee produce an annual report – providing the Council with information on how it has discharged its terms of reference and its impact on the Council's governance and assurance framework.

We suggest that completion of these self-assessments and production of an Audit & Governance Committee Annual Report are included in the Committee work plan for 2023/24.

The Council's Combined Assurance report is a key element of the Council's governance and assurance arrangements. It provides the Senior Leadership Team and Audit & Governance Committee with a better understanding on the assurances across all the Council's critical services, key risks, significant projects and partnerships - identifying any areas for greater oversight, improvement and assurance gaps.

Overall, there is a positive assurance picture for the Council but one that reflects the more demanding and challenging context in which it operates. There is recognition that some areas of the combined assurance will be red and amber – with action plans in place to address any identified concerns. This report was considered by the [Audit & Governance Committee in April 2023](#).

The Senior Leadership team has assessed Corporate Governance as a high-risk area – with an **Amber** assurance status.

The Council has two wholly owned subsidiary companies – Active4Today Ltd and Arkwood Developments Ltd. The Council has put appropriate governance and oversight arrangements in place.

An Internal Audit of the Council's companies governance arrangements was planned during 2023/24 – due to scheduling conflicts and the end of the Internal Audit contract we were unable to complete this independent review by the 31st March 2023.

Governance



"Achieving the Intended Outcomes While Acting in the Public Interest at all Times"

It is comprised of systems, processes, culture and values, by which the Council is directed and controlled and through which they account to, engage with, and where appropriate, lead their communities.

CIPFA has issued some good practice guidance on Local authority owned companies (May 2022) – a helpful tool to assist key stakeholders and provide support in the following areas:

- Context.
- Decision-making process.
- Establishment of a Company – and subsequent reviews.
- Business as Usual.

We suggest that the Council benchmark the companies against this guidance – with the outcome being reported to the Audit & Governance Committee.

We have made some suggestions to improve the governance arrangements and consideration in drafting the Annual Governance Statement 2023.

The above information helped inform the Head of Internal Audit opinion on the effectiveness of the Council's governance framework.

Governance Assurance



**Assessed as
Performing Adequately**

Risk



Good risk management is part of the way we work. It is about taking the right risks when making decisions or where we need to encourage innovation in times of major change – balancing risk, quality, cost and affordability. This puts us in a stronger position to deliver our goals and provide excellent services.

We can confirm that there are established structures and processes for identifying, assessing and managing risk and these remain effective.

The Council's Risk Management arrangements are currently set at a **Green** assessment through the combined assurance review (a high level of assurance).

Risk Management is regularly monitored by the Senior Leadership Team and is reviewed by the Audit & Governance Committee on a six-monthly basis.

A review of the Council's Strategic Risk Register was completed by the Senior Leadership Team in January 2023 – with the results reported to the Audit and Governance Committee at its 6th April 2023 meeting.

There are six high risks identified on the Strategic Risk Register:

- Failure to deliver growth infrastructure.
- Workforce.
- Corporate Governance.
- Data Management Security.
- Statutory Compliance Management.
- Cost of Living.

A cross-service Risk Management Group meets regularly to identify and evaluate all significant risks.

There is a good level of assurance around the risks facing the Council.

To help provide independent assurance on the effectiveness of the Council's Risk Management arrangements we included two Strategic Risks to review as part of the 2022/23 Internal Audit Plan:-

- **Failure to deliver growth infrastructure** - due to scheduling conflicts and the end of the Internal Audit contract we were unable to complete this review.
- **Workforce** – Management request to defer due to officer resources – enabling key staff to focus on the implementation of the iTrent system. Included in Internal Audit Plan 2023/24.

The new Internal Audit Team will identify and evaluate the Council's Assurance Framework – including Risk Management.

The above information helped inform the Head of Internal Audit opinion on the effectiveness of the Council's Risk Management arrangements.

Risk Management Assurance



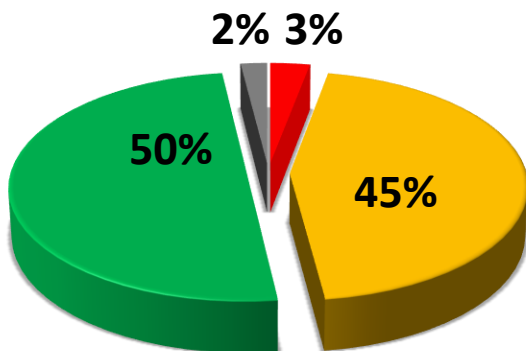
**Assessed as
Performing Well**



A Combined Assurance Status report is produced by each Director on the level of confidence they can provide on service delivery arrangements, management of risks, operation of controls and performance for their area of responsibility. These reports are reviewed by the Audit & Governance Committee and provide key assurance evidence to support the Head of Internal Audit opinion.

Combined Assurance Status Report

Overall Assurance Status 2022/23



- Red - low level of assurance
- Amber - medium level of assurance
- Green - high level of assurance
- Grey - unknown assurance

Note: 2% of the activity is unknown. These relate to emerging issues e.g. Levelling Up Fund Level 2, Levelling Up Regeneration Bill and new partnerships.



High assurance assessment has decreased by 8% in 2022/23 but remains the highest percentage of assurance

We help co-ordinate the Council's assurance intelligence through an annual process carried out across all directorates. It provided a RAG rating view of the Council's critical activities, key projects, partnerships and key risks.

Overall, there continues to be a high level of assurance. There has been no change in low levels of assurance which continues to be a very small number of areas on the assurance map.

Strategic risks assessed by the Senior Leadership Team as having a lower level of assurance are:

- Failure to deliver growth infrastructure.
- Workforce.
- Data management & security.
- Statutory compliance management.
- Cost of living.

The critical activity assessed by the Senior Leadership team as having a lower level of assurance is gas servicing.

Internal Control



We take account of the outcome of our audit work during the 2022/23 year.

As our audit plans include different activities each year it is not unexpected that assurance varies. However the assurance levels still give insight into the Council's control environment.

The Internal Audit assurance levels over activities reviewed this year have remained positive – key financial systems and service processes have either a high or substantial level of assurance. This year there were no low or limited assurance opinions issued.

Details of audits completed can be found in **Appendix 1**. Those most relevant to the internal control are shown in Figure 1.

During the year we have made 26 medium priority recommendations for improvement. There were no high priority recommendations.

We regularly track implementation of recommendations. Our recent follow up of agreed actions provided substantial assurance. Our year-end action tracker report showed 50% (4) of medium priority actions due to be implemented at the 31st March 2023 remain outstanding.

Internal Control Assurance



**Assessed as
Performing Well**

The outcome of our internal audit work and the intelligence gathered through the combined assurance framework has helped inform the Head of Internal Audit's opinion on Internal Control.

| Figure 1 Audit area | Assurance level |
|---|-----------------|
| Information Governance & Personal Data Breaches | Substantial |
| Planning Applications (Decision Making) | Substantial |
| Performance Management | High |
| Responsive Repairs | Substantial |
| Re-settlement Co-ordination | Substantial |
| SANS/Host Refresh | High |
| ICT Applications | Substantial |
| Virus Protection / Malware | Substantial |
| National Civil War Museum / Palace Theatre | High |
| Strategic Asset Management | |
| Customer Service review (Housing Repairs) | Consultancy |
| Follow Up of Agreed Actions | High |
| Combined Assurance | Not Applicable |

Financial Control



Our audit plans include providing assurance over our key financial systems, the level of risk influences frequency.

Our work provides an important assurance element to support the External Auditor's opinion on the Council's Statement of Accounts.

Our work on financial systems and processes this year has focused on confirming that key controls remain in place. During the year we reviewed the following audits which directly contributed to our assessment of the Council's Financial Control:-

| Audit area | Assurance level |
|---|------------------|
| Contain Outbreak Management Fund (COMF) | Positive Opinion |
| Mansfield Crematorium | Positive opinion |
| Gilstrap Accounts | Positive opinion |
| Key Control Testing:- <ul style="list-style-type: none">VAT.Capital Budget Monitoring.Asset Register. | High |
| Key Control Testing:- <ul style="list-style-type: none">Insurance. | Substantial |

CIPFA's Financial Management Code of Practice sets out 17 financial management standards against which Councils are required to undertake a self-assessment. It is designed to support good practice in financial management and help Councils demonstrate their financial sustainability.

The Council's self assessment undertaken in 2021 has been reviewed during May 2023. All areas were assessed as **Green** status - with no improvement actions identified.

The Council's financial processes are currently assessed at either **Green** (a high level of assurance) or **Amber** (a medium level of assurance) through the combined assurance model.

The Council's External Auditors opinion on the financial statements for 2021/22 was unqualified. They published their Annual Report in April 2023 for the year ended 31st March 2022. They concluded that there were no significant weaknesses in the Council's value for money arrangements around:-

- Financial sustainability.
- Governance.
- Improving economy, efficiency and effectiveness.

Financial Control



Our audit plans include providing assurance over our key financial systems, the level of risk influences frequency.

Our work provides an important assurance element to support the External Auditor's opinion on the Council's Statement of Accounts.

Counter Fraud

The Audit & Governance Committee help ensure that counter fraud arrangements are working effectively. They regularly review the Fraud Risk Register and receive six-monthly updates on counter fraud activities.

The Fraud Risk Register was updated in April 2022.

The outcome of Internal Audit work and the intelligence gathered through other sources of assurance has helped inform the Head of Internal Audit's opinion on Financial Control.

Financial Control Assurance



**Assessed as
Performing Well**



The Council is responsible for establishing and maintaining risk management processes, control systems and governance arrangements. Internal Audit plays a vital role in providing *independent risk based and objective assurance* and *insight* on how these arrangements are working. Internal Audit forms part of the Council's assurance framework.

Scope of Work

Our risk based internal audit plan was prepared considering the critical activities and key risks to support the basis of the annual opinion. It has remained flexible to enable us to respond to emerging risks and maintain effective focus.

The Audit & Accounts Committee approved the 2022/23 original audit plan of **285 days** in April 2022. During the year there were several changes to the plan – the net result being a revised plan of 280 days. We have delivered **86%** of the revised audit plan and more details on the plan and rationale for changes can be found in **Appendices 1 and 2**.

Restriction on Scope

We identified no unexpected restrictions to the scope of our work. There have been some delays encountered in the provision of information through our work with the Council. To address this, we liaised regularly with management and agree escalation processes and develop key points of contact within services.

We have not experienced any impairment to our independence or objectivity during the conduct and delivery of the Internal Audit Plan.

After providing Internal Audit services to the Council for over 10 years our contractual arrangements came to a natural end on the 31st March 2023. Due to this change, there was less flexibility to respond to scheduling delays during quarter 4. This resulted in 3 audits being cancelled as they couldn't be completed by the 31st March 2023 deadline. They related to:-

- Growth Infrastructure Risk.
- Company Governance (Arkwood and Active4Today).
- Levelling-up and Newark Towns Funds.

I do not consider the above has had an adverse impact on my ability to deliver my overall opinion. The combined assurance model adopted by the Council helped in this regard.

Our Work



We recognise the importance of meeting customer expectations as well as conforming to the UK Public Sector Internal Audit Standards (PSIAS). We continually focus on delivering high quality audit to our clients – seeking opportunities to improve where we can.

Quality Assurance

It has been another challenging year – with continued high turnover in our audit practice. This is mainly due to people revisiting their career and personal aspirations following the pandemic and the ability to work remotely. Nationally, Internal Auditors are a hard to recruit area.

Whilst we have had success in recruiting people to ‘grow our own’ this has inevitably had an impact on delivery - with more focus needed on training and development.

This was a key factor in our decision to withdraw from delivering Internal Audit services to the Council.

Our commitment to quality begins with ensuring that we recruit develop and assign appropriately skilled and experienced people to undertake your audits.

Our audit practice includes ongoing quality reviews for all our assignments. These reviews examine all areas of the work undertaken, from initial planning through to completion and reporting. Key targets have been specified - that the assignment has been completed on time, within budget and to the required quality standard.

There is a financial commitment for training and developing staff. Training provision is continually reviewed through the appraisal process and monthly one to one meetings.

All public sector internal audit services are required to measure how well they conform to the UK Public Sector Internal Audit Standards. An External Quality Assessment must be undertaken every 5 years – Assurance Lincolnshire’s second external assessment was undertaken in February 2022.

They concluded that:

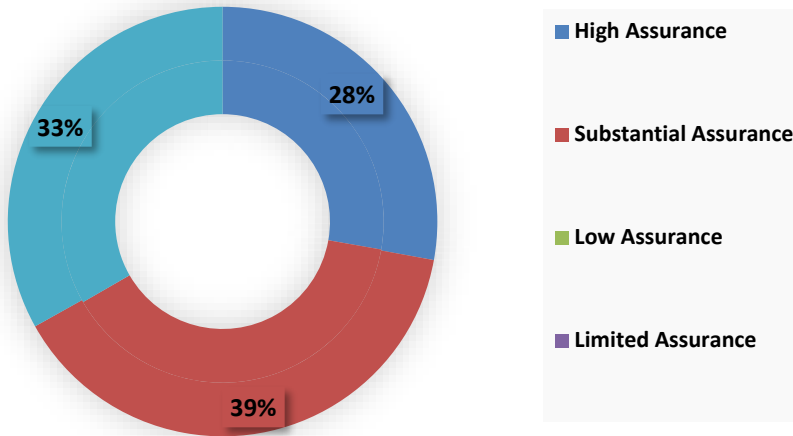
“the Assurance Lincolnshire Partnership’s self-assessment is accurate and as such we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note”.



Our audit plan includes different activities each year – it is therefore not unexpected that these vary; however, the assurance levels do give an insight on the application of the Council's control environment and forms part of the evidence that helped inform the overall annual opinion.

Assurances

Summary of Audit Assurances - 2022/23



14% increase in High Assurance on last year



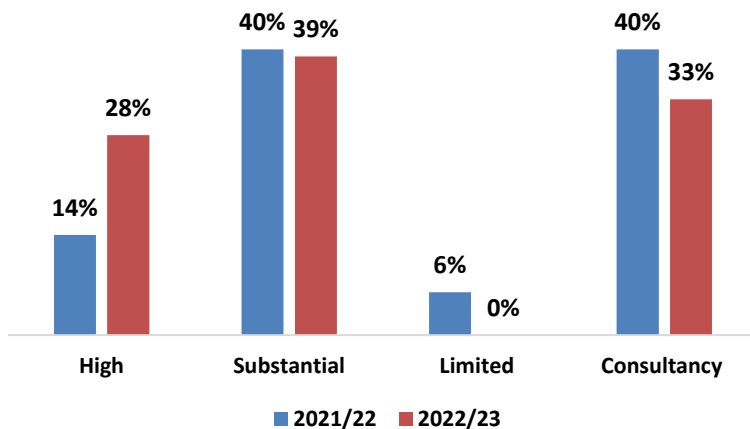
1% decrease in Substantial Assurance reports this year



6% decrease in Limited Assurance reports this year (none issued)



Comparison of Audit Assurances



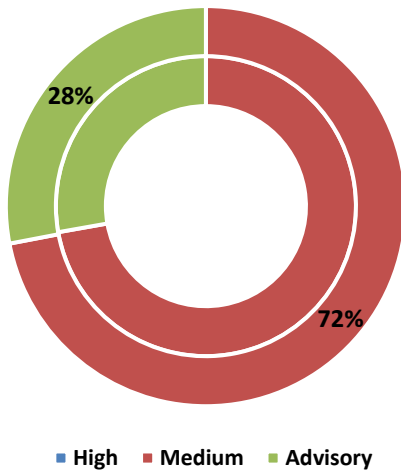
Further details can be found at **Appendix 1**



Our audit plan includes different activities each year – it is therefore not unexpected that these vary; however, the assurance levels do give an insight on the application of the Council's control environment and forms part of the evidence that helped inform the overall annual opinion.

Recommendations

Summary of Recommendations - 2022/23



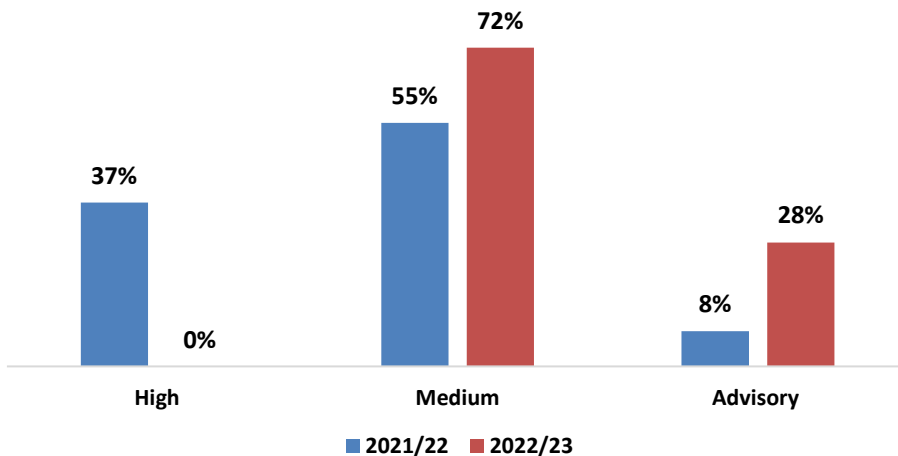
37% decrease in High recommendations during the period



17% increase in Medium recommendations raised during the period



Comparison of Audit Recommendations



20% increase in advisory recommendations raised during the period



Further details can be found at **Appendix 1**

Benchmarking



Internal Audit's performance is measured against a range of indicators. We are pleased to report a good level of achievement in delivery of the revised plan and the added value of our work.

Data on all outstanding recommendations has been provided to the Council and the new Internal Auditors.

Performance on Key Indicators

86%

**Of revised
plan delivered**

50%

**of in-year agreed
actions
implemented**

Note: Reviewed by Senior Leadership team and revised implementation dates provided.

80%

**Of key
financial
systems
delivered**

Further details can be found at **Appendix 1**

| Audit | Assurance Rating | Type of Audit | Status | High | Medium | Advisory | Totals |
|---|------------------|---------------|--------------------|------|--------|----------|--------|
| Follow-ups | High | Assurance | Completed | 0 | 0 | 0 | 0 |
| Key Control Testing: VAT, Insurance, Asset Register & Capital Budget Monitoring | High | Assurance | Completed | 0 | 3 | 3 | 6 |
| Contain Outbreak Management Fund (COMF) | Not Applicable | Grant | Completed | 0 | 0 | 0 | 0 |
| Mansfield Crematorium | Not Applicable | Grant | Completed | 0 | 0 | 0 | 0 |
| Gilstrap | Not Applicable | Grant | Completed | 0 | 0 | 0 | 0 |
| Information Governance & Personal Data Breaches | Substantial | Assurance | Completed | 0 | 6 | 3 | 9 |
| Planning Applications (Decision Making) | Substantial | Assurance | Completed | 0 | 1 | 0 | 1 |
| Performance Management | High | Assurance | Completed | 0 | 1 | 1 | 2 |
| Responsive Repairs | Substantial | Assurance | Completed | 0 | 1 | 0 | 1 |
| Resettlement Co-ordination | Substantial | Assurance | Completed | 0 | 3 | 0 | 3 |
| SANS/Host Refresh | High | Assurance | Completed | 0 | 0 | 2 | 2 |
| ICT Applications | Substantial | Assurance | Completed | 0 | 1 | 1 | 2 |
| Virus Protection / Malware | Substantial | Assurance | Completed | 0 | 5 | 0 | 5 |
| Customer Service Review (Housing Repairs) | Not Applicable | Consultancy | Added – Completed* | 0 | 3 | 0 | 3 |
| Combined Assurance | Not Applicable | Other | Completed | 0 | 0 | 0 | 0 |
| National Civil War Museum / Palace Theatre | High | Assurance | Added – Completed* | 0 | 0 | 0 | 0 |
| Strategic Asset Management | Substantial | Assurance | Added – Completed | 0 | 2 | 0 | 2 |
| Treasury Management | Not Applicable | Assurance | Removed* | 0 | 0 | 0 | 0 |
| Governance Review (Health Check) | Not Applicable | Assurance | Removed* | 0 | 0 | 0 | 0 |
| Growth Infrastructure Risk | Not Applicable | Assurance | Cancelled | 0 | 0 | 0 | 0 |

| Audit | Assurance Rating | Type of Audit | Status | High | Medium | Advisory | Totals |
|---|------------------|---------------|--------------|----------|-----------|-----------|-----------|
| Company Governance (Arkwood and Active4Today) | Not Applicable | Assurance | Cancelled | 0 | 0 | 0 | 0 |
| Workforce Planning | Not Applicable | Assurance | Removed* | 0 | 0 | 0 | 0 |
| Levelling-up and Newark Towns Funds | Not Applicable | Assurance | Cancelled | 0 | 0 | 0 | 0 |
| iTrent HR / Payroll System (Selima replacement) | Not Applicable | Assurance | Removed* | 0 | 0 | 0 | 0 |
| ICT Help Desk | Not Applicable | Assurance | Removed* | 0 | 0 | 0 | 0 |
| Management Time | Not Applicable | Other | | 0 | 0 | 0 | 0 |
| | | | Total | 0 | 26 | 10 | 36 |

* The plan has been amended throughout the year to reflect changing assurance and scheduling requirements – details and the rational of changes to the plan is shown in **Appendix 2**. The changes were agreed with the Senior Leadership Team and reported to the Audit and Governance Committee in November 2022.

| Audit | Change | Rational |
|--|-----------|---|
| Treasury Management | Deferred | Management have assessed that this area does not currently present a high-risk area. Removed to facilitate completion of priority audits before the end of Internal Audit Service contract. This audit has been included in the 2023/24 plan. |
| iTrent HR / Payroll System | Deferred | Management have provided assurance that robust processes have been put in place to ensure successful implementation of the new system. Work is ongoing to implement some elements of the HR functions. This audit has been included in the 2023/24 plan. |
| Workforce planning | Deferred | Management request to defer due to officer resources – enabling key staff to focus on the implementation of the iTrent system. This audit has been included in the 2023/24 plan. |
| Governance Review (Health Check) | Cancelled | A six-month review was undertaken by the Council to assess how the new arrangements were working in practice. The outcome of this review was reported to the Audit & Governance Committee in January 2023 – a further review is planned during 2023/24 when the arrangements are more embedded. |
| Palace Theatre and Newark Civil War Centre | Added | Priority audit rolled forward from the previous year |
| Strategic Asset Management | Added | Priority audit rolled forward from the previous year |
| Housing Repairs Customer Service Review | Added | Priority audit added to support decision making and inform the Customer Service Strategy. |

High

Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.

The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.

Substantial

Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.

There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.

Limited

Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and/or performance.

The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.

Low

Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.

There are either gaps in the control framework managing the key risks, or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore, the risk of the activity not achieving its objectives is high.

Significance

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

Head of Internal Audit Annual Opinion

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

Governance

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

Risk

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

Control

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

Impairment

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