

REDACTED



INTERNAL AUDIT FINAL REPORT

PEOPLE DIRECTORATE

REVIEW OF SPECIAL EDUCATIONAL NEEDS PLACEMENTS AND TRANSITION PROCESS

Issued to: Director of Education
Director of Children's Services
Head of Service, Special Educational Needs
Assistant Director, Children, Education and Families
Director of Finance (final report only)

Prepared by: **Principal Auditor**

Reviewed by: **Head of Audit and Assurance**

Date of Issue: **9 June 2022**

Report No.: **PEO/07/2021**

REVIEW OF SPECIAL EDUCATIONAL NEEDS PLACEMENTS AND TRANSITION PROCESS

INTRODUCTION

1. This report sets out the results of our audit of Special Educational Needs (SEN) placements and the transition process. The audit was carried out as part of the work specified in the 2021-22 Internal Audit Plan agreed by the Section 151 Officer and Audit Sub-Committee. The controls we expect to see in place are designed to minimise the Council's exposure to a range of risks. Weaknesses in controls that have been highlighted will increase the associated risks and should therefore be addressed by management.
2. The area of SEN has not been subject to internal audit review since 2016, when the planned audit was deferred but limited testing was undertaken and findings were reported on the controls and procedures operating at that time. The SEN budget for the financial year 2021/22 was £17,744,860, and budget monitoring for January 2022 showed a total forecast of £22,832,069, resulting in a predicted overspend of £5,087,230.
3. We would like to thank everyone contacted during this review for their help and co-operation.

AUDIT SCOPE

4. The original scope of the audit was outlined in the Terms of Reference issued on 21 February 2022.
5. We identified the following key risks:
 - Placements of children and young people with SEN may not be effective. Where high level funding is involved, expenditure may not be managed effectively.
 - EHC plans may be continued even though there is sufficient evidence that outcomes have been achieved and resources are no longer required to be committed.
 - The transition process for children and young adults moving to adult provision, with the change in SEN requirements from the Children and Families Act 2014 to the Care Act 2014, may not take place smoothly or be consistently applied.

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AUDIT OPINION

6. Our overall audit opinion, number and rating of recommendations are as follows.

AUDIT OPINION	
Limited Assurance	(Definitions of the audit assurance level and recommendation ratings can be found in Appendix B)

Number of recommendations by risk rating		
Priority 1	Priority 2	Priority 3
1	4	1

SUMMARY OF FINDINGS

7. Our audit identified areas of good practice and sound controls as set out below:

- The service provided examples of where the costs of comparable placements had been analysed by the SEN team to identify where value for money can be obtained.
- As part of the SEND Quality Assurance and Practice Improvement Framework, there are a number of review and training initiatives in place to drive continuous service improvement, such as the Multi-Agency Group Sampling of EHC plans and monthly sampling of cases by the Director of Education.

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- There is a wide range of information relating to SEN on the Council's website including a 'Preparing for Adulthood' pathways guide. The annual review process is set out clearly with the EHC annual review form to be used.
- When EHC plans are ceased the first and final letters are sent within the timescales set out and include information about the mediation process and right to appeal.

8. Our audit review has, however, identified the following areas which we would like to bring to management's attention:

- There is no check carried out to ensure that funding is available when a placement is made or increase in resources is required as a result of a review of educational needs. The estimated full life costs of a placement are not calculated. The SEN budget monitoring in January 2022 forecast an overall overspend of £5,087,230 at the end of the 2021/22 financial year. The Department of Education have asked to meet with representatives of the Council to discuss financial management of the Council's current Dedicated Schools Grant (DSG) deficit.
- There is a lack of clarity about what costs and elements of a placement should be met by Education and the other stakeholders involved, particularly in cases where there is a multi-agency responsibility for resources. In one instance in our sample we noted that there was a 50:50 split in funding between Education and Social Care, but we could not see evidence of how and why this had been agreed. We were unable to see a signed agreement between the Council and the education provider, setting out the terms and conditions and what costs would be met by the Council, for any of our audit sample of placements.
- There are different arrangements and processes for the various panels which consider, or are stakeholders, for making placements for children and young people with SEN. The format and content in the Multi-Agency Statutory Assessment Panel (MASAP) decision sheet and Post 16 Placement decision sheet varies.
- We found that documentation relating to the SEN placements, annual reviews and EHC plans which had ceased was not readily available and in some cases it was incomplete. No documentation was provided for one of our placement sample, one of our annual review sample and one of our ceased plans sample.
- For 7 out of 25 cases in our sample there was no evidence that an annual review had been completed within the past year. There were instances where an EHC plan had been issued but we were unable to see that an annual review had been completed and instances where an annual review had been completed but there was no evidence that an updated EHC plan had been issued. For Children Looked After, for 5 out of the 10 cases which we sampled there was

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no evidence of an annual review of their EHC plan within the past year. We also identified instances where consideration of the pathways for 'Preparing for Adulthood': Education, employment and training, Independent living, Friends, relationships and my community and Staying healthy, was not evident from the details recorded on the annual review documentation.

- For one young person whose EHC plan was ceasing, the service helpfully provided information about applying for a Disabled Student Allowance and supplying a copy of their EHC plan to the college or university to make them aware of their needs. We did not however see that it had been suggested to others.

We are aware from our discussions with management that they have recently set up and recruited to two new roles to provide additional management for placements and annual reviews.

DETAILED FINDINGS / MANAGEMENT ACTION PLAN

9. The findings of this report, together with an assessment of the risk associated with any control weaknesses identified, are detailed in Appendix A. Any recommendations to management are raised and prioritised, together with management's responses and timescales for implementation. Appendix B details the definition of the audit assurance and priority ratings.

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DETAILED FINDINGS AND ACTION PLAN

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1. Availability of funding for SEN placements	
<p><u>Finding</u></p> <p>Our audit testing identified that there is no check carried out to ensure that sufficient funding is available when a placement is made or increase in resources is required as a result of a review of educational needs. We recognise that the identification of sufficient resources is not solely SEN based and encompasses health and social care funding as well. The estimated full life costs of a placement are not calculated. The SEN budget monitoring in January 2022 forecast an overall overspend of £5,087,230 at the end of the 2021/22 financial year.</p> <p>In conjunction with this, we found out during our audit that the Education & Skills Funding Agency at the Department of Education have asked to meet with representatives of the Council in the near future to discuss financial management of the Council’s current Dedicated Schools Grant (DSG) deficit.</p> <p><u>Risk</u></p> <p>The Council may not be able to meet its current and future spending commitments on placements for children and young people with SEN, leading to the risk of children not receiving the quality of education and high level care that they require.</p>	
<p><u>Recommendation</u></p> <p>Ensure that, in conjunction with the future discussions with the Education & Skills Funding Agency, organisational arrangements are put in place to manage financial demand for SEN placements including the availability of funding:</p> <ul style="list-style-type: none"> (i) when a placement is approved, (ii) when any increase in educational needs requiring additional funding is identified from the annual review of a young person’s EHC plan, and (iii) with an estimate of the full life costs of the placement carried out to inform future financial forecasting. 	<p><u>Rating</u></p> <div style="border: 1px solid black; background-color: red; color: white; padding: 5px; text-align: center; width: fit-content; margin: 10px auto;">Priority 1</div>

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<u>Management Response and Accountable Manager</u>	<u>Agreed timescale</u>
<p>Bromley has a DSG deficit and therefore will be subject to a DSG Deficit Recovery Plan. The Education Skills Funding Agency is meeting with Officers on 9th June to review the position and the deficit recovery management plan, which is currently being prepared by officers.</p>	<p>Action: Set out DSG Deficit Recovery Management Plan, to be agreed with ESFA.</p>
<p>Significant cost pressures continue to be experienced from providers increasing the cost of placement well above inflation. The shortage of suitable specialist providers and increased demand has led to providers being able to demand inflated fees and still fill places. Increases to places within Bromley are already reducing the reliance on the independent non-maintained sector and out of borough placements. Some examples of mitigating actions include:</p>	<p>Accountable Manager: Director of Education</p>
<ol style="list-style-type: none"> 1. Commissioning of additional specialist places within Bromley <ol style="list-style-type: none"> a. New special free school expected to offer places from 2023, increasing to 152 over 3 years b. New Additionally Resourced Provisions for 2022 and 2023 2. Review of High Needs Funding Bands through which schools are funded for EHCP provision 3. SEN Estates review to maximise the use of school estate and inform Member proposals for investment of SEN Capital funding 4. Bipartite funding arrangements being sought with health 5. Robust Director sign off process for all placements >£50k 6. Engagement strategy to promote support available without an EHCP 	<p>Timescale: 31st August 2022</p>
<p>The local authority has a statutory duty to secure appropriate education placements for all children and young people (CYP) who have EHC Plans, and therefore the legislation does not allow for a decision to be made based on availability of funding, but the assessed need of each individual CYP. When considering the most appropriate placement, the local authority takes a number of factors into consideration to commission the nearest appropriate provision. This includes location, travel arrangements, and the type of setting that is required and we always endeavour to keep CYP within their local community, wherever possible.</p>	<p>Action: Review the use of full life placement cost as part of the decision-making process</p>
	<p>Accountable Manager: Head of SEN</p>
	<p>Timescale: 31st August 2022</p>
	<p>Action: Establish mechanism for joint and tri-partite funding contributions</p>

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<p>There is not currently an established and consistent mechanism to achieve appropriate funding contributions for SEN placements, particularly where there is a significant health or social care need. Discussions with senior leaders have taken place to review the system and seek to establish decision making mechanisms across the partnership. In addition, the service is looking at ways in which it can draw on the expertise of the central placements team (CSC brokerage for residential placements) to support the same work required in SEN to provide consistency in negotiation, contracting and monitoring.</p> <p>The service provided examples of where full life costings are utilised and this is typical practice in the event of a tribunal appeal. Full life cost is helpful for comparison purposes, where there is more than one placement option available. We will explore the use of full life costings as part of our decision-making processes.</p>	<p>Accountable Manager: Director of Education</p> <p>Timescale: 30 September 2022</p>
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2. Identification and confirmation of costs

Finding

We saw examples of where a school's placement costs are challenged successfully by the SEN team, where they consider that the cost is too high or the level or type of resource is above what is necessary. We identified however that there is a lack of clarity about what level and type of costs should be paid for and by whom. The following examples were noted:

- The funding for a residential placement showed a 50:50 split between Education and Social Care but we did not see any evidence of how and why that split had been agreed.
- We were also unable to see any signed agreement for a placement signed by the Council and the school for each placement once the placement has been agreed, setting out respective responsibilities and terms and conditions.
- A school had included insurance as a cost to be paid by the Council, although it was not specified what type of insurance or why. We were unable to see whether or not this had been paid subsequently.
- For nine placements we were unable to see supporting evidence for the costs being charged by a school and where there were queries documented on the decision sheets about the accuracy of the costs we were unable to see that these had been resolved subsequently.

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<p><u>Risk</u></p> <p>Without clear identification of costs, and clear responsibility of who should meet those costs, there is a risk of overpaying for costs and services, leading to a lack of available funding for other areas of SEN.</p>	
<p><u>Recommendation</u></p> <p>Ensure that all costs relating to a placement are clearly defined and documented and responsibility for paying them is assigned, including a signed agreement with a school or college where necessary.</p>	<p><u>Rating</u></p> <p style="text-align: center;">Priority 2</p>
<p><u>Management Response and Accountable Manager</u></p> <p>There is not an established and consistent mechanism to achieve appropriate funding contributions for SEN placements, particularly where there is a significant health or social care need. Discussions with senior leaders have taken place to review the system and seek to establish decision making mechanisms across the partnership. In addition, the service is looking at ways in which it can draw on the expertise of the central placements team (CSC brokerage for residential placements) to support the same work required in SEN to provide consistency in negotiation, contracting and monitoring.</p> <p>The use of agreements is typically in place for the majority of the Independent & Non-Maintained sector. The service is actively seeking to recruit additional resource into the SEN Data and Finance team to add capacity, which will focus on a contracting system for all placements in the independent sector. Decision documentation to be revised to clearly outline the contributions across the partnership for education placements, particularly for residential placements and those with health needs.</p>	<p><u>Agreed timescale</u></p> <p>Action: increase resource to establish a consistent contracting system for all placements at Independent & Non-Maintained settings. Revise decision making documentation to include funding contributions across health and social care.</p> <p>Accountable Manager: Head of Service SEN</p> <p>Timescale: 30th September 2022</p>

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3. Decision making process for placements and ceasing EHC plans	
<p><u>Finding</u></p> <p>There are different arrangements and processes for the different panels which consider, or are stakeholders, for making placements for children and young people with SEN. These consist of the Post 16 Placement Panel, Multi-Agency Statutory Assessment Panel (MASAP), and Match Panel. The Terms of Reference for MASAP are currently being reviewed by the Head of Service.</p> <p>The MASAP Decision sheet and Post 16 Placement decision sheet vary in format and content. In one case from our audit testing of placements we identified that views were still being sought from the previous social worker when the placement was agreed. In another case, whilst the Post 16 Placement Panel decision sheet showed the rationale for the placement and the reason for the decision, there were no signatures showing authorisation of this or the authorisation date.</p> <p>An Officer Decision sheet is used to document and authorise placement decisions made by the SEN team but not when a decision is made to cease an EHC plan. Our testing of a sample of EHC plans which had ceased identified one instance where an Officer Decision sheet had been prepared but there was no evidence of it being authorised by an appropriate officer.</p> <p><u>Risk</u></p> <p>Where there are different decision making processes they may result in a lack of available information to make a decision timely, which may have a detrimental impact on the consistency and quality of decisions made.</p>	
<p><u>Recommendation</u></p> <p>Review existing decision-making processes for children and young people with SEN, to ensure that the decision making process is clear to all those involved in, there is transparency of information and evidence of authorisation of decisions.</p>	<p><u>Rating</u></p> <div style="border: 1px solid black; background-color: yellow; padding: 5px; display: inline-block;">Priority 2</div>

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<p><u>Management Response and Accountable Manager</u></p> <p>The decision-making documentation is different for post-16 placements within independent specialist settings, which is as a result of a separate decision-making panel and joint decision making with adult social care for post-18 residential placements. The service has recently recruited an SEN Placements Manager, who will be responsible for providing leadership and oversight of the education placements for children and young people who have EHC Plans, aged 0-25yrs, ensuring full compliance with legislative and policy requirements within the statutory timescales. This role will have responsibility for reviewing the decision-making process and ensuring that placement decisions are robust and clear, with a strong audit trail. In addition, the service is starting to use SharePoint for decision making, with work flows in place to track authorisations within agreed delegated authority.</p> <p>The service has also recently recruited an SEN Annual Reviews Manager, who has a specific responsibility overseeing the process of ceasing EHC Plans. The service now requires all decisions to cease an EHC Plan to be signed off by a senior manager and the SEN Annual Reviews Manager will ensure that this approach is applied consistently across the service. This role will focus on improving practice in transition planning and ensuring strong outcomes and planning for the transition from formal education, including ceasing EHC Plans.</p>	<p><u>Agreed timescale</u></p> <p>Action: establish one 'decision making document' for all decisions; placements, funding and ceasing EHC Plans</p> <p>Accountable Manager: Group Manager SEN Statutory Assessment Team</p> <p>Timescale: 30th September 2022</p>
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<p>4. Availability of documentation and information to support decisions made</p>	
<p><u>Finding</u></p> <p>Our audit testing identified gaps in information and the ready availability of documentation relating to the SEN placements, annual reviews and EHC plans which had ceased. No documentation was provided for one of the placements, one of our annual review sample and one of our ceased plans sample. We are aware from discussion with the Head of Service that Share Point is being considered as an option for recording and maintaining information and documentation, including a workflow process for any documents requiring authorisation. This is particularly important for any hard copy documentation held, where access to it may be required urgently or business continuity may be affected in the event of an unexpected incident.</p>	
<p><u>Risk</u></p> <p>Key information and documentation is not always readily available when required, leading to the risk that decisions made and actions taken throughout the lifecycle of a case cannot be verified and substantiated. Legislation relating to records retention may not be complied with.</p>	
<p><u>Recommendation</u></p> <p>Review current arrangements to ensure that key information and documentation relating to SEN cases is stored securely, easily identifiable and readily available.</p>	<p><u>Rating</u></p> <div style="border: 1px solid black; background-color: yellow; padding: 5px; display: inline-block;"> <p>Priority 2</p> </div>
<p><u>Management Response and Accountable Manager</u></p> <p>The service has reviewed the use of SharePoint in order to improve information sharing and accessibility. SharePoint is being rolled out and used to hold case information, which will improve accessibility and availability. In addition, we will consider the use of the 'chronology' tool on Capita ONE which is similar to the observations tool in CareFirst/Liquid Logic.</p>	<p><u>Agreed timescale</u></p> <p>Action: fully roll out the use of SharePoint which will ensure information is readily available and accessible. Consider the</p>

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	<p>use of the 'chronology' tool on Capita ONE</p> <p>Accountable Manager: Group Manager SEN Statutory Assessment Team</p> <p>Timescale: 30th September 2022</p>
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5. Annual reviews as part of transition process

Finding

A key part of the transition process is the annual review of a young person's EHC plan. Our audit testing found that for 7 out of 25 cases in our sample there was no evidence that an annual review has been completed in the past year. In 3 cases an updated EHC plan had been issued but we were unable to see that an annual review had been completed. For 6 out of our sample of 25 an annual review had been completed but no updated EHC plan had been issued.

For Children Looked After, in all 10 cases sampled there was no evidence of an annual review being carried out in conjunction with a Care Plan review. For 5 out of 10 sampled there was no evidence of an annual review of their EHC plan within the past year.

For 6 out of 13 annual reviews completed within the past year we were unable to see that each of the pathways for 'Preparing for Adulthood': Education, employment and training, Independent living, Friends, relationships and my community and Staying healthy, were considered. In one case from our sample, the annual review was a collection of documents from the college instead of a completed annual review form and so there was no evidence of a formal 'sign off' of the review by a headteacher/principal. Whilst the school or college can

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use their own version of an annual review form, the annual review guidance set out by Bromley Council must be followed and it must be signed off.

In four cases we could not see evidence that that the young person was involved in the review. The reason why they were not involved was not documented. In one case the annual review included a comment that the young person’s mother wished to write a statement for his family’s views but this was not seen. In another case there was an email from an SEN officer to a Care Manager in Adult Social Care saying 'I am in the process of ceasing JH’s EHCP as of the end of this academic year. Could you please confirm that his care and support needs will be transferred to Adult Social Care after this date.' We did not see a response to this. In one case, as a result of an exchange of emails with another Authority, a member of the SEN team stated that Bromley Council was financially liable for the young person since moving to that other Authority. It was however unclear whether or not Bromley Council had paid for his education for the four years in question.

Risk

Where a child or young persons’ needs have not been reviewed within the past year, any changes in provision required may not have been identified, leading to a risk that increased educational and care needs have not been addressed.

Recommendation

Design and implement arrangements to ensure that annual reviews of EHC plans are carried out timely and comprehensively with focus on the transition process for those leaving formal education. Completed annual reviews which the SEN team consider are good practice examples could be redacted and used to help guide schools and colleges.

Rating

Priority 2

Management Response and Accountable Manager

Monthly meetings take place between Virtual School and SEN and there is now a shared database on SharePoint; These are now well established and enable focus on CYP with changing needs/ placements; monthly cases are reviewed to update on progress. Placement Manager will lead on this work from 30th May 2022

Agreed timescale

Action: New systems will be in place and training

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<p>Combined EHCP/PEP meetings for children placed out of Borough as LAC or on CP Plan are attended by Virtual School as LA representative; Systems will be formalised now that the SEN Annual Review Manager is in place. There is often a complexity to each individual case and the stability of placements are often impacted. The service has provided a separate response to the individual cases reviewed which outlines the challenges in each case, often due to the fluid nature of the situation and particularly where placed in other boroughs. It is however acknowledged that the service needs to strengthen its assurance that other boroughs are completing the annual reviews in a timely way where placed outside of the borough.</p> <p>There will be an enhanced quality assurance focus on Annual Review Meetings, paperwork /records post meeting and in the quality assurance of draft amended final plans before issuing for consultation. Good practice examples will be shared widely in team meetings to improve outcomes for families and CYP.</p>	<p>provided to the case working team</p> <p>Accountable Manager: Group Manager SEN Statutory Assessment Team</p> <p>Timescale: 30th September 2022</p>
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6. Options available to a young person when their EHC plan ceases

<p><u>Finding</u></p> <p>In one instance where a young person’s EHC plan was ceasing, the SEN officer suggested that they apply for the Disabled Student Allowance and supply a copy of their EHC plan to the college or university which they were due to attend, to make them aware of their needs. We recognised that as a useful and positive initiative but from our sample testing we did not see it suggested to any other young people whose EHC plans were ceasing.</p> <p><u>Risk</u></p> <p>A young person may not be made aware of action that they could take when their EHC plan ceases, leading to a loss of available income and their needs not being recognised and addressed at a place of higher education.</p>

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<p><u>Recommendation</u></p> <p>Introduce a paragraph, in the letter that informs a young person and their parents that their EHC plan will cease, about applying for a Disabled Student Allowance and supplying a copy of their EHC plan to their college or university.</p>	<p><u>Rating</u></p> <p style="text-align: center;">Priority 3</p>
<p><u>Management Response and Accountable Manager</u></p> <p>This wouldn't be included in a cease letter if a CYP was not going on to university. The service will ensure that there is a separate template letter for YP going on to university where this paragraph is routinely included.</p>	<p><u>Agreed timescale</u></p> <p>Develop separate template cease letter for YP going to university</p> <p>Accountable Manager: Head of SEN</p> <p>Timescale: 30th June 2022</p>

OPINION DEFINITIONS

Assurance Level

Assurance Level	Definition
Substantial Assurance	There is a sound system of control in place to achieve the service or system objectives. Risks are being managed effectively and any issues identified are minor in nature.
Reasonable Assurance	There is generally a sound system of control in place but there are weaknesses which put some of the service or system objectives at risk. Management attention is required.
Limited Assurance	There are significant control weaknesses which put the service or system objectives at risk. If unresolved these may result in error, abuse, loss or reputational damage and therefore require urgent management attention.
No Assurance	There are major weaknesses in the control environment. The service or system is exposed to the risk of significant error, abuse, loss or reputational damage. Immediate action must be taken by management to resolve the issues identified.

Recommendation ratings

Risk rating	Definition
Priority 1	A high priority finding which indicates a fundamental weakness or failure in control which could lead to service or system objectives not being achieved. The Council is exposed to significant risk and management should address the recommendation urgently.
Priority 2	A medium priority finding which indicates a weakness in control that could lead to service or system objectives not being achieved. Timely management action is required to address the recommendation and mitigate the risk.
Priority 3	A low priority finding which has identified that the efficiency or effectiveness of the control environment could be improved. Management action is suggested to enhance existing controls.