

Argyll and Bute Council
Internal Audit Report
February 2026
Final

Street Lighting: Unmetered
Supply

Audit Opinion: Limited

| | High | Medium | Low | VFM |
|--------------------|------|--------|-----|-----|
| Number of Findings | 4 | 1 | 0 | 0 |

Contents

| | |
|---|----|
| 1. Executive Summary | 3 |
| Introduction | 3 |
| Background | 3 |
| Scope | 4 |
| Topical Requirements | 4 |
| Key Dates | 4 |
| Risks | 5 |
| Audit Opinion | 5 |
| Recommendations | 5 |
| 2. Objectives and Summary Assessment | 6 |
| 3. Detailed Findings | 7 |
| Appendix 1 – Action Plan | 12 |
| Appendix 2 – Audit Opinion | 16 |

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1. Executive Summary

Introduction

1. As part of the 2025/26 internal audit plan, approved by the Audit & Scrutiny Committee in March 2025, we have undertaken an audit of Argyll and Bute Council's (the Council) system of internal control and governance in relation to Street Lighting: Unmetered Supply.
2. The audit was conducted in accordance with the Global Internal Audit Standards (GIAS) with our conclusions based on discussions with council officers and the information available at the time the fieldwork was performed. The findings outlined in this report are only those which have come to our attention during our normal audit work and are not necessarily all the issues which may exist. Appendix 1 to this report includes agreed actions to strengthen internal control however it is the responsibility of management to determine the extent of the internal control system appropriate to the Council.
3. The contents of this report have been agreed with the appropriate council officers to confirm factual accuracy, and appreciation is due for the cooperation and assistance received from all officers over the course of the audit.

Background

4. Argyll and Bute Council operate an extensive street lighting network and associated unmetered electrical equipment, including streetlights, signs, bollards, and illuminated street furniture. Electricity for these assets is supplied on an unmetered basis, with energy consumption calculated under national Unmetered Supply (UMS) arrangements using the approved inventory held by the relevant Unmetered Supply Operators (UMSOs) e.g. Scottish Power Energy Networks (SPEN). The accuracy of unmetered energy billing therefore depends on the completeness and correctness of the Council's UMS inventory submitted to the UMSOs, including the appropriate classification of assets and operating arrangements.
5. Councils are required, under the National Terms of Connection, to maintain an accurate and up-to-date unmetered supply inventory and to submit inventory updates regularly to the relevant Unmetered Supply Operators (UMSOs). The inventory must include the appropriate Charge Codes and Switch Regimes for each item of unmetered equipment, as these are mandatory data items used for the calculation of energy consumption under national Unmetered Supply arrangements.
Failure to maintain a complete and accurate inventory may result in incorrect settlement, over- or under-payment for energy, and potential non-compliance with industry requirements. In addition, UMSOs may commission on-site audits to assess the accuracy of the inventory, and where material inaccuracies are identified, the Council may be liable for audit costs and may face enforcement action, including restrictions on new unmetered connections.
6. Argyll and Bute Council has appointed Power Data Associates (PDA) as its accredited Meter Administrator to calculate unmetered energy consumption based on the inventory data provided by the relevant Unmetered Supply Operators (UMSOs) and to supply calculated consumption data for settlement purposes. PDA's role is limited to the compliant calculation and reporting of consumption in accordance with industry rules and does not extend to maintaining the Council's asset inventory or validating supplier invoices.

Responsibility for maintaining an accurate and up-to-date unmetered asset inventory, submitting inventory updates to the UMISOs, validating supplier invoices, and ensuring transparency and accuracy of charging therefore remains with the Council. Given the scale of the street lighting network and the ongoing replacement and upgrade of assets, effective asset management and reconciliation arrangements are critical to ensuring accurate unmetered energy billing.

7. This audit forms part of the 2025/26 Internal Audit Plan and will assess whether appropriate arrangements are in place to ensure that unmetered electricity consumption is accurately recorded, billed, monitored, and managed. The review will consider governance, data accuracy, inventory maintenance, reconciliation practices, and charging transparency, with a view to determining whether controls are sufficient and operating as intended.

Scope

8. The scope of the audit is to determine the charging mechanism for Street Lighting un-metered electricity supply to ensure charges are correctly and accurately applied to the Council. as outlined in the Terms of Reference agreed with the Operations Manager, Roads and Infrastructure Services on 15th October 2025.

Topical Requirements

9. Topical Requirements (TR) are a new, mandatory component of the updated International Professional Practices Framework for internal auditing, they must be followed when auditing subjects for which a Topical Requirement exists or when aspects of the Topical Requirement are identified within other audits.
10. No Topical Requirements were applicable to this audit, as the subject matter does not fall within any current mandatory TR categories.

Key Dates

11. The Terms of Reference provided provisional timescales for the review to take place, the actual dates are noted below.

Exhibit 1 – Key Dates

| Stage | Actual Date |
|------------------------------|--------------------------------|
| Terms of Reference agreed | 15 th October 2025 |
| Fieldwork Commencement | 21 st October 2025 |
| Draft Report issued | 30 th January 2026 |
| Management Comments received | 10 th February 2026 |
| Final Report issued | 10 th February 2026 |

| | |
|------------------------------|--------------------------------|
| Audit and Scrutiny Committee | 12 th March 2026 |
|------------------------------|--------------------------------|

Risks

12. The risks considered throughout the audit were:

- Audit Risk 1: Unmetered Supply inventory is incomplete
- Audit Risk 2: Energy consumption used for billing is incorrectly derived from the approved inventory
- Audit Risk 3: Tariffs charges are applied incorrectly, and invoices are not validated before payment

Audit Opinion

13. We provide an overall audit opinion for all the audits we conduct. This is based on our judgement on the level of assurance which we can take over the established internal controls, governance and management of risk as evidenced by our audit work. Full details of the five possible categories of audit opinion is provided in Appendix 2 to this report.
14. Our overall audit opinion for this audit is that we can take a Limited level of assurance. This means that Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised.

Recommendations

15. We have highlighted four high priority recommendations, one medium priority recommendations where we believe there is scope to strengthen the control and governance environment. These are summarised below:
- The Council should re-establish accurate, up-to-date street lighting inventory records and implement routine updates to UMSOs in line with industry requirements.
 - A formal reconciliation process should be introduced to ensure alignment between inventory data and UMSO submissions, supported by a complete and verified MPAN register.
 - Energy billing assurance should be strengthened by linking billed consumption to an approved UMSO inventory, and by reconciling supplier invoices to PDA-reported consumption data prior to payment.
 - Supplier tariff structures should be documented and routinely validated, with invoices checked for correct Distribution use of system charges (DUoS), standing charges, lighting classes and switching regimes.

- Management reporting and governance arrangements should be enhanced to provide senior management with regular, consolidated oversight of unmetered consumption, billing accuracy, tariff assurance, MPAN completeness and inventory risks, including a structured process to identify, investigate, escalate and record discrepancies across inventory, billing and PDA data.

16. Full details of the audit findings, recommendations and management responses can be found in Section 3 of this report and in the action plan at Appendix 1.

2. Objectives and Summary Assessment

17. Exhibit 1 sets out the control objectives identified during the planning phase of the audit and our assessment against each objective.

Exhibit 1 – Summary Assessment of Control Objectives

| | Control Objective | Link to Risk | Assessment | Summary Conclusion |
|-----|---|---------------------|-------------------|--|
| CO1 | The Council maintains an accurate, current and complete inventory of all unmetered street lighting assets and MPANs, with timely updates submitted to the relevant Unmetered Supply Operators (UMSOs) in line with industry requirements. | Audit Risk 1 | Limited | The Council has a formally executed Meter Administration Agreement in place with Power Data Associates (PDA), who act as the accredited Meter Administrator responsible for calculating unmetered energy consumption based on inventory data provided by the relevant Unmetered Supply Operators (UMSOs) and supplying calculated consumption data for settlement purposes. Inventory records for street lighting assets have not been updated within expected industry timescales, with the Scottish Power Energy Networks (SPEN) inventory remaining unchanged since 2018 and only minimal updates submitted for the SSE Hydro area in 2025. In addition, no reconciliation is undertaken between the Council's internal asset records and the inventory data submitted via the UMSOs for unmetered billing purposes. As a result, the accuracy and completeness of the asset base used to calculate unmetered energy consumption cannot be fully assured |
| CO2 | Energy consumption data for unmetered | Audit Risk 2 | Limited | Supplier-billed kWh is not reconciled to PDA-reported usage, and EDF |

| | | | | |
|-----|--|--------------|---------|---|
| | supplies is accurately calculated, validated and reconciled against Distribution Network Operator (DNO) settlement data and supplier invoices to ensure billing accuracy and prevent over/underpayment | | | invoices are paid without any technical validation or comparison to inventory data. Supplier invoices lack detailed visibility of tariff components applicable to unmetered supplies. Finance officers confirmed they carry out no checks on consumption, tariffs, MPAN completeness or alignment with UMISO inventories. No billing discrepancies are investigated or documented, despite significant inconsistencies across ASOR, APSE, PDA and internal datasets indicating a risk of over-charging. |
| CO3 | Appropriate monitoring, reporting and transparency arrangements are in place to provide assurance over unmetered energy usage, CMS performance, charging mechanisms and environmental reporting. | Audit Risk 3 | Limited | Management oversight of unmetered street lighting arrangements is currently limited. There is no structured reporting of unmetered energy usage, billing accuracy, MPAN completeness, or variance analysis, meaning senior officers and elected members receive limited assurance over unmetered consumption and associated costs. Supplier invoices also lack transparency over tariff components, and the Council does not operate a documented process to verify that charges applied by suppliers align with the approved unmetered inventory, charge codes, and switch regimes held by the Unmetered Supply Operators. As a result, the Council cannot demonstrate that unmetered energy costs are fully validated, accurately calculated, or subject to effective governance oversight. |

18. Further details of our conclusions against each control objective can be found in Section 3 of this report.

3. Detailed Findings

The Council maintains an accurate, current and complete inventory of all unmetered street lighting assets and MPANs, with timely updates submitted to the relevant Unmetered Supply

19. A formally executed Meter Administration Agreement between Argyll & Bute Council and Power Data Associates (PDA), dated 11 March 2011, appoints PDA as the Council's Meter Administrator for unmetered supplies. Under this agreement, PDA's core responsibility is to calculate

unmetered energy consumption based on the inventory data provided by the Unmetered Supply Operators, including the application of approved Charge Codes and Switch Regimes, and to submit calculated consumption data to the supplier's appointed data collector in accordance with national unmetered supply arrangements.

PDA also provides industry specialist support to review consumption outputs, identify anomalies, and offer feedback to the Council on inventory accuracy and settlement assumptions through its monthly reporting. This arrangement provides the Council with access to specialist expertise to support compliant and accurate unmetered consumption calculations; however, responsibility for maintaining the completeness and accuracy of the underlying asset inventory remains with the Council and the relevant Unmetered Supply Operators.

20. Our review found that inventory records for unmetered street lighting assets have not been updated within expected industry timescales. Based on information available to Power Data Associates (PDA) through inventories received from the Unmetered Supply Operators, the Scottish Power Energy Networks (SPEN) inventory has not been updated since 2018, and the update received for the SSE Hydro area in July 2025 reflected minimal change. While PDA cannot confirm whether additional updates were submitted by the Council to the UMOSs but not passed on, the inventories received by PDA indicate limited evidence of routine asset updates being incorporated into the settlement process.
- An internal Council email (May 2025) further highlighted substantial discrepancies across ASOR returns, APSE benchmarking data, and the Council's internal inventory, including mismatches in column totals, luminaire types (SON, SOX, LED), and unexpected year-on-year movements. Officers confirmed that the Council is currently unable to verify the true asset position. As PDA's reports are derived solely from the inventories provided by the UMOSs, any discrepancies or legacy lamp counts reflected within PDA outputs indicate a risk that outdated inventory data may be contributing to inaccurate unmetered billing.

Action Plan 1

21. Our review found that the Council does not undertake a formal reconciliation between its internal street lighting asset records, contractor-maintained asset information, Annual Status and Options Report (ASOR) returns, and the unmetered supply inventory submitted by the Council to the relevant Unmetered Supply Operators (UMOSs) for settlement purposes. The review identified material discrepancies across these datasets, which are used for valuation, operational management, and unmetered energy charging. Discussions with relevant officers confirmed that, due to these inconsistencies and the absence of a structured reconciliation process, the Council is currently unable to confirm the true street lighting asset position for valuation or unmetered billing purposes without further investigation.

Action Plan 2

22. Review of PDA correspondence confirms that PDA administers only two unmetered MPANs for the Council. PDA also advised that additional unmetered supplies may exist outside the current reporting arrangements and recommended contacting both Scottish Power Energy Network (SPEN) and Scottish and Southern Energy Network (SSEN) to verify the full MPAN portfolio. No evidence was provided of a complete or regularly validated MPAN register.

Action Plan 1

Energy consumption data for unmetered supplies is accurately calculated, validated and reconciled against Distribution Network Operator (DNO) settlement data and supplier invoices to ensure billing accuracy and prevent over/underpayment

23. Our review of billing assurance arrangements confirmed that unmetered electricity consumption used for supplier billing is calculated by Power Data Associates (PDA) based on the inventory submitted by Argyll and Bute Council to the relevant Unmetered Supply Operators (UMSOs) and subsequently provided to PDA for processing. Validation of supplier invoices against PDA's monthly kWh reports therefore provides assurance that billed consumption reflects the calculated settlement data.

However, PDA advised that the inventory data currently underpinning these calculations has not been comprehensively updated in recent years, with the Scottish Power Energy Networks (SPEN) inventory unchanged since 2018 and the July 2025 update for the SSE Hydro area reflecting only minimal change. As a result, while billed consumption aligns with PDA's calculated figures, the Council cannot demonstrate that the underlying inventory fully reflects the current street lighting asset base. This weakens assurance that unmetered energy charges accurately represent actual assets in operation.

Action Plan 3

24. A review of billing processes found no evidence that the Council reconciles the kWh consumption shown on electricity invoices to the consumption values reported in the monthly energy breakdown reports provided by Power Data Associates (PDA). PDA confirmed that their kWh data can and should be used to validate supplier billing; however, this validation step is currently not being performed. Examination of recent EDF invoices showed that they had been approved and paid without any accompanying reconciliation to PDA consumption data or to the underlying inventory records. Finance officers also confirmed that invoice checks are limited to standard authorisation, with no technical validation of billed energy consumption. This absence of reconciliation means that invoiced usage is effectively accepted at face value, without assurance that billed consumption aligns with independently reported figures.

Action Plan 3

25. Review of billing records, including an example EDF invoice provided by Finance, shows that supplier invoices do not detail any breakdown of tariff components applicable to unmetered street lighting supplies—such as Distribution Use of System (DUoS) charges, standing charges and lighting class allocations. The invoice format does not provide the transparency required to confirm whether the correct tariff structure has been applied, and the Council does not operate a documented process to check these elements against approved tariff schedules or asset. Finance officers confirmed that invoices are authorised without any tariff verification or cross-checks against inventory data or PDA consumption reports. Without this scrutiny, the Council cannot demonstrate that unmetered street lighting charges are correct, nor that tariffs applied by the supplier align with industry requirements or DNO charging methodologies.

Action Plan 4

26. Our review found no evidence that billing anomalies are formally identified, investigated or documented by the Council. Although PDA’s monthly reports provide kWh consumption and trend information, the Council does not undertake systematic reconciliations between supplier invoices, DNO settlement data and the approved UMSO inventory, nor is there evidence of escalation where discrepancies arise. Internal correspondence highlights significant inconsistencies across ASOR, APSE, internal inventory data, and PDA consumption outputs derived from UMSO-submitted inventories—including mismatched luminaire types (SON, SOX, LED), column totals and year-on-year asset movements—which indicate uncertainty over the true asset position and potential over-charging; however, no investigation or corrective action was recorded.

Action Plan 5

Appropriate monitoring, reporting and transparency arrangements are in place to provide assurance over unmetered energy usage, CMS performance, charging mechanisms and environmental reporting.

27. A review of available documentation—including PDA monthly unmetered supply reports, EDF electricity invoices, internal correspondence, inventory summaries, and internal reporting provided—found no structured management reporting process for monitoring unmetered electricity usage. Although PDA provides monthly kWh consumption and energy-breakdown data, this information is not consolidated, analysed, or routinely presented to senior management, Finance, or Council Committees. There is no evidence of regular reporting on billing accuracy, variance analysis and consumption trends, MPAN completeness, or the alignment between billed consumption and approved UMSO inventories. As a result, key stakeholders do not receive systematic or timely assurance over the accuracy, completeness, or financial impact of unmetered energy usage. As a result, no single source of assurance exists over unmetered supply consumption, performance, or billing accuracy.

Action Plan 5

28. Internal correspondence from Council officers highlighted material inconsistencies across ASOR, APSE, inventory and PDA datasets, and confirmed that the Council cannot verify the true asset position. These discrepancies strongly suggest that no secondary validation is being undertaken to confirm whether the operating hours applied in settlement calculations reflect actual street lighting behaviour, increasing the risk that billed consumption is inaccurate.

Action Plan 1

29. A review of supplier invoices, PDA monthly reports, internal correspondence and discussions with Finance officers found that the Council does not maintain operational oversight of the tariff structures applied to its unmetered street lighting MPANs. Supplier invoices do not provide a detailed breakdown of key tariff components, and Finance confirmed that invoices are authorised without verification of tariff accuracy. There is no documented understanding of the tariff categories in use, nor any process to check that charges applied by the supplier remain valid, appropriate, or aligned to the approved UMSO inventory.

Action Plan 4

30. Our review found that senior management and elected members do not receive regular or comprehensive oversight information on unmetered energy usage, billing assurance, inventory completeness, MPAN portfolio accuracy, tariff structures or reconciliation activity. There is no routine mechanism for reporting anomalies, unresolved discrepancies, inventory risks, consumption trends or billing validation outcomes. Finance officers confirmed that invoices are paid without verification and that issues identified by PDA or internal staff are not escalated. As a result, senior leaders lack visibility of key risks affecting financial accuracy, regulatory compliance and operational assurance.

Action Plan 5

Appendix 1 – Action Plan

| | No | Finding | Risk | Agreed Action | Responsibility / Due Date |
|------|----|---|---|---|--|
| High | 1 | <p><u>Inventory Validation</u> PDA advised that the inventory data currently underpinning unmetered energy consumption calculations has not been comprehensively updated in recent years, with the Scottish Power Energy Networks (SPEN) inventory unchanged since 2018 and the July 2025 update for the SSE Hydro area reflecting only minimal change. As a result, while billed consumption aligns with PDA’s calculated figures derived from the inventory provided, the Council cannot demonstrate that the underlying inventory fully reflects the current street lighting asset base. This weakens assurance that unmetered energy charges accurately represent assets in operation and increases the risk of inaccurate billing over time.</p> | <p>There is a risk that unmetered electricity consumption is calculated using outdated or incomplete asset data. This may result in inaccurate energy billing, potential over- or under-payment, reduced assurance over the Council’s asset base, and exposure to challenge or audit by UMSOs or other industry bodies.</p> | <p>The Council will undertake a structured review of the unmetered street lighting inventory submitted to each UMSO to confirm that it reflects the current asset base, including changes arising from LED replacements and asset removals. Where discrepancies are identified, updated inventory submissions will be prepared and formally submitted to the relevant UMSOs. Ongoing arrangements will be established to ensure that material asset changes are captured and submitted on a timely basis going forward.</p> | <p>Assistant operations manager-Roads and Infrastructure Services</p> <p>31 March 2027</p> |
| High | 2 | <p><u>Inventory reconciliation</u> There is no formal reconciliation undertaken between the Council’s internal street lighting inventory, contractor asset records, statutory returns (including ASOR and APSE), and the inventory submitted by the Council to the relevant Unmetered Supply Operators (UMSOs) for unmetered billing purposes. Material discrepancies exist across these datasets, limiting assurance over the completeness and accuracy of the Council’s recorded asset base.</p> <p>A formal inventory reconciliation process should be established to reconcile internal asset records, ASOR/APSE returns, and the inventory submitted to UMSOs (and subsequently reflected in PDA consumption reports). Any discrepancies identified should be investigated, resolved, and formally submitted to the UMSOs as required.</p> | <p>Material inconsistencies across datasets may result in incorrect billing and lack of asset assurance.</p> | <p>A quarterly reconciliation will be introduced covering internal inventories, ASOR/APSE returns, and the inventory submitted to UMSOs. Discrepancies will be investigated and corrective updates submitted to the UMSOs, with assurance obtained through review of PDA consumption reports.</p> | <p>Assistant operations manager-Roads and Infrastructure Services</p> <p>31 March 2027</p> |

| | No | Finding | Risk | Agreed Action | Responsibility / Due Date |
|------|----|---|--|---|--|
| High | 3 | <p><u>MPAN Register</u> The Council does not maintain a complete and independently verified register of all unmetered MPANs. As a result, additional unmetered supplies may exist outside current oversight and reporting arrangements.</p> | <p>If the full unmetered MPAN portfolio is not known and controlled, there is a risk that unmetered supplies are omitted from oversight or duplicated, potentially resulting in inaccurate billing, unverified energy consumption, and reduced assurance over the Council's total unmetered electricity costs.</p> | <p>The Council will contact Scottish Power Energy Networks (SPEN) and Scottish and Southern Electricity Networks (SSEN), in their capacity as Unmetered Supply Operators, to confirm the full portfolio of unmetered MPANs held for Argyll and Bute Council. A single, consolidated MPAN register will be established and maintained. The register will be subject to periodic review, with ongoing assurance supported through comparison to supplier billing and Meter Administrator consumption reports.</p> | <p>Assistant operations manager-Roads and Infrastructure Services</p> <p style="text-align: center;">31 March 2027</p> |
| High | 4 | <p><u>Invoice Reconciliation</u> Supplier electricity invoices for unmetered supplies are currently approved and paid without reconciliation to the Meter Administrator's calculated consumption data, and Finance does not undertake a documented validation of billed kWh or key tariff components.</p> | <p>Without reconciliation to Meter Administrator consumption figures, billing errors may go undetected, resulting in incorrect charges and reduced assurance over the accuracy of unmetered energy costs.</p> | <p>The Council will implement a standardised monthly invoice validation process whereby supplier-billed kWh are reconciled to the consumption figures calculated by the Meter Administrator (PDA), with invoices also checked for consistency with approved unmetered tariffs (including DUoS charges, lighting classes and switching regimes). Any material variances will be investigated and resolved prior to invoice approval and payment, with evidence of reconciliation retained.</p> | <p>Assistant operations manager-Roads and Infrastructure Services</p> <p style="text-align: center;">31 March 2027</p> |

| | No | Finding | Risk | Agreed Action | Responsibility / Due Date |
|--------|----|---|---|--|--|
| Medium | 5 | <p><u>Management Reporting</u> There is no consolidated, routine management reporting providing oversight of unmetered energy consumption, inventory accuracy, MPAN completeness, billing assurance, or unresolved discrepancies.</p> | <p>Without structured management reporting, senior officers and elected members lack visibility of key risks relating to unmetered energy costs, inventory accuracy, and billing assurance, increasing the likelihood that systemic issues or control weaknesses remain undetected.</p> | <p>Management will develop a structured quarterly management reporting process covering:</p> <ul style="list-style-type: none"> • inventory currency and update activity. • MPAN portfolio completeness. • reconciliation of supplier invoices to Meter Administrator (PDA) consumption figures; • significant variances or anomalies identified through PDA reporting; and • progress in resolving known data or control issues. <p>Reports will be escalated to senior management and, where appropriate, elected members to support effective oversight and assurance.</p> | <p>Assistant operations manager-Roads and Infrastructure Services</p> <p style="text-align: center;">31 March 2027</p> |

In order to assist management in using our reports a system of grading audit findings has been adopted to allow the significance of findings to be ascertained. The definitions of each classification are as follows:

| Grading | Definition |
|---------------|--|
| High | A major observation on high level controls and other important internal controls or a significant matter relating to the critical success of the objectives of the system. The weakness may therefore give rise to loss or error. |
| Medium | Observations on less significant internal controls and/or improvements to the efficiency and effectiveness of controls which will assist in meeting the objectives of the system. The weakness is not necessarily substantial however the risk of error would be significantly reduced if corrective action was taken. |
| Low | Minor recommendations to improve the efficiency and effectiveness of controls or an isolated issue subsequently corrected. The weakness does not appear to significantly affect the ability of the system to meet its objectives. |
| VFM | An observation which does not highlight an issue relating to internal controls but represents a possible opportunity for the council to achieve better value for money (VFM). |

Appendix 2 – Audit Opinion

| Level of Assurance | Definition |
|---------------------|---|
| High | Internal control, governance and the management of risk are at a high standard. Only marginal elements of residual risk have been identified with these either being accepted or dealt with. A sound system of control designed to achieve the system objectives is in place and being applied consistently. |
| Substantial | Internal control, governance and the management of risk is sound. However, there are minor areas of weakness which put some system objectives at risk and specific elements of residual risk that are slightly above an acceptable level and need to be addressed within a reasonable timescale. |
| Reasonable | Internal control, governance and the management of risk are broadly reliable. However, whilst not displaying a general trend, there are areas of concern which have been identified where elements of residual risk or weakness may put some of the system objectives at risk. |
| Limited | Internal control, governance and the management of risk are displaying a general trend of unacceptable residual risk above an acceptable level and placing system objectives are at risk. Weakness must be addressed with a reasonable timescale with management allocating appropriate resources to the issues raised. |
| No Assurance | Internal control, governance and the management of risk is poor. Significant residual risk and/or significant non-compliance with basic controls exists leaving the system open to error, loss or abuse. Residual risk must be addressed immediately with management allocating appropriate resources to the issues. |