Chelmsford City Council Audit and Risk Committee

18th September 2024

Internal Audit Annual Report 2023/24

Report by:

Audit Services Manager

Officer Contact:

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Purpose

This report summarises the work that Internal Audit has undertaken during the financial year 2023/24, identifies the key themes that we have identified across the Council and also highlights how responsive management have been in implementing recommendations.

Recommendations

Committee are requested to note the content of the 2023/24 Annual Report, including the Annual Opinion and the basis on which this opinion is based.

1. Introduction

1.1. The provision of a continuous internal audit service assists the Council in providing assurance on the control environment that support the delivery of the Council's strategy.

1.2. The Internal Audit Annual Plan for 2023/24 was approved by Audit and Risk Committee in March 2023. This report summarises the work that Internal Audit has undertaken during the financial year 2023/24, identifies the key themes that we have identified across the Council and also highlights how responsive management have been in implementing recommendations. We have also undertaken a review of the effectiveness of Internal Audit and provided an update on progress against our IA Strategy.

1.3. The Public Sector Internal Audit Standards (PSIAS) require that the Audit Services Manager provides an annual audit opinion and report that can be used by the organisation to inform it governance statement in respect of the adequacy and

effectiveness of the organisation's framework of internal control, risk management and governance.

2. Conclusion

The Internal Audit Annual Report 2023/24 is attached for Audit & Risk Committee to note.

List of appendices: Internal Audit Annual Report 2023/24

Background papers: None

Corporate Implications

Legal/Constitutional: The Council has a duty to maintain an effective internal provision to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance (Regulation 5 (Part 1) of the Accounts and Audit Regulations 2015).   As well as Public Sector Internal Audit Standards (PSIAS), the Internal Audit section will govern itself by adherence to mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing and the Definition of Internal Auditing.   This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of Internal Auditing and for evaluating the effectiveness of Internal Audit's performance.

Financial: Failure to have appropriate risk management arrangements puts the Council financial management in a weakened position and therefore increases the risk of failing to deliver Our Chelmsford Our Plan

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: The scope of Internal Audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit & Risk Committee, management and outside parties (e.g. External Audit) on the adequacy and effectiveness of governance, risk management, and control process for Chelmsford City Council.

Equality and Diversity: None

Health and Safety: None

Digital: None

Other: None

Consultees: Management Team received the Internal Audit Annual Report in September 2024.

Relevant Policies and Strategies: None

Internal Audit Annual Report 2023-24

1. Introduction

1.1. Purpose of this report

1.1.1. This report summarises the work that Internal Audit has undertaken during the financial year 2023/24 and provides details on the high risk and priority issues which could impact on the effectiveness of the internal control environment, risk management and governance arrangements across the Council.

1.2. The Role of Internal Audit

1.2.1. The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. The purpose of Chelmsford City Council's Internal Audit section is to provide independent, objective assurance and consulting services to the Council (via the Audit & Risk Committee, Chief Executive, Section 151 Officer, External Audit and senior managers), relating to these arrangements, which are designed to add value and improve the Council's operations. The Council's response to Internal Audit activity should lead to the strengthening of the control environment.

1.2.2. Each year, we seek to adapt and enhance our audit approach in order to take in to account the Council's risk profile and changes in the system of internal control. This ensures that our work remains focused on the areas of high risk and seeks to avoid duplication of effort, where there are other sources of assurance in operation, for example, External Audit.

1.2.3. Internal Audit remains free from all conditions that threaten the ability of the Council's Internal Auditors to carry out their responsibilities in an unbiased manner, including matter of audit selection, scope, procedures, frequency, timing and report content. If the Audit Services Manager determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties. This has not arisen for 2023/24. The Council's Internal Auditors also maintain an unbiased mental attitude that allows them to perform engagements objectively. Internal Auditors have had no direct operational responsibility or authority over any of the activities audited.

1.2.4. Our Internal Audit Charter was presented to Senior Management and Audit & Risk Committee in March 2024 and will continue to be updated and appended to the Internal Audit Plan each year.

1.3. Overview of the Internal Audit Approach

1.3.1. The Public Sector Internal Audit Standards (PSIAS) require that the Audit Services Manager provides an annual audit opinion and a report that can be used by the organisation to inform its governance statement in respect of the overall adequacy and effectiveness of the organisation's framework of governance, risk management and internal control.

1.3.2. This is achieved through a risk-based plan of work, agreed with management and approved by the Audit & Risk Committee, which should provide a reasonable level of assurance, subject to the inherent limitations set out in Appendix C. The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.

1.3.3. Internal audit work was performed in accordance with the Council's Internal Audit methodology which is in conformance with the PSIAS.

1.3.4. The audit plan for 2023/24 was approved by Audit and Risk Committee in March 2023 and September 2023. Internal Audit Team resource comprised of Audit Services Manager and 1.5 FTE Senior Auditor during 2023/24.

2. Internal Audit Opinion

2.1. Internal Audit is satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

2.2. In assessing the level of assurance to be given, the following has been considered:

- All audits undertaken in the year
- Any follow up action taken in respects of audits from previous periods
- The effects of any significant changes in the Council's systems or objectives
- Any limitations which may have been placed on the scope of internal audit
- The extent to which resource constraints may impact on the Audit Service's Manager ability to meet the needs of the organisation
- The results of work performed by other assurance providers, such as External Audit.

OVERALL OPINION	**Moderate Assurance** – overall the Council's systems for control, risk and governance are generally adequate with some improvement required to address areas of weakness and non-compliance in the framework of governance, risk management and control which potentially put the achievement of objectives at risk. Please see our Summary of Findings in Section 4. Internal Audit reached this conclusion because medium risk rated weaknesses identified in individual assignments are not significant in aggregate to the system of internal control, high risk rated weaknesses identified in individual assignments are isolated to specific system or processes, and none of the individual assignment reports have an overall classification of critical risk and/or no assurance. This opinion has been derived from consideration of the detail below. An explanation of the types of opinion that may be given can be found in Appendix A.

3. Other Sources of Assurance

3.1. Risk Management Framework

The Council's Risk Management Strategy recognises that risk management is an integral part of Council activities. Central to the risk framework is the identification and management of the Council's Principal Risks, aligned to Our Chelmsford, Our Plan objectives, each assigned to a Directorate lead. Reporting to Management Team and Audit and Risk Committee ensures arrangements are working effectively.

Risk and Internal Audit discuss and exchange risk information, including progress updates on development of the risk framework and any emerging issues. Risk consequence criteria have been aligned to ensure that management and Services receive broadly consistent messages to enable them to prioritise their risks. Internal Audit also use the Principal Risk Register, and other

risks identified through the risk management framework, to inform the annual risk-based Internal Audit plan and to inform audit planning for individual audit assignments.

3.2. **Internal Audit View on Managing the Risk of Fraud**

The Council's approach to counter-fraud was revised and refreshed in 2022, with responsibility moving to the Audit Services Manager, including the production of a new Counter Fraud Strategy to ensure it is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally.

The 2022 Counter Fraud Strategy encompasses key principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud and corruption. Actions required to deliver and implement the Strategy are set out in a corresponding action plan, which included updating the Council's Fraud Risk Register and Anti-bribery and corruption risk register, development of new Fraud Response Plan and plans for developing and rolling out Council wide counter fraud training. The risk of fraud is also monitored via the Council's Principal Risk Register.

Other processes which assist Internal Audit in detecting potential fraudulent activity include:

- One of the criteria assessed when producing the risk-based annual audit plan is the risk of fraud as per the Council's Fraud Risk Register. In addition, all individual reviews are aligned to the Council's Fraud Risk Register to independently assess anti-fraud controls in place.

- Data Analytics have been used in 2023/24 to detect any anomalies with Accounts Payable with a specific focus on anti-fraud tests.

- Reviews of Council processes/walk throughs etc should highlight any gaps in control and areas that are vulnerable to fraudulent activity.

Additionally, where concerns of fraud have been highlighted, investigations are carried out and review of the control framework is undertaken to identify any gaps in control, establishing any lessons learned and recommendations to assist with the design of controls.

The Council also participates in mandatory NFI exercises.

A whistleblowing policy is also available to staff, key stakeholders and the general public via the Council's website.

A separate Counter Fraud Annual Report 2023/24 has also been produced.

4. Summary of Findings

4.1. High Priority Findings

Report Title	Key Issues Arising
Museum *(Limited Assurance)*	High priority findings were identified relating to records management. A full and detailed action plan has been produced by the Museum to assist with the implementation of recommendations made. Progress will be monitored by Internal Audit through 2024/25.
Housing Rents *(Management Letter)*	High priority findings were identified relating to arrears, records management and KPI reporting. Matters arising were discussed and agreed with management, and agreed actions were provided. It was noted that a number of significant initiatives were in progress during the review and therefore Internal Audit will conduct an extended follow up in Q4 2024/2 to assess the implementation of recommendations.

4.2. Key Financial Systems (KFS)

The KFS programme is a key indicator of the overall strength of the underlying control environment and each year Internal Audit carries out reviews of the Council's fundamental financial systems.

In 2023/24, this included a key control review of Business Rates and Council Tax, the overall opinion for which was substantial assurance. There was one low priority finding relation to business rate reconciliations. A finding relating to declarations of interest has been superseded by a wider cross-cutting audit review of Conflicts of Interests being undertaken during 2024. The wheel below summarises the number and priority of findings:
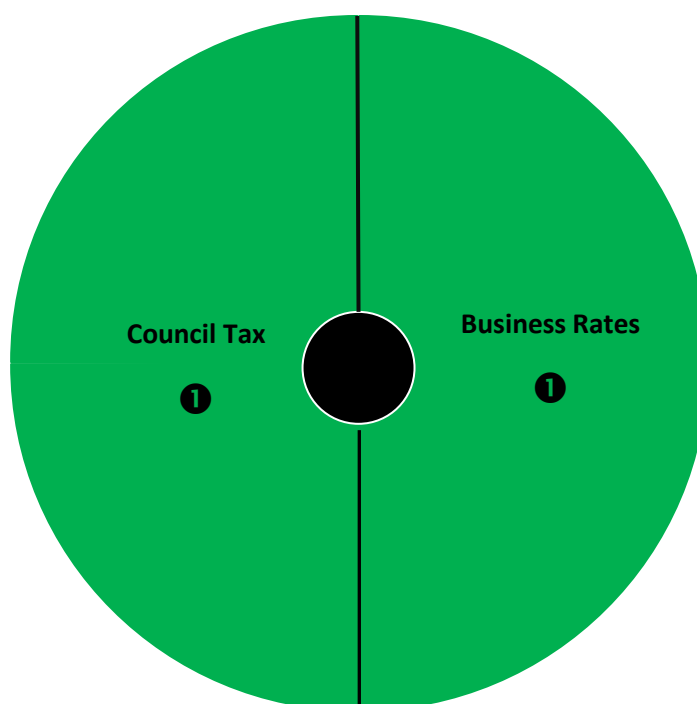
Data Analytics (AP)

Expenditure systems (AP) seek to ensure that all spending made by the Council is valid and that payments are made in line with the Council's obligations and Financial Regulations. Using Data Analytics for this purpose allowed testing 100% of data to provide assurance in the AP financial process and provides risk-based insights, with a specific focus on anti-fraud controls.

In 2023/24, Data Analytic tests relating to Purchase Orders, Goods Receipting, Payments, Separation of Duties etc. were completed by PWC.

Access to a PowerBI dashboard was provided which included all the potential exceptions related to the tests in scope and any other relatable AP insights. This has then formed the basis for testing for 2024/25 KFS Internal Audit work currently in progress.

4.3. **Results of Individual Assignments (listed in order of priority of findings)**

Report Title	Assurance Rating	High	Med	Low
Chelmsford Museum	Limited	3	4	0
Housing Rents	n/a – management letter	3	1	0
Theatres - Box Office Income/Food & Beverages	Moderate	0	4	1
Members Allowances and Expenses	Moderate	0	2	1
Safer Recruitment and Payroll	Moderate	0	2	0
Council Surveillance	Substantial	0	1	2
Parks and Open Spaces - Income/Hire including Allotments	Substantial	0	1	0
UK Shared Prosperity Fund (Economic Development)	Substantial	0	1	0
Council Tax and Housing Benefit (KFS)	Substantial	0	0	1

Reviews of Overtime, Use of Agency Staff and Licensing rolled over to 2024 and the outcomes will be reported in the Internal Audit Interim Report in December 2024.

Internal Audit have also continued to provide ad hoc advice and guidance during 2023/24.

4.4. **Management's Response to Implementing Audit Recommendations**

A key measure of success and a strong internal control environment is timely implementation of recommendations. All planned audit work undertaken is subject to a formal follow up to ensure that all agreed actions have been implemented. Performance relating to the implementation of recommendations during 2023/24 is tabled below.

Audit Title	Original Assurance Rating	Key Findings
Rent Deposit Scheme	Limited	In the previous report, four recommendations (two high and two medium priority) were made. Based on the evidence presented, our follow up audit revealed that two recommendations (one high and one medium) have been implemented and two recommendations (one high and one medium) have not been implemented. The outstanding high priority recommendation relates to some validity checks which may potentially increase the risk of exposure to fraud. The findings from the original audit were indicative of a 'limited' assurance opinion. As two recommendations (including one high priority) have not been implemented, the assurance level therefore remains at 'Limited'.
Purchase Cards	Limited	In the previous report, seven recommendations (three high and four medium priority) were made. Based on the evidence presented, our follow up audit confirmed that all recommendations have been implemented. The findings from the original audit were indicative of a 'limited' assurance opinion. While a full audit would need to be undertaken to revise the assurance rating, the high rate of implementation of recommendations and positive action taken by management in response to the original report, suggests that the control environment (in relation to the specific areas covered by the follow up), has improved and is now indicative of 'moderate' assurance.
Leisure Centres	Moderate	In the previous report, two recommendations (one high, one medium priority) were made. Based on the evidence presented, our follow up audit revealed that the medium priority recommendation had been implemented, however, the high priority recommendation relating to improving the income reconciliation has not yet been implemented due to unsuccessful attempts to automate the process. The existing process will therefore be reviewed by Finance, with a target date for completion of September 2024.

Audit Title	Original Assurance Rating	Key Findings
Car Parks	Moderate	In the previous report, five recommendations (three medium and two low priority) were made. Based on the evidence presented, our follow up audit confirmed that four recommendations have been fully implemented and one low risk recommendation relating to the Car Park Strategy is currently work in progress.
On street parking and enforcement	Moderate	In the previous report, five recommendations (four medium and one low priority) were made. Based on the evidence presented, our follow up audit confirmed that four recommendations (three medium and one low priority) have been implemented. The remaining outstanding medium recommendation relates to the inclusion of the Bribery Act in staff training and awareness (see below).
Environmental Health	Substantial	In the previous report, four recommendations (two medium and two low priority) were made. Based on the evidence presented, our follow up audit confirmed that three recommendations (one medium and two low priority) have been implemented. The remaining outstanding medium recommendation relates to the inclusion of the Bribery Act in staff training and awareness (see below).
Council Tax Base	Substantial	In the previous report, one medium recommendation was made. Based on the evidence presented, our follow up audit revealed that this recommendation has been fully implemented.

The recommendation of including awareness of the Bribery Act in staff training and awareness made in audit reviews of Planning, Waste and Recycling, Environmental Health and On Street Parking will be implemented when planned wider corporate anti-bribery training is rolled out during 2024.

The follow up for Procurement will be undertaken as a test review for the new Lighthouse module in 2024.

5. Review of the Effectiveness of Internal Audit

5.1. Our performance against Key Performance Indicators (KPIs) used to demonstrate the effectiveness of the internal audit function during 2023/24 is shown in the table below. The results were significantly affected in 2023/24 due to the team being diverted to unexpected higher priority work during the year.

KPI	Target	Result 2023/24
Audit Plan delivered to Draft Report Stage by 31st March	90%	67%
Audit Plan delivered to final report stage by 31st May	100%	67% *(NB 100% of the drafts issued by 31st March were issued as final by 31st May)*
Overall customer satisfaction score for the year to meet or exceed acceptable level (i.e. very good or good) for at least 90% of completed surveys	90%	100%

6. Update on Progress of Internal Audit Strategy 2023-24

The Internal Audit Strategy 2023-24 was approved by Audit and Risk Committee in December 2022. Progress is documented below.

Original Strategy Goal	2023/24 Progress
Develop an agile planning process which identifies the Council's most significant internal and external risks and deliver an Annual Internal Audit Plan focussing on these key risks, and which meets stakeholder needs.	The 2023/24 Internal Audit Plan was developed using a prioritisation of the audit universe using a risk-based methodology, including input from the Council's 'Our Chelmsford Our Plan', Principal Risk Register, as well as discussions with Council staff, senior management, plus consideration of local and national issues and risks. The plan was discussed and agreed by Senior Managers, Management Team and Audit and Risk Committee. Where previously a full twelve months had been planned upfront, this created some limitations, so for 2023, a 6-month plan was produced for work from April to September, with suggested areas for October to March so that delivery could be flexible. A contingency was also included in the plan to cover requests from management for ad hoc, advisory type work on risk identification and subsequent control design (as well as urgent, unplanned reviews arising during the year).

Original Strategy Goal	2023/24 Progress
To contribute to the Council's delivery of its governance and assurance framework.	Risk and Internal Audit discuss and exchange risk information. Risk consequence criteria have been aligned to ensure that management and Services receive broadly consistent messages to enable them to prioritise their risks. Internal Audit also use the Principal Risk Register, and other risks identified through the risk management framework, to inform the annual risk-based Internal Audit plan and to inform audit planning for individual audit assignments. Internal Audit will bring any serious, emerging issues to the attention of Risk. Internal Audit also remain a key contributor to the Corporate Governance Group. The purpose of the CGG is to oversee, co-ordinate and advise on the effective development and consistent operation of corporate governance arrangements in the Council.
To be a trusted advisor to Senior Managers and the Audit and Risk Committee	As demonstrated through the Internal Audit Annual Report and organisation feedback.
To monitor the critical skills and resource blend required to ensure Internal Audit deliver their mission and objectives.	In-house team training needs are monitored and co-sourced arrangement utilised with an external provider where alternative delivery/additional skills are required. In 2023, this was utilised for technical data analytic work.

A new Internal Audit Strategy for 2024 - 26 will be presented to Audit and Risk Committee in December.

7. Quality assurance and improvement programme

PSIAS require that Internal Audit develops and maintains a quality assurance and improvement programme that covers all aspects of the internal audit activity. Periodic reviews of the quality of internal audit work completed internally and the Audit Services Manger reviews all draft and final reports. Planning and delivery of the Service (including this Annual Report) has been done in conformance with the requirements of the PSIAS.

Annual Opinion Categories

The table below sets out the four types of annual opinion that Internal Audit use, along with the types of findings that may determine the annual opinion given. The Audit Services Manager will apply their judgement when determining the appropriate annual opinion, so the guide given below is indicative rather definitive.

Type of Annual Opinion	When to use this type of annual opinion
Substantial	• Generally, only low risk rated weaknesses found in individual assignments; and • None of the individual assignment report have an overall report classification of either high or critical risk
Moderate	• Medium risk rated weaknesses identified in individual assignments that are *not significant in aggregate* to the system of internal control; and/or • High risk rated weaknesses identified in individual assignments that are *isolated* to specific systems or processes; and • None of the individual assignment reports have an overall classification of critical risk
Limited	• Medium risk rated weaknesses identified in individual assignments that are *significant in aggregate but discrete* parts of the system of internal control remain unaffected; and/or • High risk rated weaknesses identified in individual assignments that are *significant in aggregate but discrete* parts of the system of internal control remain unaffected; and/or • Critical risk rated weaknesses identified in individual assignment that are *not pervasive* to the system of internal control; and • A *minority* of the individual assignment reports may have an overall report classification of either high or critical risk.
No	• High risk rated weaknesses identified in individual assignments that *in aggregate are pervasive* to the system of internal control; and/or • Critical risk rated weaknesses identified in individual assignments that are *pervasive* to the system of internal control; and/or • *More than a minority* of the individual assignment reports have an overall report classification of either high or critical risk.

Key to Assurance Levels in Individual Reports

No Assurance	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.
Limited	There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.
Moderate	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses, but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
Substantial	There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be advice and best practice.

Key to Risk Ratings for Individual Findings in Reports

Critical	Financial: Severe financial loss; Operational: Cessation of core activities; People: Life threatening or multiple serious injuries to staff or service users or prolonged workplace stress. Severe impact on morale & service performance. Mass strike actions etc; Reputational: Critical impact on the reputation of the Council which could threaten its future viability. Intense political and media scrutiny i.e. front-page headlines, TV; Legal and Regulatory: Possible criminal, or high-profile civil action against the Council, members or officers. Statutory intervention triggered impacting the whole Council. Critical breach in laws and regulations that could result in material fines or consequences; Projects: Failure of major Projects and/or politically unacceptable increase on project budget/cost. Elected Members required to intervene.
High	Financial: Major financial loss. Service budgets exceeded; Operational: Major disruption of core activities. Some services compromised. Management Team action required to overcome medium-term difficulties; People: Serious injuries or stressful experience (for staff member or service user) requiring medical attention/ many workdays lost. Major impact on morale and performance of staff; Reputational: Major impact on the reputation of the Council. Unfavourable media coverage. Noticeable impact on public opinion; Legal and Regulatory: Major breach in laws and regulations resulting in significant fines and consequences. Scrutiny required by external agencies; Projects: Key targets missed. Major increase on project budget/cost. Major reduction to project scope or quality.
Medium	Financial: Moderate financial loss. Handled within the team; Operational: Significant short-term disruption of non-core activities. Standing Orders occasionally not complied with, or services do not fully meet needs. Service Manager action will be required; People: Injuries (to staff member or service user) or stress levels requiring some medical treatment, potentially some workdays lost. Some impact on morale and performance or staff; Reputational: Moderate impact on the reputation or brand of the organisation. Limited unfavourable media coverage; Legal and Regulatory: Moderate breach in laws and regulations resulting in fines and consequences. Scrutiny required by internal committees or internal audit to prevent escalation; Projects: Delays may impact project scope or quality (or overall project must be re-scheduled). Small increase on project budget/cost. Handled within the project team.
Low	Financial: Minor financial loss; Operational: Minor errors in systems/operations or processes requiring Service Manager or Team Leader action. Little or no impact on service users; People: Minor injuries or stress with no workdays lost or minimal medical treatment. No impact on staff morale; Reputational: Minor impact on the reputation of the organisation; Legal and Regulatory: Minor breach in laws and regulations with limited consequences; Projects: Minor delay without impact on overall schedule. Minimal effect on project budget/cost or quality.

Limitations and Responsibilities

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems. Internal Audit shall endeavour to plan its work so that there is a reasonable expectation of detecting significant control weaknesses and, if detected, Internal Audit shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, the examinations of Internal Audit should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist, unless Internal Audit is requested to carry out a special investigation for such activities in a particular area.

Limitations inherent to the internal auditor's work

Internal Audit work has been performed subject to the limitations outlined below:

- **Opinion**

  The opinion is based solely on the work undertaken as part of the agreed internal audit plan. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of our programme of work, were excluded from the scope of individual internal audit assignments or were not brought to our attention. As a consequence, management and the Audit & Risk Committee should be aware that the opinion may have differed if the programme of work or scope for individual reviews was extended or other relevant matters were brought to Internal Audit's attention.

- **Internal control**

  Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

- **Future periods**

  Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

  - The design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
  - The degree of compliance with policies and procedures may deteriorate