



Gladstone Regional Council

Council Policy

Title	ETHICS INTEGRITY AND AUDIT
Policy Number	P-2018-29
Business Unit/s	FINANCE GOVERNANCE AND RISK
Date of Adoption	
Resolution Number	
Review Date	
Date Repealed	

1.0 PURPOSE:

~~The purpose of this Policy is to define the function, scope, operating and reporting parameters for the Gladstone Regional Council Business Improvement Function.~~

~~The business improvement function of Gladstone Regional Council incorporates, business improvement and internal audit activities. The Local Government Act 2009 requires Gladstone Regional Council to establish and maintain an internal audit function. This Policy establishes the authority and responsibility conferred by Council on the Business Improvement Function and incorporates the internal audit duty requirements of the Local Government Act 2009 and other legislation.~~

This Policy establishes the authority and responsibility conferred by Council to the Ethics, Integrity and Audit function of Council in the fulfilment of the internal audit requirements of the *Local Government Act 2009* and other legislation.

This policy supports the Business Improvement Committee Policy.

2.0 SCOPE:

~~This policy applies to the Business Improvement Functions of Gladstone Regional Council.~~

~~This policy applies to the Gladstone Airport Corporation only to the extent that the Gladstone Airport Corporation must incorporate its financial information into Council's Financial Statements. In all other matters, the Gladstone Airport Corporation's activities are not subject to this Policy.~~

This policy applies to the Business Improvement Committee, Councillors, External Representatives and Employees of Gladstone Regional Council.

As a Government owned Corporation, the Gladstone Airport Corporation is not subject to this policy except, to the extent of the requirements of the audit committee review functions in relation to the requirement for the financial statements of the Gladstone Airport

Corporation to be incorporated within the financial statements and related reporting requirements of Gladstone Regional Council.

3.0 RELATED LEGISLATION:

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Public Interest Disclosure Act 2013*
- *Crime and Corruption Act 2001*
- *Crime and Corruption Regulation 2015*
- *Integrity Act 2009*
- *Public Sector Ethics Act 1994*

4.0 RELATED DOCUMENTS:

- Gladstone Regional Council Business Improvement Committee Policy.

5.0 DEFINITIONS:

To assist in interpretation of this policy the following definitions apply:

~~"Assurance" means services that require the objective assessment of evidence to provide an independent opinion or conclusions regarding a process, system or other subject matter.~~

"Assurance" means services that require the business improvement function's objective assessment of evidence to provide an independent opinion or conclusions regarding a process, system or other subject matter. The nature and scope of the assurance engagement are determined by business improvement function.

~~"Business Improvement" means the systematic approach to identifying, analysing, developing and optimising business processes.~~

"Business Improvement Function", includes the activities of Internal Audit and other associated process and organisational change activities resulting from audits and/or reviews of business practices and business improvement.

"Consulting Services" means services that are advisory in nature and are generally performed at the specific request of the organisation, including Council, management and/or Business Improvement Committee. The nature and scope of the consulting engagement are subject to the approval of the Chief Executive Officer or delegate.

"Executive Team" means the Chief Executive Officer and General Managers of Gladstone Regional Council.

"Internal Audit" is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. (Institute of Internal Auditors)

"Standards" includes the Institute of Internal Auditors' Standards for Professional Practice, Statement of Responsibilities, Statements on Internal Auditing Standards, and Code of Ethics.

~~"Operational Manager" means the manager who is responsible for the area/s under review.~~

"Operational Manager" means the manager, team leader or specialist who is responsible for the area under review, and in normal circumstances would be a manager of a branch (other than the Internal Audit Function), however it may be the business unit general manager where the review is across more than one group.

6.0 POLICY STATEMENT:

6.1 ~~Approach The Role and Purpose of Business Improvement Function~~

Council will adopt an integrated¹ risk based approach to allocating resources and planning ethics, integrity and internal audit projects.

Based on a risk assessment and in consultation with management, the general direction of Council's Ethics, Integrity and Audit activities over the medium term is to be documented in the Three Year Internal Audit Plan. This plan shall be reviewed and approved by the Chief Executive Officer and presented to the Business Improvement Committee. The Plan will also be reviewed annually to take account of any change in circumstances.

The Annual Audit Plan projects may include financial, compliance, performance, due diligence, information systems, program evaluation, operational audits and other approaches as deemed appropriate, given the resources and also the priorities established through the risk assessment process and other identified considerations.

~~The business improvement function is established to provide independent, objective assurance and consulting services designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.~~

~~Accordingly, business improvement planning must be sufficiently comprehensive to regularly review all facets of Council's operations, having regard to the functions and duties imposed on Council. It is expected that the business improvement function will provide Council and the Chief Executive Officer (CEO) with:~~

~~6.1.1. Management oriented appraisals of Council functions and activities to determine their appropriateness in the context, of Council objectives (including, but not restricted to accounting and financial management information, performance monitoring and control systems).~~

~~6.1.2. Reviews of the reliability of accounting and financial management, an assessment of the systems of internal control, an evaluation of compliance with relevant legislation, local laws, subordinate local laws, Council policies, corporate standards and delegations and the protection of the assets and resources under the control of management.~~

~~6.1.3. Independent and confidential advice on action to be taken to improve operational effectiveness, efficiency and economy.~~

¹ Combines aspects of auditing to include or excluded any aspect based on risk

- ~~6.1.4. Follow up appraisals, where appropriate, regarding action taken by operational management as a result of business improvement recommendations.~~
- ~~6.1.5. Review of program/support plan performance criteria and performance indicators for relevance, reliability and accuracy at such other times as may be appropriate.~~
- ~~6.1.6. Management oriented evaluation of programs/support plans to determine that legislation, local laws, subordinate local laws, Council policies, corporate standards and program/support plan objectives and strategies remain appropriate and are being achieved; whether resources are optimally allocated across programs/support plans and optimally utilised within each program/support plan; and that the strategic management system ensures accountability of programs/support plans in line with the strategic direction as set by Council in the Corporate Plan.~~

6.2 Independence ~~and the Ethics Integrity and Audit Team within Council~~

Independence, objectivity, and integrity are the foundation of an effective internal audit and assurance system and for that purpose:

- a. Ethics Integrity and Audit employees report to the Ethics Integrity and Audit Specialist who reports:
- Administratively to the General Manager Finance Governance and Risk and
 - functionally to Chief Executive Officer and the Business Improvement Committee, through the Chair
- b. Ethics Integrity and Audit employees should not develop and implement procedures or internal controls, prepare records, or engage in any other activities which he or she would normally review or appraise, and which could reasonably be construed to compromise his or her independence. The objectivity of the function need not be adversely affected by his or her determination and recommendation of the standards of control to be applied in the development of systems and procedures under his or her review. Concerning independence, internal audit staff should have an impartial, unbiased frame of mind and avoid conflicts of interest and be independent in fact and appearance.

~~The Ethics Integrity and Audit Team has independent status within the Council and for that purpose:~~

- ~~6.2.1. Shall be responsible for operational purposes to the General Manager Finance Governance and Risk but shall have further access to the Chief Executive Officer and Business Improvement Committee².~~
- ~~6.2.2. Subject to 6.2.1, shall be independent of any section or officer or employee of Council.~~
- ~~6.2.3. Shall have no executive or managerial powers, functions, authorities or duties except those relating to the oversight of business improvement functions.~~

² For the purposes of the *Local Government Act 2009* the Business Improvement Committee is the Audit Committee established by Council policy in accordance with the *Local Government Regulation 2012*. The Audit Committee reports to the Council.

~~6.2.4. Shall not be involved in the day to day operation of Council, except those relating to audit oversight of business improvement activities.~~

~~6.2.5. Shall not be responsible for the design, installation or maintenance of business systems, procedures or controls, but will advise on these matters and provide assurance to management that completed systems will contribute to the achievement of the intended corporate objectives. If, however, an officer of the Ethics Integrity and Audit Team is involved in the detailed development or implementation of a system, then any post implementation review should, as far as possible, be conducted by another officer of the Team or by staff entirely independent of the Team.~~

~~6.2.6. May have an observer/adviser status on steering committees formed to co-ordinate financial/information systems design and implementation at the discretion of the General Manager Finance Governance and Risk.~~

6.3 Authority

6.3.1. Ethics, Integrity and Audit is authorised to review all areas of Council and to have full, free, and unrestricted access to all Council's activities, records (both manual and electronic), property, and personnel. Council activities include entities over which Council has direct management, sponsorship or financial control.

6.3.2. All employees shall co-operate fully in making available any material or information reasonably requested by Ethics, Integrity and Audit.

6.3.3. Ethics, Integrity and Audit activities will remain free of influence by any organisational elements. This includes such matters as scope of activities/projects, the frequency and timing of examinations and the content of audit reports.

6.3.4. For approved areas of audit, evaluation and review, where the Ethics, Integrity and Audit do not possess all the necessary experience/skills, additional internal or external resources may be utilised subject to approval by the Chief Executive Officer.

~~6.3.5. The Ethics Integrity and Audit Team has no direct responsibility, nor authority over, any of the activities which it reviews. Therefore the audits and evaluations do not in any way relieve other persons in Council of the responsibilities assigned to them.~~

~~6.3.6. The Ethics Integrity and Audit Team shall generally undertake projects in accordance with programs/plans approved by the Chief Executive Officer but shall also conduct such further unscheduled projects as the Chief Executive Officer considers desirable. Due consideration will also be given to the views of the Business Improvement Committee and General Managers regarding suitable projects. Where necessary, the nature and scope of each project in the Internal Audit Plan will be left to the professional judgement of the Ethics Integrity and Audit Specialist in consultation with the General Manager Finance Governance and Risk.~~

~~6.3.7. The Ethics Integrity and Audit Team is authorised to review all areas of Council and to have full, free, and unrestricted access to all Council's activities, records (both manual and electronic), property, and personnel. Council activities include entities over which Council has direct management, sponsorship or financial control except where specifically excluded by this Policy (i.e. Gladstone Airport Corporation).~~

- ~~6.3.8. All employees shall co-operate fully in making available any material or information reasonably requested by the Ethics Integrity and Audit Team.~~
- ~~6.3.9. All business improvement activities will remain free of influence by any organisational elements. This includes such matters as scope of business improvement programs, the frequency and timing of examinations and the content of audit reports.~~
- ~~6.3.10. For approved areas of audit, evaluation and review, where the Ethics Integrity and Audit Team does not possess all the necessary experience/skills, additional internal or external resources may be utilised subject to approval by the General Manager Finance, Governance and Risk or the Chief Executive Officer.~~

~~6.4 Relationship to External Audit~~

~~The Ethics Integrity and Audit Team shall co-operate fully with the Auditor General and the appointed external auditor in respect of any audits undertaken. Working papers together with any further explanations are to be made available to enhance the effectiveness of the total audit coverage and to minimise duplication.~~

~~To ensure that the Ethics Integrity and Audit Team is aware of all matters associated with its functional responsibilities, the team is to be supplied with copies of all relevant correspondence received from external audit and the Queensland Audit Office.~~

~~Requests to provide greater than incidental assistance to the External Auditors should be formally requested by the External Auditor and approved by the Chief Executive Officer.~~

~~6.5 Scope of Business Improvement Activities~~

- ~~6.5.1. The scope of business improvement reviews are to determine whether the organisation's network of governance, risk management, control processes and organisational performance, as designed and represented by management, is adequate and functioning in an effective manner. It includes, but is not necessarily limited to, the following:~~
- ~~6.5.1.1 Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.~~
 - ~~6.5.1.2 Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports on whether the organisation is compliant. Ethics Integrity and Audit should be pro-active in offering advice to management in regards to the implications of future legislation, policy and industry changes.~~
 - ~~6.5.1.3 Reviewing the means of safeguarding assets and, where appropriate, verifying the existence of such assets.~~
 - ~~6.5.1.4 Reviewing and appraising the economy and efficiency with which resources are employed, identify opportunities to improve operating performance, and recommend solutions where appropriate.~~
 - ~~6.5.1.5 Contributing to the corporate management process by assessing and reporting the relevance, reliability and adequacy of management data and performance indicators and reviewing operations or programs to ascertain~~

~~whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.~~

~~6.5.1.6 Co-ordinating audit work with external auditors to assure completeness of coverage, preventing a duplication of effort and ensuring the effective use of audit resources.~~

~~6.5.1.7 Participating (in an advisory role) in the planning, design, development, implementation and operation of major computer based systems to determine whether:~~

- ~~(i) Adequate controls are incorporated in the systems~~
- ~~(ii) Thorough system testing is performed at appropriate stages~~
- ~~(iii) System documentation is complete and accurate~~
- ~~(iv) The needs of the user are met.~~

~~6.5.1.8 Reviewing compliance with Council's guidelines for ethical business conduct and promote high standards of personal and Council performance through the promotion of Council's Code of Conduct.~~

~~6.5.1.9 Business Improvement's core role with regard to Enterprise Risk Management (ERM) is to provide objective assurance to Council on the effectiveness of the organisation's ERM activities to help ensure key business risks are being managed appropriately and that the system of internal control is operating effectively.~~

~~6.5.1.10 Developing Three Year Internal Audit Plan and Annual Plans, based on risk analysis, and submit these to the Chief Executive Officer for review and approval. In the formulation of these plans the views of the Business Improvement Committee should be taken into consideration. Work programs/proposals will be prepared for each activity or project undertaken by the Ethics, Integrity and Audit Team.~~

~~6.5.1.11 Conduct business improvement project reviews of Council activities as directed by the Chief Executive Officer.~~

~~6.5.1.12 Follow up the status and appropriateness of management's implementation of recommendations to address findings noted in prior year project reviews.~~

~~6.5.2. The scope of the business improvement function extends to include all business units, programs, sub-programs, functions, funded schemes and entities over which Council has direct management, sponsorship or financial control.~~

~~6.5.3. Any dispute as to whether an activity falls within the scope of Council's business improvement function shall be determined by the Chief Executive Officer.~~

6.4 Responsibility for Detecting and Reporting Irregularities

6.4.1. Ethics Integrity and Audit is not legally or professionally responsible for preventing irregularities (which include fraud, other illegal acts and errors). However, in order to facilitate the fraud and corruption prevention function, the Ethics Integrity and Audit Team should be informed of any special investigation, fraud, theft or other suspected cases of misappropriation.

- 6.4.2. The responsibility for prevention of irregularities rests with Council and management through the implementation and continued operation of an adequate internal control system. Ethics Integrity and Audit representatives are responsible for examining and evaluating the adequacy and the effectiveness of actions taken by management to fulfil this obligation. ~~It requires Ethics Integrity and Audit representatives to conduct examinations and verifications to a reasonable extent.~~
- 6.4.3. Ethics Integrity and Audit has a responsibility to report irregularities to the Chief Executive Officer and the Business Improvement Committee.
- 6.4.4. The Chief Executive Officer or delegate is responsible for reporting any irregularities according to the provisions of the *Local Government Act 2009*, and the *Crime and Corruption Act 2001* and any other statutory regulations that may come into force from time to time. ~~In this regard the Manager Governance will fulfil the liaison officer's role to the Crime and Corruption Commission.~~

6.5 Reporting and responsibility for Corrective Action

- 6.5.1. ~~The Operational Manager is responsible for ensuring that agreed actions are either planned or taken on recommendations made or deficient conditions reported by Ethics Integrity and Audit or auditors (internal and external) within the agreed timeframes in the final project report which will generally be based on the Classification of Internal Audit Findings Table attached as Appendix 1 to this policy.~~
- 6.5.2. ~~Recommendations are considered outstanding until they are implemented and/or hold a status of 'complete'. Any recommendations that have not been actioned within the agreed timeframe will be reported to and followed through by Council's Executive team.~~
- 6.5.3. ~~A status report of actions will be presented to the Business Improvement Committee at each meeting.~~

~~**6.7 Business Improvement Approach**~~

- ~~6.7.1. The Business Improvement Function will adopt an integrated³-risk based approach to allocating resources and planning.~~
- ~~6.7.2. Risk Profile, Three Year and Annual Internal Audit Plans:~~
- ~~6.7.2.1 The Risk Specialist, in consultation with management, will develop a risk profile for each area within Council so that greater attention can be directed to areas of higher risk.~~
- ~~6.7.2.2 Based on the risk assessment, the general direction of Council's Audit Plans over the medium term is to be documented in the Three Year Internal Audit Plan. This plan shall be reviewed and approved by the Chief Executive Officer and presented to the Business Improvement Committee. The Plan will also be reviewed annually to take account of any change in circumstances.~~
- ~~6.7.2.3 The Annual Internal Audit Plan projects will be identified based on priority and risk assessment, with consideration given to the available resources and organisational operations/restrictions.~~

³ Combines aspects of auditing to include or exclude any aspect based on risk

6.8 — Reporting Accountability

6.8.1 — Internal Audit Report:

- ~~6.8.1.1 — A draft report shall be prepared and issued by the Ethics Integrity and Audit Team to management as soon as possible after the completion of an audit. The draft report will include comments and action plans by the operational manager⁴ where appropriate.~~
- ~~6.8.1.2 — On receipt of draft reports, the relevant executive/s should respond within ten (10) working days. This response is to indicate what actions are to be taken or planned, a responsible officer and a timetable for the anticipated completion of these actions regarding the specific findings and recommendations in the draft report.~~
- ~~6.8.1.3 — A final report will be prepared and issued to the Chief Executive Officer and will include the comments and action plans as per the response of General Manager/s. If a response is not received by the due date Ethics Integrity and Audit is required to issue the draft as the final report with a comment in relation to the non-response.~~
- ~~6.8.1.4 — As well as the final report to the Chief Executive Officer, copies will be provided to the relevant areas of management and other officers as appropriate. An indication will be given as to whether the person receiving the report should be taking action or securing action in relation to the report, or merely receiving the report for information.~~
- ~~6.8.1.5 — A copy of this report will also be forwarded to the Business Improvement Committee Members, the Business Improvement Committee Advisors, Mayor, all Councillors and Business Improvement Committee attendees, as per the approved agenda list.~~
- ~~6.8.2 — The Ethics Integrity and Audit Specialist may also advise the Auditor-General, Queensland Audit Office, or the Auditor-General's delegate/contractor about any audit findings as appropriate or if requested.~~
- ~~6.8.3 — A summary of recommendations, action taken and actions outstanding will be included in an Ethics Integrity and Audit Team's Activities Report, to be sent on a quarterly basis to the Mayor, Chief Executive Officer, all Councillors and the Business Improvement Committee Members, the Business Improvement Committee Advisors and Attendees.~~

6.9 — Management's Responsibility for Corrective Action

- ~~6.5.4. — The General Managers of Council are responsible for ensuring action is either planned or taken on recommendations made or deficient conditions reported by the Ethics Integrity and Audit Team or external auditors within the agreed timeframes in the final project report. These will generally be based on the Classification of Internal Audit Findings Table attached as Appendix 1 to this policy. Recommendations are considered outstanding until they are implemented and hold a status of 'no further action required'. Any~~

⁴ Operational Manager is the manager who is responsible for the area under audit, and in normal circumstances would be a manager of a branch (other than the Internal Audit Function), however it may be the department manager where the audit is across more than one branch.

~~recommendations that have not been actioned within the agreed timeframe will be reported to and followed through by the Chief Executive Officer.~~

~~6.5.5. If management foresees difficulties implementing the recommendations within the time frame, this should be reported via the established internal business process detailing the cause of delay and the revised implementation schedule.~~

~~6.5.6. Implementation, progress and completion reports on the recommendations, are to be provided through the established internal business process.~~

6.10 Internal Audit Responsibilities and Auditing Standards⁵:

~~6.10.3.1 Audit will discharge its responsibilities in accordance with this document and the Standards with the proviso that this document shall not be overridden by the Standards, should a conflicting interpretation arise.~~

~~6.10.3.2 Specific standards which are to be followed include:~~

- ~~• Audit staff must maintain an independent outlook and must ensure their independence to plan, investigate and report with honesty and objectivity.~~
- ~~• Projects are to be performed by or under the control of a suitably skilled, experienced and competent person(s).~~
- ~~• Findings and recommendations or suggestions are developed and documented with due care during each engagement, such that the reporting process is expedited.~~
- ~~• Regular quality assurance reviews of project plans, reports and working papers are carried out.~~
- ~~• Information acquired during work must not be used and/or conveyed for purposes outside the scope of Audit's approved responsibilities.~~

6.6 Internal Audit Quality Assurance

6.6.1 Audit Work: In order to ensure that the quality of audit work is consistently maintained at a high standard, Ethics Integrity and Audit will establish and maintain a quality assurance program. This program is to include:

- Developing a comprehensive work reporting arrangement.
- Maintaining a regular review of audit plans, reports and working papers.
- Maintaining effective communication links with the Business Improvement Committee members, Chief Executive Officer, management, external auditors and the Queensland Audit Office.
- Arranging and providing on-going staff training as appropriate.

⁵ Standards includes as follows:

The Institute of Internal Auditors' Standards for Professional Practice, Statement of Responsibilities, Statements on Internal Auditing Standards, and Code of Ethics.

The Information Systems Audit and Control Association's Statements on Information Systems Auditing Standards.

- Issuing necessary oral and written directions and maintain written policies and procedures to assist and direct staff in the performance of their duties.

6.6.2 External Quality Assessment: **Ethics Integrity and Audit** will be subject to an external quality assessment on a regular basis, not exceeding an interval of five years.

7.0 ATTACHMENTS:

Appendix 1 - Classification of Internal Audit Findings Table

8.0 REVIEW TRIGGER:

This policy will be reviewed when any of the following occur:

1. The related legislation or governing documents are amended or replaced; or
2. Other circumstances as determined by resolution of Council or the CEO; or
3. Three years from date of adoption.

TABLE OF AMENDMENTS			
Document History	Date	Council Resolution No.	Notes (including the prior Policy No, precise of change/s, etc)
Originally Approved	5 October 2010	G/10/32	
Amendment 1	3 July 2012	G/12/1103	
Amendment 2	17 September 2013	G/13/1722	
Amendment 3	7 April 2015	G/15/2363	
Amendment 4	01 November 2016	G/16/0090	First considered by the Finance & Corporate Governance Committee 25/10/2016
Amendment 5			

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LEISA DOWLING
ACTING CHIEF EXECUTIVE OFFICER

APPENDIX 1 - CLASSIFICATION OF INTERNAL AUDIT FINDINGS TABLE

The following framework for internal audit ratings has been developed for prioritising internal audit findings according to their relative significance depending on their impact on the process. The individual internal audit findings contained in audit reports will be discussed and rated with Management.

Rating	Definition	Examples of business impact	Action(s) required
Extreme	Issue represents control weakness which could have a catastrophic adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> • Catastrophic impact on operations or functions. • Complete failure of service delivery. • Regulatory breach could result in dissolution of Council. • Extensive detrimental long-term impacts on the environment and community. • Multiple fatalities and serious injury. 	<ul style="list-style-type: none"> • Requires immediate action. • Actively managed by Chief Executive Officer. • Requires detailed plan of action to be put in place within 20 days with an expected resolution date and substantial improvement within one month.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> • Major impact on operations or functions. • Probable decrease in the public's confidence in the Council. • Major decline in service/product delivery, value and/or quality recognised by customers. • Non-compliance or breach of legislation or regulation with probable litigation or prosecution and/or penalty. • Long term detrimental environmental or social impact ie chronic and/or significant discharge or pollutant. • Extensive injuries, injury to multiple resulting in hospitalisation or single fatality 	<ul style="list-style-type: none"> • Requires immediate/prompt management action. • Requires executive management attention. • Requires a detailed plan of action to be put in place within 60 days with an expected resolution date and a substantial improvement within 3-6 months.
Medium	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.	<ul style="list-style-type: none"> • Moderate impact on operations or functions. • Possible decrease in the public's confidence in the Council. • Moderate decline in service/product delivery, value and/or quality recognised by customers. • Non-compliance or breach of legislation or regulation with threat of litigation or prosecution and/or penalty. • Environmental harm immediately recoverable • Medical treatment required, compensative injury. 	<ul style="list-style-type: none"> • Requires short-term management action. • Requires general management attention. • Requires a detailed plan of action to be put in place within 90 days with an expected resolution date and a substantial improvement within 6-9 months.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	<ul style="list-style-type: none"> • Minor impact on internal business only. • Minor potential impact on brand value and market share. • Should not decrease the public's confidence in the company. • Minimal decline in service/product delivery, value and/or quality recognised by customers. • Non-compliance or breach of legislation or regulation with unlikely litigation or prosecution and/or penalty. • No lasting detrimental effect on the environment • First aid treatment. 	<ul style="list-style-type: none"> • Requires management action within a reasonable time period. • Requires process manager attention. • Timeframe for action is subject to competing priorities and cost/benefit analysis, eg. 9-12 months.
Improvement Opportunity	Matter raised when current processes meet process objectives, however business improvement recommended to increase efficiency and/or effectiveness of the process	<ul style="list-style-type: none"> • Business process more efficient and effective 	<ul style="list-style-type: none"> • Management action not required, management action suggested • Timeframe for action is subject to cost/benefit analysis eg immediate action to within 12 months