

INTERNAL AUDIT REPORT

# CONTRACT MANAGEMENT: MAJOR PROJECT DELIVERY

CITY OF YORK COUNCIL

	Critical	Significant	Moderate	Opportunity
Findings	1	1	2	0
Overall audit opinion	<b>Limited Assurance</b>			

Status: Final

Date Issued: 21 January 2026

Responsible Officer:  
Director of Finance;  
Director of City  
Development

## INTRODUCTION

The council has a wide range of contracts for goods, services, and delivery of works. All contract management activities should help to ensure that objectives and deliverables are achieved while providing value for money. This audit has involved a review of the contract management arrangements in place for three of the council's ongoing major capital projects.

The York Station Gateway scheme is planned to demolish the Queens Street Bridge and reorganise the highway and the public realm at ground level. The project will rationalise the highway layout, reduce congestion and will improve pedestrian (public realm) areas to create a more welcoming gateway to York. These infrastructure improvements will be delivered as a series of separate construction packages or contracts.

The key contracts are as follows for the York Station Gateway project:

- ▲ Package 1 – Enabling Works – Main Statutory utility diversion works;
- ▲ Package 2 – Highways Works – Highway and public realm works in the adoptable highway – procured by the council – The main contractor for this package is John Sisk & Sons (contract start date 9<sup>th</sup> May 2023);
- ▲ Package 3 – Station Works within Network rail (NR) land – delivered by LNER, funded by the council and subject to a legal agreement between the parties - comprising demolitions and modifications to the operational Station buildings including the formation of taxi facilities, short-stay parking and drop off and areas of public realm in front of the station in order to improve the access for vehicles, cyclists and pedestrians;
- ▲ Package 4 – Loop Road works – these provide further highway improvements by creating additional bus stops, bus waiting facilities and the opportunity for buses to turn and return to the correct route, improved access to car park facilities creating a space from existing NR private land to an adoptable highway;
- ▲ Package 5 – Multi-story Car park (MSCP) construction accessed off the Loop Road – Delivered by NR.

The project, which includes all the packages above, had an original a budget of £26m and is due to be completed by early 2027.

The Tadcaster Road scheme involved various road and safety improvements, as well as gas and drainage works, to one of the main access roads into York. This project was completed in March 2024 and was budgeted to cost £6.4m. The main contractor was Jackson Civil Engineering.

The Housing Delivery Programme aims to build 600 new homes in York, with at least 40% of these homes being for social housing or shared ownership. The Programme involves developing five sites across York. The main contractor is Caddick.

## OBJECTIVES AND SCOPE

The purpose of this audit was to provide assurance to management that procedures and controls within the system will ensure that:

- ▲ There is a contract brief which clearly sets out the work required.
- ▲ Meetings are held with the contractor to manage delivery of the project.
- ▲ There is a verification process to confirm that work is completed to the required standard and within timescale.
- ▲ Invoices received are accurate for the work that has been done.

The focus of this audit was on how the main construction contracts for the three projects have been managed. However, in the case of York Station Gateway, we also evaluated officers' review into the circumstances relating to the significant overspend and delays.

## Key Findings

### York Station Gateway

A significant overspend of £18.5m has been identified for this scheme due to a number of reasons that are detailed in the first finding of this report. In order to complete the scheme, the council has had to divert a large amount of funding (£14.5m) from the York Outer Ring Road project and had to obtain the remainder from the York and North Yorkshire Combined Authority.

The potential for a significant overspend was not reported for two years in the project highlight reports that are produced each month to provide updates on major projects. In March 2024, an overspend of £7.5m was then declared in that month's highlight report. Although the package 2 contract has been managed in line with the terms of the contract in relation to holding regular meetings with the contractor and paying invoices, the project does not appear to have been managed as well as it could have been given the size of, and reasons for, the overspend.

The site plans and proposals that were used to develop the project clearly set down the proposed work to be completed. The details of when the work would be completed were not specified clearly. However, the dates the funding from external bodies had to be used by was captured in project reports to the council's Executive.

Regular meetings are held between council officers and the contractor to discuss the progress of the project. Minutes of the operational meetings to discuss the work on site are kept but minutes are not kept for the commercial meetings that discuss financial matters. Meetings are also held between council officers through the York Station Gateway Project Board and the Infrastructure Delivery Board and with the site partners, NR, LNER & WYCA, to discuss the progress of the project. Regular updates are provided to the Executive portfolio holder.

A register is kept that lists compensation events for the project. Compensation event forms should be completed to support entries made on the events register. However, the forms to support the compensation claims on the events register were not made available during the audit with the forms only being presented at a later date when the report was being finalised.

Valuation certificates are being produced to confirm the value of work that had been completed. A sample of invoices was taken to confirm that the amount charged for the York Station Gateway was in line with that agreed in the valuation certificate. The retention amount of 3% was specified in the contract but the retention period was not. However, we were advised that the project will follow the practice of other council projects that re-pay half the retention when the work is

finished, with the remaining half being repaid after another year. There was a small amount of work, 2% of the value of work that was completed (£1.2k), where there was no retention charged to correct potential faults at a later date. No explanation was provided for this.

### **Tadcaster Road**

The contract set down the programme of works that were to be undertaken as part of the Highway Improvement Scheme at Tadcaster Road. The contract also specified the budget and timescale for the project. The information in the contract was based on the project brief completed by a third party design company [REDACTED], following initial work that had been done by the council's Highways Maintenance and Sustainable Transport teams. It was explained to us during the audit that, due to urgent need to start the work, the project brief had not been adequately reviewed. At the time the brief was completed, there was no project board in place to perform a review.

Weekly meetings were held between the council's site supervisor and surveyors, and the contractor's site managers, to discuss financial and operational issues relating to the project. No minutes were made available during the audit. It was not possible to confirm whether minutes of meetings were produced at the time. This is because the project manager had left the council's employment at the time of the audit and the site supervisor was unable to locate minutes or confirm whether they had been produced at the time. Monthly meetings were also held between the council and the contractor's senior managers to discuss the progress being made with the project.

All changes to the project were included as compensation events. Forms need to be completed by the contractor for technical queries and compensation events. The compensation events were signed electronically by the council's site supervisor to confirm whether the technical query should be accepted or not. Meetings took place between council officers and the contractor to discuss material compensation events but records of these meetings have not been maintained. Although a register is kept for both technical queries and compensation events, the register for compensation events only lists them in chronological order with no cumulative total for the additional costs to the project due to the events.

A spreadsheet was maintained that showed the overall costs of the Tadcaster Road project. Valuation notices of work done were issued each month by the contractor. The council then issued a payment certificate to confirm that the council's quantity surveyor agreed with the valuation of work that had been done, and that the work had been completed to the required standard. The contractor then raised an invoice to the value of the work specified in the payment certificate. A sample of months was taken to confirm that invoiced amount was in line with the amount given on both the payment certificate and valuation notice. All amounts matched and the retention payments that were being withheld to correct defects were in line with the contract.

### **Housing Delivery Programme**

Plans for developing sites for housing are drawn up as part of the Housing Delivery Programme. Proposals to develop individual sites are made to the Housing and Asset Delivery Board before being approved by the council's Executive. A review of the site plans at Lowfields and Duncombe Place showed that the site plans gave the number of houses and site plan at each site, with these plans being used by contractors to develop the sites.

A register is kept of compensation events relating to the Housing Development Programme, with reliance being placed on this register rather than individual forms being completed and then authorised for each compensation event.

Monthly meetings take place with the contractor to discuss the progress being made in developing the two sites. Reports are also presented at these meetings by the contractor, providing a detailed update on progress being made and issues that have arisen. The contractor's monthly reports are then passed to the Housing and Asset Delivery Board to update them on progress developing the housing sites. Meeting minutes and reports were available for both the Lowfields and Duncombe Place sites.

A cumulative record of the site development costs are included in a cost report that is produced by the council's quantity surveyors, Turner and Townsend. These allow the costs of developing the housing sites to date to be monitored against the budget. The council also keeps its own record of the value of invoices paid to date on the financial management system. Application for payment certificates are produced by the contractor each month which specify a valuation of the work done each month at each housing site. The valuation and quality of the work is agreed by the quantity surveyors, with a valuation certificate being issued to the contractor so that they can invoice the council for this amount.

A sample of invoices for the Housing Delivery Programme was tested to confirm that the amount paid matched the amounts in the payment certificates and valuation certificates. The contract specifies that 3% of the invoice should be retained to correct defects. The date the retained amount should be re-paid is not specified in the contract. However, testing confirmed that half the retention was paid at the completion of the work, with the other half being re-paid after a year. This follows the council's approach for other capital contracts.

## OVERALL CONCLUSIONS

Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation. Our overall opinion of the controls within the system at the time of the audit was that they provided Limited Assurance.

## 1 York Station Gateway: contractual and project issues

Critical

### Control weakness

Weaknesses in the management of the York Station Gateway contract and the project have resulted in significant overspend and delay.

### What is the risk?

The York Station Gateway has required £18.5m in additional funding to ensure that it could be completed satisfactorily. Further overspends may occur if the project is not managed effectively.

### Findings

A report was presented to the Council’s Executive in July 2025 that stated that the forecast expenditure for the York Station Gateway scheme had increased to £54.7m. It was confirmed that this would require an additional £18.5m of funding to cover the increased costs of the project. £14.5m of the additional funding was obtained by diverting funds from the York Outer Ring Road project, with the rest being provided from York and North Yorkshire Combined Authority funding.

Officers undertook an independent review of the causes of the delays and overspends. We evaluated the outcomes from this review and the key observations can be summarised as follows:

#### Entering the construction contract ‘at risk’

- ▲ The legal agreements with statutory undertakers had not been sufficiently progressed or were not in place prior to the award of the construction contract. [REDACTED]

#### Costs incurred as a result of changes during project delivery

- ▲ Changes were made to the project during the delivery phase which resulted in disruption and associated cost increases. [REDACTED]

#### Accuracy of financial implications in decision reports

- ▲ In August 2024, an officer decision report was published notifying of accepted changes to the [REDACTED]. This report did not explain that the option taken would attract contract prolongation costs which would likely be in excess of £1m.

#### Project governance, and delivery and support capacity

- ▲ During the early stages of the project there was not a project management office (or a sufficiently resourced equivalent) to ensure that a project of this scale and complexity progressed in a controlled manner, according to established methodology.
- ▲ [REDACTED]
- ▲ Contractor accommodation was not secured during the tender phase, prior to the contract award. This led to a delay in starting the contract and to an increase in cost for alternative accommodation.

#### Skills availability and reliance on external expertise

- ▲ Some of the technical issues arising from the project were not well understood or did not have the expertise to be resolved. Examples of this included the inadequate substation provision within the original costings and the delay to removing gas infrastructure from the updated project footprint.
- ▲ [REDACTED]
- ▲ Much of the procurement for consultants on York Station Gateway began before 2019 for a project which had York Central works in scope. While the project team could not have foreseen the extent of the delays, new procurement exercises had to be run to avoid the loss of project knowledge and expertise.

**Management response**

Effective management of large-scale complex construction projects requires a consistent, appropriately experienced, and knowledgeable resource provision both from the contractor and the employer. This should be tied into the strategic management at the council at the highest level, through appropriate project governance structures, and dedicated resources should be of an appropriate scale for each individual project incepted, as well as being flexible, agile and easily scalable to respond to project and programme change.

The council has experienced an exceptional period of change in terms of staffing since the start of the project. [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

There was a crucial period in late 2024 before the impact of these issues were identified. Attempts were made to bring in interim support from external agencies to support the management of the project but due to the impact of the loss of knowledge and expertise at the correct levels this was only ever 'playing catch-up' and working to limit the damage already caused. Further loss of key staff [REDACTED] compounded by the inability to appoint appropriate new staff, due to lack of experience and skills, has led to an inevitable reliance on external agencies.

**Agreed action**

A review will be undertaken against the existing Project Management Office, and project delivery management resource and skills contained within it, in order to produce a gap analysis. This will be undertaken with reference to existing deliverables for the scheme, and the wider planned capital programme.

**Responsible officer:** Director of City Development **Timescale:** 31 March 2026

**Agreed action**

A report will set out recommendations for project management structures from Director level down, following the review of the existing function, leadership, experience, and knowledge. This report will make recommendations on capacity, structure and expertise in relation to the planned capital programme and will include cost implications. It will include recommendations around Construction / Commercial contract management functions and Programme Management Office functions.

**Responsible officer:** Director of City Development **Timescale:** 31 March 2026

**Agreed action**

Project management resources will be restructured and, as there are pockets of excellence that currently exist, opportunities explored to create a supportive network, sharing knowledge more effectively throughout the function rather than within departments and directorates.

**Responsible officer:** Director of City Development

**Timescale:** 31 March 2026

**Agreed action**

As part of the resources review, dedicated Construction/Commercial contract management capacity will be established to oversee Construction Projects, through experienced construction delivery practitioner resource. Consideration will also be given during the recruitment process to replacing a Qualified Quantity Surveyor post within City Development in order to provide specific costing rigour to schemes pre- and post-tender, through the life of the projects, and embedding the managing and recording of compensation events, using a professionally qualified staff resource.

**Responsible officer:** Director of City Development

**Timescale:** 31 March 2026

**Agreed action**

To better retain and grow talent and experience, creation of a career pathway within project management functions will be explored. This will involve a career graded structure, supporting learning through knowledge transfer and upskilling through training (for example, NEC contract and project management) as well as working with others, which should help to avoid the loss of excellent staff due to isolation or lack of career progression.

**Responsible officer:** Director of City Development

**Timescale:** 31 March 2026

**Agreed action**

Once existing resources are of the right size and alignment, a period of recruitment will be undertaken to bring in additional skilled resources where needed across the capital programme.

**Responsible officer:** Director of City Development

**Timescale:** 31 March 2026

**Agreed action**

A report will be prepared setting out proposed improvements to the Programme Management Office processes and function. The report will be commensurate with the complexity and scale of the planned capital programme, integrated with, and driving governance improvements as above, and to be applied consistently across the City Development (and wider as appropriate) Capital Programme.

**Responsible officer:** Director of City Development

**Timescale:** 31 March 2026

**Agreed action**

Training requirements for key staff involved in construction project delivery will be agreed and delivered.

**Responsible officer:** Director of City Development

**Timescale:** 31 March 2026

## 2 Reporting on costs: York Station Gateway

**Significant**

### Control weakness

Delays in reporting significant overspends via project highlight reports.

### What is the risk?

A significant overspend on the York Station Gateway project was not reported promptly which may have led to a delay in dealing with the overspend.

### Findings

Project highlight reports are produced each month and shared with Council Management Team to provide updates on the council's major projects. The York Station Gateway project was first included in the highlight reports in April 2022, with the report stating that the project would be delivered within budget. The only concern referenced at this stage was additional costs that were due to domestic and world events that were beyond the council's control. Further concerns were then raised in June 2022 about the potential impact that inflation and an unstable market would have on the project, but the potential extra costs of these concerns were not given.

In February 2024, the RAG rating for the project was upgraded from amber to red due to a funding gap being identified for package 3. This package relates to the station buildings element of the project and for land acquisitions [REDACTED]. The March 2024 highlight report gave the figure for the overspend as £7.5m across the packages. The reasons for the overspend were later given in the October 2024 report. The report explained that these were due to the impact of inflation, inclusion of land costs, ground conditions, archaeology and unchartered utility services, design changes [REDACTED] and changes to the pre-tender value of station buildings element. The project highlight report mentioned the £18.5m overspend (described in the first finding) for the first time in May 2025. However, the reasons for the overspend had not changed since an overspend was first identified in the October 2024 update report.

This means that the highlight reports did not report any significant overspend for two years before then reporting a significant £7.5m overspend in March 2024, with the RAG rating only being upgraded to red at this stage.

### Management response

The principles of commitment accounting were not initially used in the calculation of the estimated outturn for the Package 2 works or the overall scheme [REDACTED], although this was in place for the contractual elements managed by the cost consultant. The financial elements of the scheme were not being effectively understood or managed at a Project level. This was recognised as a risk by the council's Finance team and a resource was created within the Finance team structure. The impact of the information from the cost consultant was not initially made available to the finance officer appointed and was not well enough understood at a project level to be effectively interpreted because staff lacked the expertise to interpret possible cost impacts of changes and prolongation when forecasting outturn.

At a project level, there was a view that package 2 works were not overspent because the on-going monthly expenditure could be managed within the available funding envelope whilst the impact of compensation events were not fully understood. Eventually, as the available funding was expended, this became more apparent and, following the arrival of new Senior Officers, this error was identified. Officers did try to mitigate the issues when raised, however, complex change requests, causing significant periods of re-design, had led to a contractual programme change that created a change in the risk profile. The impact of significant change on the overall contract programme was not well understood and this led to a lack of clarity when reporting at management level.

Ensuring risks are fully understood, internalised, owned at the correct level, are fully controlled, and being cognisant of commercial sensitivities with a live contract is a function of good project management. Concerns around risks being widely circulated, or made public, has led to a degree of reticence in terms of reporting. A review of the mechanism of risk reporting is necessary to establish what is in the best interests of project delivery and the ownership and management of risk.

#### **Agreed action**

Commercial issues, budget monitoring and funding approval processes will be undertaken by experienced and senior officers at a project level, with support of finance colleagues. Project Management Office processes will be reviewed (per earlier actions related to detailed finding 1) to ensure fitness for purpose and accurate and appropriate corporate financial reporting. Consideration will be given during the recruitment process to establishing a Qualified Quantity Surveyor post within City Development in order to provide specific costing rigour to schemes pre- and post-tender, through the life of the projects.

**Responsible officer:** Director of City Development

**Timescale:** 30 June 2026

#### **Agreed action**

The professional team will be involved in all aspects of the tender evaluation process and will be fully aware of the outcome of commercial elements at financial close, together with any changes that are made to the risk share profile.

**Responsible officer:** Director of City Development

**Timescale:** 31 March 2026

**Agreed action**

RAG ratings will be better expressed to take account of projects being delivered over multiple phases, which will assist to contextualise the position.

**Responsible officer:** Director of City Development

**Timescale:** 30 June 2026

**Agreed action**

The scheme risks must be understood and managed at Director level, and below, by experienced staff who fully understand Construction project management. A Construction/Commercial contract management function will be established, and the Project Management Organisation function will be restructured with process being redesigned to ensure fitness for purpose.

**Responsible officer:** Director of City Development

**Timescale:** 30 April 2026

**Agreed action**

A review will be undertaken of council-wide project management resources, as proposed in response to detailed finding 1 above. This is to ensure that large contracts with complex construction, multiple partners from diverse sectors, and with potentially conflicting priorities are managed with a level of experience and expertise so that swift, decisive decision making and a consistent approach is achieved.

**Responsible officer:** Director of City Development

**Timescale:** 31 March 2026

**Agreed action**

Where there are gaps in expertise or knowledge, a recruitment process will be undertaken to bring in additional skilled resources and commence a training programme for existing staff to improve contract and project management skills.

**Responsible officer:** Director of City Development

**Timescale:** 31 March 2026

### 3 Tadcaster Road project brief

**Moderate****Control weakness**

The design brief for the Tadcaster Road project was not adequately reviewed which meant it had to be changed after work had started.

**What is the risk?**

The project overspent its budget and took longer to complete because the project brief needed to be changed.

**Findings**

Work on the Tadcaster Road project started in January 2023 by following the brief that was prepared by the third party design company [REDACTED]. Until this point, the project had been worked on by the Highways Maintenance and Sustainable Transport teams at the council due to there being two separate funding streams for the project which were being managed by those teams.

The design brief was not adequately reviewed and agreed at a sufficiently senior level or by all relevant internal stakeholders. This contributed to the problems encountered when the work started. For example, there was no mention of how the work would be affected by York Races despite Tadcaster Road being the main road into York for the Knavesmire Racecourse. It also had not adequately considered the impact of subsurface utilities nor the extensive root network of the mature trees which line Tadcaster Road.

The reason provided for the lack of adequate review was the urgent need to start the work at a time that there was not a project board in place to approve it. [REDACTED]

**Management response**

Effective management of large-scale complex construction projects requires a consistent, appropriately experienced, and knowledgeable resource provision both from the contractor and the employer. This should be tied into the strategic management at the council at the highest level, through appropriate project governance structures. Dedicated resources should be of an appropriate scale for each individual project incepted, as well as being flexible, agile and easily scalable to respond to project and programme change.

As with Finding 1 above the council has experienced an exceptional period of change in terms of staffing since the start of the project. [REDACTED]

[REDACTED] At one point, the project was managed by the NEC Project Supervisor, who worked hard to limit the damage the staff changes had on the team.

There was a crucial period in 2023 before the impact of these issues were identified. Attempts were made to bring in interim support from external agencies to support the management of the project but due to the impact of the loss of knowledge and expertise at the correct levels this was only ever 'playing catch-up' and working to limit the damage already caused. [REDACTED]

**Agreed action**

As with detailed finding 1, a review will be undertaken against the existing Project Management Office and project delivery management resource and skills contained within it in order to produce a gap analysis, undertaken with reference to existing deliverables for the scheme, and the wider planned capital programme. Changes will be made to the council's project management framework, giving guidance to project managers on de-risking at the project brief stage which will ensure that correctly qualified project delivery staff can ensure that all due diligence has been performed prior to the tendering process.

**Responsible officer:** Director of City Development **Timescale:** 30 June 2026

**Agreed action**

Once existing resources are of the right size and alignment, a period of recruitment will be undertaken to bring in additional skilled resources where needed. A career pathway will be created within project management functions, with a career graded structure, supporting learning through knowledge transfer and upskilling through training (for example, NEC contract and project management) as well as working with others, which should help to avoid the loss of excellent staff due to isolation or lack of career progression.

**Responsible officer:** Director of City Development **Timescale:** 30 June 2026

## 4 Compensation events

**Moderate****Control weakness**

Compensation event forms were not always being completed or were not available during the audit.

**What is the risk?**

The costs of the project increase because compensation events are not being recorded or authorised appropriately.

**Findings**

Forms should be completed to support compensation events to provide more detail on the claim and to show which council officer authorised or rejected the event being claimed for. However, compensation event forms were not always being completed, were not available during the audit, or recordkeeping was incomplete.

**York Station Gateway**

Five compensation events claim forms were selected from the events register and requested for the York Station Gateway project. The forms were not provided during the audit by the Council's Project Lead Officer, with no explanation being given at the time as to why these were unavailable. The forms were provided at a much later date, only when this report was being finalised.

**Tadcaster Road**

The forms for all compensation events for the Tadcaster Road project were authorised by the council's site supervisor who electronically signed the form to confirm whether the compensation event should be accepted or not. Meetings between officers from the council and the contractor were held to agree large compensation events, such as re-opening Tadcaster Road on days when events were taking place on the Knavesmire, but no formal record was kept of these meetings.

**Housing delivery programme**

Compensation event claim forms were not completed for the Housing Delivery Programme. Instead, reliance was placed on a register listing compensation claims. Although the register gave the value of the compensation event, and whether it was accepted or not, it only gave a brief description of the event. The register does not provide the same level of detail that a compensation event form would provide nor does it evidence the approval obtained.

**Management response**

The NEC project management approach is used for the management of compensation events within the Package 2 project at York Station Gateway by the council's project managers, Turner & Townsend (T&T). The Contractor, T&T and Council Officers have access to the cost management software CEMAR. All compensation events are notified, quantified, challenged, agreed and approved within the CEMAR package. This provides a detailed history and outcome for all compensation events related to the project.

**Agreed action**

A discussion will be held about adopting the NEC approach to managing and recording compensation events, using the NEC approach as a template for project managers to follow. A consistent approach will be taken across the capital programme as far as is practical.

**Responsible officer:** Director of City Development

**Timescale:** 31 March 2026

**Agreed action**

Consideration will be given during the recruitment process to replacing a Qualified Quantity Surveyor post within City Development in order to provide specific costing rigour to schemes pre & post tender, through the life of the projects and embedding the managing and recording compensation events, using a professionally qualified staff resource.

**Responsible officer:** Director of City Development

**Timescale:** 31 July 2026

**Agreed action**

As part of the review of the Construction/Commercial contract management function, a feasibility review will be undertaken on investing in a contract management system. This would require contractors to use the council's system, as well as also containing a range of other features to help with contract management and may be linked to the Project Management Office improvements (see agreed action under detailed finding 1).

**Responsible officer:** Director of City Development

**Timescale:** 31 July 2026

Audit opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit. Our overall audit opinion is based on four grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding ratings

Critical	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Significant	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Moderate	The system objectives are not exposed to significant risk, but the issue merits attention by management.
Opportunity	There is an opportunity for improvement in efficiency or outcomes but the system objectives are not exposed to risk.

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