

AUDITS COMPLETED AND REPORTS ISSUED

The following categories of opinion are used for audit reports.

Opinion	Level of Assurance
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited	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.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Actions to address issues are agreed with managers where weaknesses in control are identified. The following categories are used to classify agreed actions.

<u>Priority</u>	<u>Long Definition</u>	<u>Short Definition – for use in Audit Reports</u>
1 (High)	<p>Action considered both critical and mandatory to protect the organisation from exposure to high or catastrophic risks. For example, death or injury of staff or customers, significant financial loss or major disruption to service continuity.</p> <p>These are fundamental matters relating to factors critical to the success of the area under review or which may impact upon the organisation as a whole. Failure to implement such recommendations may result in material loss or error or have an adverse impact upon the organisation's reputation.</p> <p>Such issues may require the input at Corporate Director/Assistant Director level and may result in significant and immediate action to address the issues raised.</p>	<p>A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.</p>

<u>Priority</u>	<u>Long Definition</u>	<u>Short Definition – for use in Audit Reports</u>
2	<p>Action considered necessary to improve or implement system controls so as to ensure an effective control environment exists to minimise exposure to significant risks such as financial or other loss.</p> <p>Such issues may require the input at Head of Service or senior management level and may result in significantly revised or new controls.</p>	<p>A significant system weakness, whose impact or frequency presents risks to the system objectives, and which needs to be addressed by management.</p>
3	<p>Action considered prudent to improve existing system controls to provide an effective control environment in order to minimise exposure to significant risks such as financial or other loss.</p> <p>Such issues are usually matters that can be implemented through line management action and may result in efficiencies.</p>	<p>The system objectives are not exposed to significant risk, but the issue merits attention by management.</p>

Draft Reports Issued

Seven internal audit reports are currently in draft. These reports are with management for consideration and comments. Once the reports have been finalised, details of the key findings and issues will be reported to this committee.

Final Reports Issued

The table below shows audit reports finalised since the last report to this committee in June 2019. In all cases the actions have been agreed with management, and will be followed up by internal audit when the due date is reached.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Asset Management and Property Services	Reasonable Assurance	0	4	2	A review of the council's asset management strategy and the processes in place to maintain reliable data and maintenance schedules. It found that governance of the strategy could be improved as well as retention of key documentation.
Contract Management – Allerton Park	Substantial Assurance	0	1	0	A review of the contract management arrangements for the waste recovery plant (in partnership with North Yorkshire CC) at Allerton Park. These are generally working well

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					although the agreement between the two councils requires updating.
Council Tax Support & Housing Benefits	High Assurance	0	0	1	A review of key controls and risks in relation to CTS applications and benefits including recovery and overpayments. Systems were generally working well.
Debtors	Substantial Assurance	0	0	4	A review of the systems in place to process debtors invoices and to take action to recover debts. Some minor issues were identified in relation to updating procedures and the timeliness of raising invoices.
Equalities	Reasonable Assurance	0	2	1	A review of the processing of equalities information by maintained schools. It found that schools do not always have appropriate policies in place and corporate guidance could be improved.
Funded Early Education	Substantial Assurance	0	1	2	A regular audit of council-funded nursery providers. It found that improvements could be

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					made at some providers to retain necessary supporting documentation.
GDPR Compliance	Reasonable Assurance	0	9	1	A review of the council's arrangements for ensuring compliance with the GDPR. It highlighted a number of areas for improvement including policies and guidance, training, privacy information and ensuring the completeness of the information asset register.
ICT Asset Management	Substantial Assurance	0	2	1	An audit of the systems in place to manage ICT assets. The main issue identified related to the lack of communication from service areas when assets change ownership.
ICT Governance & Cyber Security	Substantial Assurance	0	1	2	A review of the council's ICT governance framework and approach to cyber security. The audit found that cyber security risks could be more formally documented and considered by senior officers.

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		P1	P2	P3	
Main Accounting System	Substantial Assurance	0	1	1	An audit of the council's main accounting system including control accounts, bank reconciliations, feeder systems and virements. The main issue was that some control accounts were not being reconciled regularly.
Procurement & Contract Management	High Assurance	0	0	1	The audit review compared the council's contract management guidance to Cipfa best practice and the level of compliance with it. No major issues were identified.
Project Management	Reasonable Assurance	0	4	1	A review of the council's corporate arrangements for project management. It found that significant improvements had been made since the last audit but there are still some weaknesses to address including documentation of gateway reviews.
Schools Themed Audit – Budget Management	Substantial Assurance	0	2	3	A review of budget management across a sample of maintained schools. It found that some schools could improve the frequency of their budget monitoring reports and compliance

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					with the timetable for financial returns to the council.
Services to Schools	Substantial Assurance	0	1	3	An audit of the council's systems and procedures for offering traded services to maintained schools. The main issue identified was that contracts for payroll services were not always in place.
Waste Services and Public Realm – Procurement	Substantial Assurance	0	2	2	A review of the procurement of goods and services within waste services and public realm. Generally, formal contracts are in place but some omissions were identified.