

AUDIT REPORTS ISSUED

The table below shows audit reports finalised since the last monitoring report to this committee. In all cases the actions have been agreed with management, and will be followed up by internal audit when the due date is reached. Due to Covid-19 a number of audits issued in draft have not been finalised yet. These are now being finalised and will be reported to this committee.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Ralph Butterfield primary school	Substantial Assurance	0	1	5	A routine audit of financial, operational and governance procedures at the school. Processes were found to be operating well but some issues and areas of improvement were identified.
Danesgate pupil referral unit	Limited Assurance	0	4	7	A routine audit of financial, operational and governance procedures at the school. Significant weaknesses were found across a number of areas, but particularly in relation to financial management and procedures. Actions have been agreed to address the weaknesses and further work will take place during 2020/21 to confirm these have been implemented.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Schools maintenance programme	Substantial Assurance	0	0	2	The audit reviewed the project management arrangements for the schools capital maintenance programme. Systems were found to be working well with no significant issues identified.
Adoption services	Substantial Assurance	0	1	2	The audit reviewed the management arrangements for the regional adoption agency, which is hosted by City of York Council. The audit also provided assurance to other member councils of the agency. Overall, arrangements were working well. The main issue raised was the need for a risk register to be produced and regularly reviewed the agency's management board.
Council Tax & NNDR	Substantial Assurance	0	2	3	This was a review of systems and controls relating to the collection of Council Tax and NNDR. Overall, systems were found to be working well but some issues were identified. The main issues related to the effective management review of discounts, disregards and exemptions and checks on refunds.

The following categories of opinion are used for audit reports.

Opinion	Definition
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

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

Priority	Long Definition	Short Definition (for use in reports)
1	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	A fundamental system weakness, which

Priority	Long Definition	Short Definition (for use in reports)
(High)	<p>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>presents unacceptable risk to the system objectives and requires urgent attention by management.</p>
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>