

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.

Priority

1 (High)

Long Definition

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.

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.

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.

Short Definition – for use in Audit Reports

A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.

Priority

Long Definition

Short Definition – for use in Audit Reports

2

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.

A significant system weakness, whose impact or frequency presents risks to the system objectives, and which needs to be addressed by management.

Such issues may require the input at Head of Service or senior management level and may result in significantly revised or new controls.

3

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.

The system objectives are not exposed to significant risk, but the issue merits attention by management.

Such issues are usually matters that can be implemented through line management action and may result in efficiencies.

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 2018. 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	
Car Parking	Reasonable Assurance	0	1	2	The areas reviewed included income collection and the appeals process for Penalty Charge Notices. The main issue identified related to a lack of reconciliations between the parking and financial systems.
Clean Air Data	High Assurance	0	0	2	The audit reviewed the systems involved in collecting and reporting data on air quality in York. They were found to be working well.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Council Tax & NNDR	Substantial Assurance	0	1	1	This was a review of systems and controls relating to the collection of Council Tax and NNDR. The issues identified included a lack of procedure notes and guidance in relation to refunds.
High Needs SEN	Substantial Assurance	0	2	3	The audit reviewed the formulation of Education, Health and Care Plans (EHCPs), the quality assurance processes and charges for post-16 provision. It was found that there is no ongoing review of charges by the council.
Register of Interests	Reasonable Assurance	0	1	5	This audit reviewed the procedures in place to maintain staff registers of gifts and hospitality along with declarations of interests. It followed-up a previous audit which had provided Limited Assurance - improvements were noted, although further action is still required.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Taxi Licensing	Reasonable Assurance	2	1	2	This audit reviewed a range of areas including suitability checks made on taxi drivers, processing of licences, enforcement, and compliance with policy. It found some significant issues in relation to checks on drivers, although the service has made progress towards addressing this. Other procedures and controls were generally working well, across all of the areas reviewed.
Trading Standards	Substantial Assurance	0	1	3	The audit reviewed the work carried out by the council's trading standards team including the rationale for making interventions and charges for consultancy work. It found that the agreement between the council and North Yorkshire County Council to cover eCrime work is out of date.