

## **Annex 1**

### **2006/07 Audits Completed and Reports Issued**

#### Systems/establishment audits

An overall opinion is given following each audit review. The opinion is based on the following five categories;

<b>Opinion</b>	<b>Assessment of internal control</b>
“High standard”	Few or no weaknesses
“Good”	Some weaknesses, but mostly insignificant
“Acceptable”	A number of weaknesses but mostly insignificant
“Weak”	A number of weaknesses, mostly significant
“Not acceptable”	Major control weaknesses

Recommendations are made where weaknesses in control are identified. The recommendations are prioritised using the following categories;

#### **Definition of Priority**

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| 1 (High) | Action considered necessary to ensure that the Council is not exposed to high or catastrophic risks. For example significant financial loss, death or injury of Council staff or customers, damage to reputation, disruption to a service or continuity of operations. |
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Actions may be considered a high priority if the impact of a potential risk is high, even though its likelihood may be low.

Recommendations that address breaches of legislation or Council policies and procedures may also be rated as a high priority.

2 (Medium) Action considered necessary to avoid exposure or reduce exposure to significant risks. For example financial or other loss.

This will include areas where there are no controls to mitigate significant risks or where amendments are required to ensure that controls are effective and mitigate the risks to an acceptable level.

3 (Low) Action considered necessary to improve controls that are already in place and reasonably effective, although further improvements are required in order to mitigate risks to an acceptable level.

Recommendations that may result in efficiencies or better value for money will also be included in this category.

25 draft reports have been issued and are currently with management for consideration and comments. These reports are categorised as follows;

<b>Opinion</b>	<b>Number</b>
“High standard”	10
“Good”	4
“Acceptable”	3
“Weak”	3
“Not acceptable”	0
“Not given”	5

17 reports have been finalised. In all cases the recommendations made have been accepted by management, and will be subject to follow up by Internal Audit. Details of the finalised reports are summarised below;

Description	Date Final Issued	Opinion	Recommendations		Work done / significant weaknesses / issues identified
			Total number	Number of 'high' priority	
Best Value Performance Indicators / Public Service Agreements	11/9/06	Not given	6	0	The review was undertaken in conjunction with the Audit Commission. 21 BVPI and local indicators were tested by Internal Audit. One of these indicators was found to be based on inaccurate data. Recommendations were made to improve the quality of data input for this indicator in the future.
City Mills Sheltered Housing Scheme	13/12/06	Good	2	0	No significant weaknesses identified.
Honeysuckle House Sheltered Housing Scheme	22/12/06	Good	4	0	No significant weaknesses identified.
Fordlands Road Elderly Persons Home	8/1/07	Acceptable	5	0	There was insufficient segregation of duties when handling residents' money. Controls over the use of the amenity fund also needed to be improved.

Description	Date Final Issued	Opinion	Recommendations		Work done / significant weaknesses / issues identified
			Total number	Number of 'high' priority	
Haxby Hall Elderly Persons Home	5/1/07	Good	3	0	No significant weaknesses identified.
Willow House Elderly Persons Home	13/12/06	Acceptable	6	0	Controls over income receipting and budget monitoring needed to be improved.
Delwood Sheltered Housing Scheme	13/12/06	Good	3	0	No significant weaknesses identified.
Glen Lodge Extra Care Housing Scheme	22/12/06	Good	6	0	The reconciliation of income and controls in respect of budget monitoring needed to be improved.
Supporting People	13/11/06	Acceptable	5	2	Improved controls needed to ensure the accuracy of contract payments. A strategy was also required for underperforming services.
Local Land Charges	27/10/06	High Standard	0	0	No significant weaknesses identified.
Private Finance Initiative (PFI)	8/1/06	High Standard	2	0	No significant weaknesses identified.
Scarcroft Primary	12/9/06	Good	3	0	The school fund needed to be registered

Description	Date Final Issued	Opinion	Recommendations		Work done / significant weaknesses / issues identified
			Total number	Number of 'high' priority	
School					with the Charity Commission and the recording of school fund income needed to be improved.
St Paul's CE Primary School	19/12/06	High Standard	4	0	A register of gifts and hospitality needed to be introduced and the school fund needed to be registered with the Charity Commission.
Licensing	2/8/06	Good	6	0	Controls over the recording and reconciliation of income needed to be improved. The planning of enforcement activity needed to be changed so that resources were targeted to areas of greatest risk.
Registrars	9/1/07	High Standard	0	0	No significant weaknesses identified.
Breaches and Waivers	4/10/06	Not given	N/A	N/A	A review of non compliance with Financial Regulations and EU Procurement legislation. A copy of the report was presented to A&G on 4 October 2006.
Follow up report on the	4/10/06	Not given	N/A	N/A	A review of the progress made by

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			Total number	Number of 'high' priority	
implementation of Internal Audit recommendations.					management to implement previously agreed audit recommendations. A copy of the report was presented to A&G on 4 October 2006.

#### Other Work Completed

- Statement of Internal Control for 2005/06, prepared and published as part of the annual Statement of Accounts
- Report of the Chief Internal Auditor for 2005/06, prepared and presented to A&G on 6 June 2006.
- Data collected and submitted to the Audit Commission as part of the NFI exercise
- Support and advice to Neighbourhood Services regarding the move to the new depot.
- Report prepared for A&G detailing their role in monitoring the implementation of the new Fraud and Corruption Prosecution Policy (presented to A&G on 4/10/06)
- The development of appropriate procedures (in conjunction with staff from Learning, Culture and Children's Services) to enable the introduction of the Financial Management Standard in Schools
- 4 audits undertaken on behalf of the Learning and Skills Council (LSC) – chargeable work
- DTI grant claim audited – chargeable work
- 1 school fund audit completed – chargeable work