

**AUDITS COMPLETED AND REPORTS ISSUED**

The following categories of opinion are used for audit reports.

<b>Opinion</b>	<b>Level of Assurance</b>
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**

**Long Definition**

**Short Definition – for use in Audit Reports**

1 (High)

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.

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

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.

**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**

Fourteen 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 December 2016. In all cases the actions have been agreed with management, and will be followed up by internal audit when the due date is reached.

<b>Audit</b>	<b>Opinion</b>	<b>Agreed actions</b>			<b>Work done / issues identified</b>
		<b>P1</b>	<b>P2</b>	<b>P3</b>	
Access to Key IT Systems	Reasonable Assurance	0	11	4	The audit found that the council generally has good processes in place in relation to four key IT systems. There were some improvements required in relation to password security settings and authorisation of new users. The relatively high number of actions in the report reflects the duplication of issues across each of the four systems reviewed.
All Saints' RC Secondary School	Substantial Assurance	0	0	8	A routine audit of financial, operational and governance procedures at the school. Systems

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
					were generally working well.
Better Care Fund (follow-up)	No Opinion Given	0	0	0	This was a follow-up of actions agreed in a previous audit. It was found that good progress had been made and governance arrangements had improved significantly.
Clifton Green Primary School	Reasonable Assurance	0	0	9	A routine audit of financial, operational and governance procedures at the school. No major issues were identified; however there were a number of improvements that could be made.
Debtors	Substantial Assurance	0	0	1	An audit of the systems in place to raise invoices on behalf of the council. One minor issue in relation to performance analysis was raised.
Digital Services Project Review	Substantial Assurance	0	1	2	This was a review of information received by the Project Board for Digital Services Project. Actions agreed related to the improvement of information recorded in the minutes.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Dringhouses Primary School	High Assurance	0	0	3	A routine audit of financial, operational and governance procedures at the school. Systems were working well.
Elvington CE Primary School	Substantial Assurance	0	0	8	A routine audit of financial, operational and governance procedures at the school. Systems were generally working well.
Free Early Education Funding	Substantial Assurance	0	2	1	An audit of payments made to free early years education. It was found that payments were made accurately and based on valid information. Record keeping and validation checks were not always robust at some providers.
Information Security Sweeps (September)	Reasonable Assurance	0	3	0	This regular audit found that The council remains reasonably well protected against accidental disclosure of information. A number of areas for improvement were identified and these have been fed back to individual service areas.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Learning & Development	Substantial Assurance	0	1	2	An audit of the training courses provided by the council. A wide variety of courses is provided to both internal and external customers, although course registers and evaluation forms were not always completed or retained.
Office Security	Substantial Assurance	0	0	5	An audit of the security arrangements at West Offices. They were found to be operating effectively with some minor issues identified.
Overtime	Reasonable Assurance	0	5	1	<p>A review of overtime arrangements, concentrating on three areas: Public Realm Operations, Building Maintenance and Highways.</p> <p>Issues were found with processes for authorising additional hours and overtime mainly relating to those claims that are submitted via manual timesheets; errors and inconsistencies in the completion of timesheets were also observed</p>

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Payment Card Industry Data Security Standard (PCI DSS) Compliance	No Opinion Given	0	5	0	An initial review to examine the arrangements within the council for ensuring that compliance with the requirements is achieved and maintained. The work identified a number of areas of improvement and progress against these will be reviewed in 2017/18.
Project Management (follow-up)	No Opinion Given	0	0	0	A follow-up of actions agreed in the Project Management report issued in May 2016. The follow-up found that a significant amount of work Had been undertaken to ensure that all of the agreed management actions are now complete.
Right to Buy	Reasonable Assurance	0	1	3	A review of the procedures in place to process Right to Buy applications. They were found to be working well, however the delay in upgrading SX3 means there remains a reliance on human intervention rather than system prompts. Testing found that key documents were not always available.
VAT Accounting	High	0	0	1	A regular audit of controls in relation to VAT.



Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
	Assurance				The audit found that systems were working well with one minor issue identified.
Ward Committee Budget Decision Making	Reasonable Assurance	0	1	3	A review of the procedures in place for administering funding to individual ward committees. A sound framework was found to be in place, however resident engagement was not always satisfactory.
Yearsley Grove Primary School	Substantial Assurance	0	0	5	A routine audit of financial, operational and governance procedures at the school. Systems were generally working well.
York Financial Assistance Scheme	Substantial Assurance	0	0	2	An audit of the procedures in place to provide urgent financial assistance to residents. It found that they were working well, with two minor issues identified.
York High School	High Assurance	0	0	1	A routine audit of financial, operational and governance procedures at the school. Systems were working well.