

**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**

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**

Three 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 2017. 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>	
Blue Badge Scheme	High Assurance	0	0	1	This was a review of procedures surrounding applications for Blue Badges. It was found that the arrangements for managing risk were very good.
Council Tax & NNDR	Substantial Assurance	0	0	2	This was a review of key risks and controls relating to Council Tax and NNDR. It found that the arrangements for managing risk were good with few weaknesses identified.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Disposal of scrap metal (follow-up)	No opinion given	0	0	0	This was a follow up of issues raised in an earlier audit. The review identified that the procedures for collection of scrap metal and receipt of income have improved significantly since the original audit and there are no significant concerns remaining.
Fleet Management	Reasonable Assurance	0	4	0	This was a review of the utilisation of vehicles across the Council. Issues were identified in relation to formalising procedures as well as monitoring of vehicle usage and internal recharges.
Fulford School	High Assurance	0	0	4	A routine audit of financial, operational and governance procedures at the school. Systems were generally working well.
Homelessness – Housing Options	High Assurance	0	0	0	This was a review of applications made to the Housing Options team and the decisions made. It was found that decisions were made robustly with appropriate evidence retained.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Housing Rents	High Assurance	0	0	1	A review of controls and risks relating to housing rents. Effective controls were in place, and only a few minor issues needed to be addressed.
Housing Repairs	Substantial Assurance	0	1	2	A review of the arrangements for housing repairs and maintenance conducted by the council's own teams. Systems were generally working well although one issue was identified in relation to the robustness of savings plans.
Main Accounting System	High Assurance	0	0	3	This was a review of key risks and controls relating to the council's financial accounting system. Controls were found to be working effectively with some minor issues identified.
Schools Themed Audit – Maintained Nurseries	Reasonable Assurance	0	2	4	The audit reviewed a sample of nurseries maintained by the Council to ensure that controls were working effectively in a number of areas, including funding entitlement, eligibility checks and charging policies. The main issues identified related to a lack of budget monitoring at some nurseries and a lack of checks on the

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
					amount of funding received to ensure it is correct.
Section 106 Agreements (follow-up)	No opinion given	0	1	0	This follow-up found that the service has successfully addressed issues of risk which were highlighted by the 2015/16 audit of Section 106 agreements. One further action has been agreed in relation to ensuring sufficient documentation is retained reflecting the full contributions within the final deed.
St Aelred's RC Primary School	Reasonable Assurance	0	1	8	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.
St Oswald's CE Primary School	High Assurance	0	0	2	A routine audit of financial, operational and governance procedures at the school. Systems at the school are operating well in all the areas reviewed.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Use of Social Media	No opinion given	0	0	0	A review was carried out of the draft Social Media policy; it found that it was suitably detailed and was clear on individual guidelines for staff. A recommendation was made in relation to publicising and ensuring staff awareness of the policy once it has been finalised.
Waste Disposal Contract	Substantial Assurance	0	4	3	<p>This audit focussed on assessing the current partnership arrangements and found that they were adequate for the project up to this point in time.</p> <p>The Council now needs to become more actively involved with the project as the construction phase is completed to ensure that the plant can start operating at its full capacity on 1st February 2018.</p>