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.
Moderate	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. 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.	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
2	Action considered necessary to improve or implement system controls so as to ensure an	A significant system weakness, whose impact or frequency presents risks to the system

Priority	Long Definition	Short Definition – for use in Audit Reports
	effective control environment exists to minimise exposure to significant risks such as financial or other loss.

Such issues may require the input at Head of Service or senior management level and may result in significantly revised or new controls. | objectives, and which needs to be addressed by management. |
| 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.

Such issues are usually matters that can be implemented through line management action and may result in efficiencies. | The system objectives are not exposed to significant risk, but the issue merits attention by management. |

Draft Reports Issued

Nine 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. The draft reports are categorised as follows:

Opinion	Number
High Assurance	3
Substantial Assurance	2
Moderate Assurance	3
Limited Assurance	1
No Assurance	0
Not given	0

Final Reports Issued

The table below shows audit reports finalised since the last report to this committee in July 2013. In all cases the recommendations made have been accepted by management, and will be followed up by internal audit.

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
Development Management	14/06/2013	Moderate Assurance	6	0	The key findings of the audit were: Inconsistencies in the categorisation of documents uploaded onto Idox (the planning document management system).

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			Total	Priority 1	
					• Electronic enforcement files did not all contain all the necessary supporting documentation. • No management checks are undertaken to ensure the correct fees are being charged • No reconciliation is currently performed between the fees input on the planning database and the council's finance system. • Monitoring of section 106 agreements is taking place infrequently and monitoring action is not being thoroughly recorded.
Council Tax and NNDR	20/06/2013	High Assurance	2	0	No significant issues identified.
Treasury Management	20/06/2013	High Assurance	0	0	No significant issues identified.
Debtors	20/06/2013	High Assurance	1	0	No significant issues identified.

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
Archbishop of York Junior School	21/06/2013	Substantial Assurance	3	0	A schools audit, no significant weaknesses were identified.
Payroll	03/07/2013	Moderate Assurance	4	0	The payroll system was generally found to be working satisfactorily with payroll documentation being completed, authorised and input accurately onto the iTrent payroll system. Areas of improvement noted during the audit were: • Insufficient detail is sometimes retained to support salary advances made. • Incorrect authorisation procedures were being followed in 2 departments. • The spreadsheet used to record salary overpayments to staff had not been recently updated.
Ordering and Creditor Payments	04/07/2013	Moderate Assurance	5	0	It was found that progress has been made with the levels of compliance with raising purchase orders and the early indications are that the 'No Purchase Order, No Payment' policy will result in further improvements.

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			Total	Priority 1	
					However, problems remain with achieving the efficiencies intended in the P2P system and total numbers of invoices that are processed automatically for payment remain low. Continuous monitoring and improvement action is likely to be needed to fully achieve the objectives of the P2P system.
Naburn Primary School	11/07/2013	High Assurance	3	0	A schools audit, no significant weaknesses were identified.
VAT Accounting	24/07/2013	Substantial Assurance	6	0	While no major weaknesses were identified, improvements were agreed in relation to the monitoring of VAT coding at schools, checking supplier VAT registration numbers, and making better use of standard charge codes when raising debtors invoices.
Tenants Choice	05/08/2013	Moderate Assurance	5	1	Controls were working well in most areas, although a number of issues were identified: • A waiver was not obtained for cost quality split used when the Tenants Choice contracts were tendered.

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			Total	Priority 1	
					• Inaccurate or out of date information was found on the database used to monitor the age and condition of properties. • Specifications for work could be improved to reduce numbers of variation orders • Performance indicators had not been developed to monitor contractor performance.
Recruitment Procedures	16/08/2013	Moderate Assurance	2	0	The retention of documents has improved since the last audit, but some weaknesses remain. There is also a lack of evidence available to document which staff have attended recruitment training courses.
Markets	03/09/2013	No Assurance	8	1	The main concern identified during the audit was that the daily cashing up procedures were weak. No reconciliations are performed to confirm that the money being banked matches the cash collected as per the receipts book. The standard of records maintained is also so poor that it was not possible to perform these reconciliations retrospectively.

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			Total	Priority 1	
					Other weaknesses identified during the audit were: • Improvements were needed to banking and safe procedures. • Insufficient records were maintained of discounts given to traders and the way stalls have been allocated to casual traders. • No reconciliation of invoices raised and income received is performance between the markets database and the council's financial system. • Insufficient record is currently kept of casual trader rent arrears.
Ordnance Lane	03/09/2013	Substantial Assurance	3	0	An establishment audit of the Ordnance Lane hostel. No major weaknesses were identified but some improvements to petty cash procedures and rent arrears monitoring were agreed.
Performance Management	11/09/2013	Moderate Assurance	7	0	The main issues identified were: • A lack of awareness of the council's policy and performance framework, resulting in a lack of

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					consistency in performance management across the council • Explicit links to the council's priorities were not always present in appraisals and personal development plans • Key priorities are not always made explicit and performance information is not always fed back to individual teams.
Scarcroft Primary School	14/10/2013	High Assurance	4	0	A schools audit, no significant weaknesses were identified.
Freedom of Information	16/10/2013	Limited Assurance	7	1	Details of the audit findings were included in the report on FOI brought to Audit and Governance Committee in September 2013.