

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

Sixteen 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 May 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.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
Adult Social Services Contracts	Reasonable Assurance	0	5	1	<p>The audit involved a review of Adult Social Services Contracts, including the contracts register and the documentation of individual contracts. Officers were aware of issues in this area and requested an audit to help them ensure all the weaknesses were identified and appropriate action was taken.</p> <p>Good practice was observed in respect of contract specifications and overall document</p>

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		P1	P2	P3	
					<p>management, contract monitoring and management, approval of variations and ensuring relevant contracts were sealed.</p> <p>A number of breaches to the Contract Procedure Rules were identified. These included contracts being awarded or extended without the requisite level of authorisation and contract award decisions not being recorded on the mod.gov system.</p> <p>Additional findings from the audit were incorporated into actions already being taken to address known weaknesses.</p>
Asset Disposal Policy (review)	No Opinion Given	0	1	2	This was a review of the council's Asset Disposal Policy. No compliance work was undertaken. Whilst the policy was found to be largely in line with the Financial Regulations it was incomplete and lacked clarity.

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		P1	P2	P3	
Concessionary Bus Passes	Reasonable Assurance	0	2	5	<p>The audit examined the issuing of bus passes, the accuracy of data returns and the calculations for reimbursements.</p> <p>An analysis of data returns suggested they are generally reliable and that calculations for reimbursement are accurate. However, the audit found issues with the pass issuing and recording system. There were also concerns regarding a lack of reasonableness checks on data returns.</p>
Council Tax Support and Housing Benefits	High Assurance	0	0	0	The audit reviewed the management controls in place to monitor achievement of system objectives and found that detailed and comprehensive performance information is produced and monitored regularly.
Information Security Checks (March)	Reasonable Assurance	0	3	0	This regular audit found some improvement in the degree to which information is being held securely, since the previous checks in

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
					September 2016. However, some personal and sensitive information was left unsecured at West Offices and Hazel Court with council assets also left unsecured across both sites.
Management of Travellers' Sites	High Assurance	0	0	0	The audit reviewed the council's management of Travellers sites. Policies and procedures were found to be up to date and compliant with relevant legislation, thorough tenant records are held on the Document Management System and a review of repairs data indicated that traveller sites receive the same standard of service as tenants in other forms of social housing.
Payroll (procedure notes)	N/A	-	-	-	Provision of support to help document systems and prepare procedure notes for payroll processes, including pensions and HMRC returns.
Public Health	Reasonable Assurance	0	3	1	This audit continued work carried out in previous Public Health audits. Significant improvements

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		P1	P2	P3	
					were found to have been made since the previous audit with the recruitment of a full time Director of Public Health and other senior officers. However, issues were observed with contract management arrangements, specifically the lack of formal assessment and monitoring, poor quality minutes from supplier meetings and an absence of formal reviews.
School Placement Planning	High Assurance	0	0	0	This audit reviewed the processes for allocating school places and the associated monitoring arrangements. Detailed forecasting information is produced for each Primary and Secondary planning area and the electronic admissions system includes a full audit trail of the admissions process. Action is taken to ensure that places are available for all school age children in the city.
Server Room Security	High Assurance	0	0	0	This was a review of the physical security arrangements at the council's two server rooms.

Audit	Opinion	Agreed actions			Work done / issues identified
		P1	P2	P3	
					The audit found that the server facilities at West Offices are such that the risk of service interruption, unauthorised access, loss or disclosure of data and disruption of operational services is minimal. Backup servers allow for service continuity in the event of a disruption at West Offices.