

**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.
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.

<b><u>Priority</u></b>	<b><u>Long Definition</u></b>	<b><u>Short Definition – for use in Audit Reports</u></b>
1 (High)	<p>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.</p> <p>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.</p> <p>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.</p>	<p>A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.</p>
2	<p>Action considered necessary to improve or implement system controls so as to ensure an</p>	<p>A significant system weakness, whose impact or frequency presents risks to the system</p>

**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.

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**

Seventeen 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:

<b>Opinion</b>	<b>Number</b>
High Assurance	4
Substantial Assurance	8
Moderate Assurance	2
Limited Assurance	2
No Assurance	0
Not given	1

### **Final Reports Issued**

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

<b>Audit</b>	<b>Date Of Final Report</b>	<b>Opinion</b>	<b>Number of Agreed Actions</b>		<b>Work done / significant weaknesses / issues identified</b>
			<b>Total</b>	<b>Priority 1</b>	
Poppleton Ousebank	26/11/2013	Substantial Assurance	4	0	A schools audit. No significant issues identified.

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			Total	Priority 1	
Procurement Cards	27/11/2013	Substantial Assurance	2	0	Significant improvements in record keeping and monitoring of transactions noted since the last audit of Procurement Cards. No major issues identified.
Huntington Secondary School	03/12/2013	High Assurance	3	0	A schools audit. No significant issues identified.
Hempland Primary School	03/12/2013	Substantial Assurance	4	0	A schools audit. No significant issues identified.
Health and Safety	05/12/2013	Moderate Assurance	11	0	This audit covered three separate areas of Health and Safety Management: lone working, management of external contractors and staff use of their own vehicles for work. Whilst none of the issues represented a major control weakness, a number of improvements were required. Issues identified related to improvements needed to risk assessments, document retention and staff training.

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			Total	Priority 1	
Social Care Contract Monitoring	10/12/2013	Substantial Assurance	3	0	This audit specifically looked at the procedures for ensuring external providers of social care services are delivering a quality service in accordance with contractual agreements. Issues identified related to some inconsistent practices for review meetings across different teams.
Carr Junior School	11/12/2013	High Assurance	4	0	A schools audit. No significant issues identified.
Democratic Governance	16/12/2013	Moderate Assurance	8	0	<p>The governance of meetings, including the publication of agendas, reports and minutes within the required timescales seemed to be sound. However, there are a number of weaknesses in the categorisation and recording of decisions. These seem to arise from a lack of clarity and consistency across the council about who can make particular decisions and how they should be published and recorded.</p> <p>Some sections of the modgov website (the site that supports the management of meetings and decision</p>

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					<p>making) are not up-to-date and information is not well presented to the public. A comprehensive review is recommended to improve the clarity of information held and its presentation.</p> <p>Information relating to meetings of some boards of the Local Strategic Partnership is not available publicly.</p> <p>The council seems to have made good use of social media to inform members of the public about its services, actions taken and wider city events. However, it could make improvements in how it seeks to involve people in the democratic process through social media and in being more responsive to members of the public.</p>
Amenity Funds	10/01/2014	Moderate Assurance	7	0	A review of the Amenity Funds operated by two council EPHs. Whilst a number of improvements to record keeping were identified, the audit confirmed that the nature of expenditure was reasonable, receipts were present to support transactions and that amount of cash held balanced to fund records.

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Headlands Primary School	04/02/2014	High Assurance	5	0	A schools audit. No significant issues identified.
Acomb Primary School	05/02/2014	High Assurance	5	0	A schools audit. No significant issues identified.
Debtors	11/02/2014	High Assurance	1	0	No significant issues identified, the one agreed action relates to the production of performance information to enable more detailed monitoring.
CANS and CES – Materials Usage and Disposal	18/02/2014	Moderate Assurance	4	0	A review of the storage, usage and disposal of materials that are surplus to requirements. All actions relate to the sale of scrap metal including putting in place a formal agreement with the scrap merchant, keeping records of each collection or delivery and ensuring that invoices for scrap proceeds are raised promptly.
Budget Savings	24/02/14	Substantial Assurance	3	0	The savings reviewed were found to be well monitored and progress in achieving the savings was regularly reported. It was clear that delivery of agreed savings



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					<p>and identification of potential further savings are key priorities for managers across the council. Budget managers were aware of risks to delivering their savings however there are risks to achieving recurring savings as areas of underperformance are sometimes offset by identifying in year mitigation rather than taking the required long term action.</p> <p>Whilst the two year budget setting process should enable a greater emphasis to be placed on forward planning, this is not yet the case across the organisation. Early planning is not always taking place and many savings still appear to be approached on a year by year basis, with some service areas trying to catch up with unachieved savings from previous years.</p>
Council Tax and NNDR	05/03/2014	High Assurance	2	0	No significant issues identified.
Environment and	06/03/2014	Limited Assurance	3	0	A review of the annual submission to the Environment Agency for the Carbon Reduction Commitment (CRC)

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Sustainability - CRC Certification					<p>Scheme and the procedures for preparing the required information. Weaknesses were identified in three main areas:</p> <ul style="list-style-type: none"> <li>• A number of errors were identified in the draft data to be submitted for the annual report. Changes were made during the course of the audit before the report was submitted.</li> <li>• The council needs to improve its evidence pack in order to comply with the requirements of the scheme and avoid enforcement action being taken.</li> <li>• A number of issues were identified during the course of the audit of both the data and the evidence pack that relate to the overall administration of the scheme. It was found that total reliance is being placed on the internal audit work to ensure the accuracy of the data, rather than any management checks taking place.</li> </ul>
Wigginton Primary School	07/03/2014	Substantial Assurance	9	0	A schools audit. While a number of issues were identified, none represented a significant control

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					weakness.
Information Security Checks	24/03/2014	Moderate Assurance	0	0	<p>Regular Information Security checks have been undertaken at West Offices and Hazel Court to assess the extent to which confidential, personal or sensitive information is stored securely. While significant improvements have been made compared to similar audits carried out in previous years, several examples were found of sensitive documents left out on desks or in unlocked cabinets. In many cases, secure storage was available but was not being used.</p> <p>No specific actions were agreed as the report was issued to the Corporate Information Governance Group to agree and communicate appropriate actions throughout the council. Specific feedback will be given to individual assistant directors and service managers where significant issues were identified. Further checks will be undertaken during 2014/15 to monitor progress.</p>