

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

16 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	Reports
High Assurance	4	Procurement & Contract Management, Council Tax Support & Housing Benefits, Debtors, Rufforth Primary School
Substantial Assurance	4	Housing Rents, Main Accounting System, Burton Green Primary School, St. Lawrence's Primary School
Reasonable Assurance	5	Data Quality, Health & Safety, Information Security, Payroll, Public Health
Limited Assurance	0	
No Assurance	0	
Not given	3	Risk Management, Use of Interims Specialists and Consultants, Safeguarding Children

Final Reports Issued

The table below shows audit reports finalised since the last report to this committee in March 2015. In all cases the recommendations made have been accepted by management, and will be followed up by internal audit.

Audit	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
		Total	Priority 1	
Asset Disposals	High Assurance	0	0	Assets are suitably identified for disposal. Engagement across the council ensures that alternative uses are considered and decisions on disposals are taken at the appropriate level. Land and property disposals include a method statement that is applied uniformly. This includes the retention of documents that provided a sufficient audit trail for the sale.
Clifton with Rawcliffe School	High Assurance	3	0	A schools audit. No significant weaknesses were found.
Copmanthorpe Primary School	High Assurance	2	0	A schools audit. No significant weaknesses were found.

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Fulford School	High Assurance	1	0	A schools audit. No significant weaknesses were found.
Hob Moor Community Primary School	High Assurance	2	0	A schools audit. No significant weaknesses were found.
Osboldwick Primary School	High Assurance	3	0	A schools audit. No significant weaknesses were found.
Treasury Management	High Assurance	0	0	<p>The policy and reporting arrangements were in line with expected standards.</p> <p>The audit found that there is appropriate authorisation and documentation of decisions relating to loans and investments, as well as the reconciliation of records to the financial ledger.</p> <p>Prudential indicators were calculated accurately on the basis of appropriate source data.</p>
VAT Accounting	High Assurance	0	0	The audit found that VAT returns, planning arrangements and charging were effectively and

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				appropriately administered.
Fishergate Primary School	Substantial Assurance	7	0	A schools audit. The control environment was generally effective although a number of areas requiring improvement were identified.
Free Early Years Funding	Substantial Assurance	4	0	Overall, free early education funding is effectively and appropriately administered by the funding team. Weaknesses identified during the course of the audit mainly related to the neglect of central guidance by providers rather than a lack of communication on the part of the council.
Internet, email and lync Misuse	Substantial Assurance	2	0	<p>The council uses effective software to block unacceptable Web content from being viewed. There are a small number of users who have unlimited access because of their roles, and this is well managed. Appropriate logs of users' online activities are retained.</p> <p>However, it was unclear which version of the Electronic Communication Policy is current, and</p>

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				policy reviews and revisions are not recorded.
Safeguarding Adults	Substantial Assurance	4	0	<p>The Safeguarding Adults Board has developed a constitution and memorandum of understanding to ensure that the board and its members comply with the duties placed upon them by the Care Act. An assurance framework has also been developed which is completed by all members.</p> <p>The council has and continues to review and update the Safeguarding Adults Board in response to the developing guidance and information available regarding the requirements of the Care Act. A policy in relation to serious case reviews has also been approved.</p> <p>Development of the working relationships between partner organisations on the board has been undertaken. The council has participated in regional and national programmes and developed the process around Making</p>

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				<p>Safeguarding Personal principles, a key part of the Care Act.</p> <p>The main issue raised in the audit is that the procedures for processing Deprivation of Liberty cases are heavily reliant on manual inputs, including identifying cases due for review.</p>
St Wilfrid's RC Primary School	Substantial Assurance	4	0	A schools audit. The control environment was generally effective although a number of areas requiring improvement were identified.
Cash Handling and Income Management	Reasonable Assurance	7	0	<p>The audit focused on the cash handling arrangements across a number of council services and establishments. The findings for individual areas were summarised in the report.</p> <p>The Transactional Services team have ensured that the correct versions of all policies and procedures remain available to staff at all times. However, there are no cash handling procedures available.</p>

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Cleaning and Facilities Management	Reasonable Assurance	7	0	<p>The audit reviewed the effectiveness of controls in relation to additional hours and overtime.</p> <p>A number of changes in the structure and staffing of the service have taken place since the previous audit was carried out. Since then there has been a significant reduction in the level of expenditure on additional hours and overtime.</p> <p>Improvements however could be made including more proactive monitoring of expenditure on additional hours and overtime and a review of the establishment structure.</p>
Information Security Sweep March 2015	Reasonable Assurance	n/a	n/a	<p>Overall, the council is well protected against accidental disclosure of information. The majority of information is stored in cupboards and most cupboard doors are closed. The clear desk policy is largely adhered to throughout.</p> <p>The detailed findings of the audit will be</p>

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				presented to the Corporate Information Governance Group (CIGG) in order to help identify further actions to be taken at a corporate and directorate level.
Overtime	Limited Assurance	2	1	<p>The purpose of the audit was to identify whether processes in place to manage levels of overtime are robust.</p> <p>Significant amounts of overtime are worked in some service areas. However, the audit found that processes to monitor and control the level of overtime worked were not robust, and there is a lack of good quality management information. In addition to the financial risk, the weaknesses also increase the risk that employees work excessive hours.</p> <p>Actions were agreed with management to improve the monitoring and authorisation of overtime in the service areas affected.</p>

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Children's Social Care Records	No Opinion given	n/a	n/a	<p>The audit involved periodic reviews of the project arrangements for the purchase of a new children's social care IT system. The new system is intended to meet the transformation agenda in children's social care.</p> <p>A number of issues were identified including the assignment of sub-team roles within the project; development of risk registers for the project as a whole; minuting meetings and key decisions; recording actions and monitoring progress against them; and providing key summary information to stakeholders and the project board.</p> <p>Further work is planned for 2015/16 in order to follow up these issues.</p>
Budget Savings	No Opinion given	n/a	n/a	<p>The audit examined a number of savings plans from across the council to ensure that they had been accurately assessed, there were appropriate action plans in place and the risks</p>

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				<p>that might prevent these savings from being achieved were being properly managed. The audit also considered whether equality impact assessments had been included as part of the savings proposal and whether these had been monitored during the year.</p> <p>The council's overall approach was found to be reasonable; one issue was identified and this will be followed up in 2015/16.</p>
Freedom of Information follow-up	No Opinion given	n/a	n/a	<p>This was a follow-up to an internal audit report issued in October 2013 which identified a number of process and control weaknesses.</p> <p>Good progress has been made in relation to the key findings of the previous audit, to the extent that response rates have increased.</p> <p>Performance information is now reported on a monthly basis, and whilst some minor discrepancies were identified, the fact that</p>

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				significant manual intervention is required means this is likely. Further improvements should be made once the reporting functionality of the Respond system is developed.
Street/Place-based Services	No Opinion given	n/a	n/a	<p>A review was carried out to assess the progress being made to consider future options for the delivery of street-based services.</p> <p>A number of issues were identified, and these will be followed up in 2015/16 as part of the ongoing transformation work.</p>