

Annex 2

2008/09 Audits Completed and Reports Issued

Systems/establishment audits

An overall opinion is given following each audit review. The opinion is based on the following five categories;

Opinion	Assessment of internal control
“High standard”	Few or no weaknesses
“Good”	Some weaknesses, but mostly insignificant
“Acceptable”	A number of weaknesses
“Weak”	A number of weaknesses, some significant
“Not acceptable”	Major control weaknesses

Recommendations are made where weaknesses in control are identified. The recommendations are prioritised using the following categories;

Definition of Priority

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| 1 (High) | Action considered necessary to ensure that the Council is not exposed to high or catastrophic risks. For example significant financial loss, death or injury of Council staff or customers, damage to reputation, disruption to a service or continuity of operations. |
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Actions may be considered a high priority if the impact of a potential risk is high, even though its likelihood may be low.

Recommendations that address breaches of legislation or Council policies and procedures may also be rated as a high priority.

2 (Medium) Action considered necessary to avoid exposure or reduce exposure to significant risks. For example financial or other loss.

This will include areas where there are no controls to mitigate significant risks or where amendments are required to ensure that controls are effective and mitigate the risks to an acceptable level.

3 (Low) Action considered necessary to improve controls that are already in place and reasonably effective, although further improvements are required in order to mitigate risks to an acceptable level.

Recommendations that may result in efficiencies or better value for money will also be included in this category.

Draft Reports

27 draft reports have been issued and are currently with management for consideration and comments. These reports are categorised as follows:

Opinion	Number
“High standard”	2
“Good”	12
“Acceptable”	7
“Weak”	4
“Not acceptable”	1

“Not given”

1

The findings from these audits are still being discussed and the actions to be taken being agreed with management and therefore it is not yet appropriate to formally report on the outcomes. However, the following issues from draft reports are felt to be relevant to the Chief Internal Auditor’s Opinion:

- 1) A review of systems for the declaration of employee interests, and acceptance of gifts and hospitality identified that there are weaknesses in procedures, and that records may not be being completed as required.
- 2) There are weaknesses in procedures for accounting for fixed assets – although these are recognised by management and action is being taken to address the issues.

Final Reports

The table below shows audit reports finalised during the year. In all cases the recommendations made have been accepted by management, and will be subject to follow up by Internal Audit. The table includes reports finalised since the last monitoring report to this committee on 13 January 2008.

Description	Date Final Report Issued	Opinion	Recommendations		Work done / significant weaknesses / issues identified
			Total number	Number which are a ‘high’ priority	
St George's RC Primary School	05/11/08	Good	7	0	Recommendations were made to address minor issues.
New Performance Regime (BVPI)	10/12/08	None Given	0	0	A review of systems for producing performance indicators including arrangements for ensuring the accuracy of data.

Description	Date Final Report Issued	Opinion	Recommendations		Work done / significant weaknesses / issues identified
			Total number	Number which are a 'high' priority	
Burnholme Community College	22/12/08	Acceptable	9	0	A number of recommendations were made to address minor issues.
Woodthorpe Primary School	23/12/08	Good	6	0	The status of the breakfast club at the school required clarification. Minor recommendations were made in other areas.
Knavesmire Primary School	23/12/08	Good	5	0	Recommendations were made to address minor issues.
Elvington CE Primary School	23/12/08	High Standard	3	0	No significant weaknesses identified.
Burton Green Infant School	08/01/09	Good	5	0	The governors needed to approve a formal scheme of delegation to the headteacher. Minor recommendations were made in other areas.
Park Grove Primary School	28/01/09	Good	7	0	Recommendations were made to address minor issues.
Robert Wilkinson Primary School	10/02/09	High Standard	3	0	No significant weaknesses identified.

Description	Date Final Report Issued	Opinion	Recommendations		Work done / significant weaknesses / issues identified
			Total number	Number which are a 'high' priority	
Dringhouses Primary School	24/02/09	High Standard	4	0	No significant weaknesses identified.
St Lawrence's CE Primary School	18/03/09	Good	4	0	Recommendations were made to address minor issues.
Budgetary Control	17/04/09	Not Acceptable	0	0	While there are significant weaknesses, the issues are well known and actions to address these have already been agreed following the recent Audit Commission report on financial planning and monitoring.
Skelton Primary School	20/04/09	Good	6	0	Recommendations were made to address minor issues.
LCCS Capital Programme	23/04/09	None Given	0	0	This was a limited review of issues around the building schools for the future programme.
Cashiers	01/05/09	High Standard	1	0	A review of processes and controls for receiving and processing payments and cash handling. No significant concerns were identified.

Description	Date Final Report Issued	Opinion	Recommendations		Work done / significant weaknesses / issues identified
			Total number	Number which are a 'high' priority	
Customer Accounts (Debtors)	05/05/09	Acceptable	3	1	<p>There were weaknesses noted in relation to overall policy and procedures, system reports, and performance management arrangements.</p> <p>High Priority Recommendation: Performance management arrangements for debtors should be put in place as a matter of urgency.</p>
Concessionary Travel	01/06/09	None Given	0	0	The audit reviewed the accuracy of data used to calculate payments to bus companies in relation to concessionary bus passes. No significant weaknesses were identified.
Nursery Education Grants	01/06/09	High Standard	1	0	The purpose of the audit was to ensure that claims for funding submitted by nursery providers were valid.

Other Work Completed during 2008/09

- Completion of work on the shared service initiative culminating in the transfer of internal audit services to Veritau on 1 April 2009
- Coordination of the process for preparing the Annual Governance Statement for 2007/08, and support in preparing the 2008/09 statement
- Review of the effectiveness of Internal Audit completed and reported to A&G on 26 June 2008
- Report of the Chief Internal Auditor for 2007/08 prepared and presented to A&G on 26 June 2008
- Assessment of compliance with the Financial Management Standard in Schools for all York schools
- Annual review of the strategic audit plan and preparation of the annual audit plan
- Internal Audit Mid Term Monitoring Report for A&G (January 2009)
- Preparation of the Counter Fraud and Corruption Policy and update of the Fraud and Corruption Prosecution Policy (presented to A&G on 13 May 2008)
- Ongoing support and advice to departments across the council on control issues, and support in relation to specific projects eg Waste PFI, new financial management system.
- Review of progress made by management to implement previously agreed audit recommendations – reported to A&G in September 2008 and March 2009
- Review of progress made by service departments to address Audit Commission recommendations
- Annual report on non-compliance with Financial Regulations and EU Procurement legislation (breaches and waivers) presented to A&G on 24 September 2008
- Chargeable work including grant claim audits (LAA, Supporting People, DTI grant), North Yorkshire Audit Partnership Internal Audit, report to Museums Trust Audit Committee, certification of LPSA 2 indicators
- Completion of 5 internal investigations in conjunction with the Fraud Team