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 | 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
	and may result in significant and immediate action to address the issues raised.	
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.

Such issues may require the input at Head of Service or senior management level and may result in significantly revised or new controls. | A significant system weakness, whose impact or frequency presents risks to the system 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

7 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"	0
"Limited Assurance"	0
"No Assurance"	0
"Not given"	2

Final Reports Issued

The table below shows audit reports finalised since the last report to this committee in June 2011. 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	
Millthorpe Secondary School	7/6/11	Moderate Assurance	11	0	A school audit. Actions were agreed to improved procedures in a number of areas including the review and authorisation of policies, budgets and purchasing, recruitment checks, inventories, and checks on drivers using the school minibus. None of the issues were individually significant.
Information Security	13/6/11	Substantial Assurance	2	0	The audit looked at procedures for managing access controls to the council network and specific IT systems. Controls were generally good and two actions were agreed to further improve systems.
Performance Management	14/6/11	None Given	NA	NA	This work was undertaken in support of the new arrangements for performance management being developed within the council. It included an assessment of the new framework against the Audit Commission standard of effective performance management.
Disciplinary Procedures	4/7/11	Moderate Assurance	6	0	A review of the council's employee disciplinary arrangements. A comprehensive framework for disciplinary action is in place although a number of areas for development were identified during the audit. Actions agreed

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
					included enhanced procedures for training, the need for post-disciplinary file review to ensure consistency and further clarification of procedures and documentation.
Clifton Green Primary School	12/7/11	High Assurance	5	0	A school audit. No significant issues were identified.
Environment & Sustainability	29/7/11	None Given	NA	NA	An audit of the council's submission for the CRC Energy Efficiency Scheme, and compliance with evidence requirements for the scheme. Assurance was given that the energy consumption figures reported by the council appeared to be fairly stated. Advice was also provided on how to meet evidence requirements.
Council Tax and NNDR	1/8/11	High Assurance	2	0	No significant issues were identified
Badger Hill Primary School	24/8/11	High Assurance	4	0	A school audit. No significant issues were identified.

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
Grants & Adaptations	14/9/11	Substantial Assurance	5	0	A review of systems for managing housing related grants and loans for example Disabled facilities Grants, Empty Property Grants, Decent Home Loans, and Home Safety Loans. The overall arrangements were good. Actions were agreed to improve control in a number of areas including the clarification of eligibility criteria for grants and loans, the correction of errors in recording loans on the local land charges systems, improving record keeping, and the need to review procurement arrangements for minor works.