

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.

A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.

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.

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

Priority

Long Definition

Short Definition – for use in Audit Reports

	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. 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

10 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”	2
“Substantial Assurance”	2
“Moderate Assurance”	1
“Limited Assurance”	1
“No Assurance”	1
“Not given”	3

Final Reports Issued

The table below shows audit reports finalised since the last report to this committee in December 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	
Use of Taxi Contract	28/11/11	None given	N/A	N/A	A review of the use of taxis by officers. Overall, procedures for the use of taxis by staff are not well defined and it is unlikely that the use of taxis represents value for money for the council. The findings of the audit have been passed to managers responsible for the fleet, travel and transport review at the council and will be used to inform wider changes expected to be made as part of that project.
Rufforth Primary School	1/12/11	High Assurance	4	0	A school audit. No significant issues identified.
St George's RC Primary School	1/12/11	High Assurance	5	0	A school audit. No significant issues identified.
St. Mary's CE Primary School	12/12/11	High Assurance	1	0	A school audit. No significant issues identified.
Park Grove Primary School	04/01/12	Substantial Assurance	5	0	A school audit. No significant issues identified.

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
Community Stadium	18/01/12	None Given	N/A	N/A	This review of the project was undertaken at the feasibility stage and considered four main areas: whether the project scope had been set out; procedures in place to monitor against time and budget throughout the project; the identification of project risks and the consultation and decision making structures in place. There were no specific actions required at this stage. Further project related audit work will be undertaken following the outcome of the planning process.
Fishergate Primary School	19/01/12	Substantial Assurance	7	0	A school audit. No significant issues identified.
Charges for Care	26/01/12	Substantial Assurance	9	0	A review of systems in place for making payments to care providers, for undertaking financial assessments and for collecting client contributions. Actions were agreed to address weaknesses in a number of areas including: <ul style="list-style-type: none"> • monitoring and managing returns from providers • monitoring budgets and charges • the security of spreadsheet records.
Burton Green Primary School	02/02/12	Substantial Assurance	6	0	A school audit. No significant issues identified.
Woodthorpe Primary School	16/02/12	Substantial Assurance	4	0	A school audit. No significant issues identified.

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
St. Barnabas' CE Primary School	06/03/12	Substantial Assurance	5	0	A school audit. No significant issues identified.
Transactional Services	13/03/12	High Assurance	0	0	A review of central systems for cashiering and income processing. No significant weaknesses were identified. It was noted that systems will change significantly over the next 12 months and the report recommended a comprehensive review of risks be undertaken in developing new processes.
Contracting for Care	20/03/12	Substantial Assurance	2	0	A review of arrangements for procuring care. No significant issues were identified.
VAT Accounting	20/03/12	Substantial Assurance	3	0	A review of arrangements for accounting for VAT across the council. No significant weaknesses were identified. The agreed actions relate to more efficient use of charge codes to enable less manual intervention in the raising of invoices while still ensuring accuracy in recording VAT.