

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.

<u>Priority</u>	<u>Long Definition</u>	<u>Short Definition – for use in Audit Reports</u>
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

Sixteen 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	5
Moderate Assurance	2
Limited Assurance	0
No Assurance	0
Not given	6

Final Reports Issued

The table below shows audit reports finalised since the last report to this committee in December 2012. 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	
Moving on up Project	03/12/2012	None given	0	0	The main purpose of this audit was to review the project plans for the move to the new West Offices in order to identify any concerns. In particular the migration plan

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
					was analysed in order to identify any issues that could result in a delay to the project completion date. No specific issues were identified and based on the work undertaken there was nothing to indicate that the project was at risk of significant delay.
Milthorpe Secondary School	13/12/2012	Substantial Assurance	9	0	A schools audit. While a number of issues were identified, none represent significant weaknesses.
Staff Registers of Interests and Gifts and Hospitality	04/01/2013	Limited Assurance	5	0	<p>A review of controls in place for recording staff interests and any gifts offered to or received by staff. Key findings include the following.</p> <ul style="list-style-type: none"> • Guidelines issued as a result of a previous audit have not been integrated into the current guidance. • Gifts have been both accepted and authorised against policy, which further reinforces the need for clear and up to date guidelines. There are fairly low levels of gifts and hospitality being recorded overall and no incidents of gifts being refused or returned

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
					<p>which may indicate a failure to understand or follow guidelines.</p> <ul style="list-style-type: none"> As a result of staff restructures and portfolio changes reminders have not been issued in all directorates, hence up to date declarations of interest are not held for some relevant staff. <p>Actions to address these weakness have been agreed with the relevant officers and will be followed up during 2012/14.</p>
St Aelred's RC Primary School	10/01/2013	Substantial Assurance	8	0	A schools audit. No significant issues were identified.
St Oswald's CE Primary School	22/01/2013	High Assurance	4	0	A schools audit. No significant issues were identified.
Corporate Procurement	24/01/2013	Moderate Assurance	5	0	An audit of the work done to date in developing the council's procurement and commissioning strategy. Weaknesses identified include:

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
					<ul style="list-style-type: none"> • a lack of monitoring of compliance with corporate contracts • the absence of a formal procedure for reporting breaches of financial regulations identified by the procurement team • a need to ensure the procurement team liaise with service departments where procurement savings are included in the council's budget proposals.
Marjorie Waite Court Meals Money	25/01/2013	None given	0	0	Following a request from the service manager, a review was undertaken of the procedures in place for recording and monitoring residents' meals money. While no formal actions were agreed, guidance was given and new procedures were agreed with the service manager.
Information Security Checks	29/01/2013	Limited Assurance	0	0	Information security checks were undertaken at various council offices to assess the extent to which confidential, personal or sensitive information is stored securely. Examples were found of sensitive documents

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
					<p>left out on desks or in unlocked cabinets. In many cases, secure storage was available but was not being used.</p> <p>No formal actions were agreed as the report was issued to the Corporate Information Governance Group to agree and communicate appropriate actions throughout the council. Further checks will be undertaken during 2013/14 at Hazel Court and West Offices to monitor progress.</p>
Fulford School	05/02/2013	High Assurance	1	0	A schools audit. No significant issues were identified.
Lakeside Primary School	06/02/2013	Substantial Assurance	7	0	A schools audit, no significant issues were identified.
Yearsley Grove Primary school	18/02/2013	Substantial Assurance	7	0	A schools 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	
Cashiers/ Transactional Services	18/03/2013	High Assurance	0	0	An audit of the cashiers and income management systems at the council. No issues were identified.