

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

3	<p>or senior management level and may result in significantly revised or new controls.</p> <p>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.</p> <p>Such issues are usually matters that can be implemented through line management action and may result in efficiencies.</p>	<p>The system objectives are not exposed to significant risk, but the issue merits attention by management.</p>
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Draft Reports Issued

One internal audit report is currently in draft. This report is with management for consideration and comments. Once the report has been finalised, details of the key findings and issues will be reported to this committee.

Final Reports Issued

The table below shows audit reports finalised since April 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	
Risk Management	06/08/12	High Assurance	1	0	A review of the arrangements in place for the monitoring and management of risks within the Authority. No significant weaknesses were identified and the controls in place are sound.
Insurance	05/09/12	Substantial Assurance	1	0	A review of the operation and management of Insurance. With the new working arrangements associated with the "hub", it was agreed that procedure notes required updating to reflect changes in responsibility.
Industrial Units	13/09/12	Substantial Assurance	2	0	An audit to test the soundness of systems associated with industrial units. The main area for improvement was the need for some clarity over invoice amounts and VAT charges.
Capital Accounting	14/09/12	High Assurance	0	0	A review of the arrangements and controls in place. No areas of concern were identified and as a result of issues raised at the last audit, all property and land has now been registered with the Land Registry.
Treasury Management	26/09/12	High Assurance	0	0	A review to test the soundness of they systems in place associated with treasury management. Controls are effective, processes are sound, and no weaknesses were identified.

Audit	Date Of Final Report	Opinion	Number of Agreed Actions		Work done / significant weaknesses / issues identified
			Total	Priority 1	
Asset Management – Property Maintenance	04/10/12	Substantial Assurance	3	0	An audit for the arrangements in place for asset management / property maintenance. The Asset Management Plan requires some updating and there is room for some improvement around budget monitoring. No major weaknesses were identified.
Canteen	22/11/12	Substantial Assurance	1	0	A review of the controls in place surrounding the operation of the Canteen and associated risks. No significant weaknesses were identified and controls are effective.