

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

One internal audit report is 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.

Opinion	Number
“High Assurance”	0
“Substantial Assurance”	0
“Moderate Assurance”	1
“Limited Assurance”	0
“No Assurance”	0
“Not given”	0

Final Reports Issued

The table below shows audit reports finalised since the last committee. 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	
General Ledger	11 April 2013	High Assurance	1	0	A review of controls and processes in particular with regards to the migration of data to the new financial system. One low priority action was agreed that has now been resolved.
ICT Audit	28 March 2013	High Assurance	0	0	A review of arrangements in place. Particular focus was given to access security, mobile devices, data security and strategies.
Payroll	16 May 2013	Substantial Assurance	1	0	A review of key controls to ensure that the Council can place reliance on the soundness of the systems associated with payroll.
Creditors	16 May 2013	Substantial Assurance	1	0	The audit reviewed risks and controls identified around goods and services ordered, expenditure and budgets, errors and fraud. One action was agreed with regards to user access controls.
Non Domestic Rates & Council Tax	17 May 2013	Moderate Assurance	3	0	A review of controls to ensure that the Council can place reliance on the soundness of its systems. Particular focus was given to hereditaments, collection rates, write offs and reconciliations. A number of actions were agreed in relation to access control, collection rates and void properties.
Income	20 May 2013	Substantial Assurance	4	0	The audit reviewed risks and controls around PCIDSS non compliance, thefts and loss, errors, insurance limits and money laundering. A number of issues were identified resulting in 4 actions being agreed.

Trade Waste	23 May 2013	High Assurance	0	0	Following a period of change to the administration and maintenance of the Councils contracts a review was carried out to review all risks identified. The overall audit opinion was that of High Assurance and no areas of concern were identified.
Recycling Credits	23 May 2013	Moderate Assurance	1	0	At the request of Management, a review of the recycling credit claim process was undertaken. Weaknesses identified were around the recording of weight tickets which could result in financial loss. A new electronic process for capturing the data directly is now being developed to address this.
Debtors	24 May 2013	Substantial Assurance	4	0	A review of the key controls to ensure that the Council can place reliance on the soundness of the systems associated with Sundry Debt and collection. A number of issues were identified and actions have been agreed with management.