



OPTION 1

Internal Audit FINAL REPORT X Service 2007-08

To: Director of Service

For information: Interim Chief Executive
Assistant Chief Executive
Interim Director of Central Services
Head of Division
Service Manager

Date issued: xx xxxxx 2008

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Audit Assurance Opinion	Adequate
Sufficiently robust controls	Yes
Recommendations made	four
Risk Level 4	none
Risk Level 3	none
Risk Level 2	one
Risk Level 1	three

Report Author: xxxx xxxxxxxx
Internal Auditor

Reviewed and Issued By: Sheila Bronson
Audit Manager



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X Service 2007-08

1. Introduction

- 1.1 An audit of X Service has been carried out as part of the 2007-08 audit plan, the previous audit of this service was completed in xxxx 200X.
- 1.2 This audit was assessed as risk level **4/3/2/1** as part of Internal Audit's planning approach

Scope and Objectives of Audit Work

- 1.3 The scope of and the approach to this audit were agreed with the Chief Auditee, xxxx xxxxxxx Head Of Division in the Terms of Reference.
- 1.4 The key areas of possible risk identified at the planning stage of the audit were as follows:
- a) as agreed in Terms of Reference
 - b)
 - c)
 - d)
- 1.5 The methodology stated in the terms of reference document was used to establish and test the controls that management have in place for mitigating or reducing the above risks to an acceptable level.

2. Executive Summary

- 2.1 Taking into account the issues identified in paragraphs 2.2 to 2.X, in our opinion the controls within the service as currently laid down and operated provide **Substantial / Adequate / Limited / Little** assurance that risks material to the achievement of the objectives for this service are managed and controlled

Conclusion on the Adequacy and Application of Controls

- 2.2 Based on the evidence obtained from our testing, we have concluded that the adequacy and application of controls **is/is not** sufficiently robust to provide assurance that the activities and procedures in place will achieve the objectives for the service

Recommendations

- 2.3 We have made **X** recommendations -
- X** risk level 4 matters that are fundamental and require immediate attention and priority action;
 - X** risk level 3 matters that are considered important that should be addressed within twelve months;
 - X** risk level 2 matters that are considered important that should be addressed within twelve months.



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X risk level 1 matters that merit attention and would improve overall control levels

- 2.5 This report has been prepared by exception. Therefore, we have included in Section 3, Findings and Recommendations, only those areas with scope for improvement of controls or examples of lapses in control identified from our testing, and not the outcome of all the audit testing undertaken.
- 2.6 In addition to the findings described in detail in Section 3, we also found the following examples of good practice in the management of risk achieved through the effective design and consistent application of controls:
- Xxxxxx
 - Xxxxxx
 - xxxxxx

Acknowledgement

- 2.7 A number of staff gave their time and co-operation during the course of this review. We would like to record our thanks to all of the individuals concerned.

Audit Assurance Opinion – definitions

2.8

Opinion	Definition
Substantial	Good effective management of risk; no significant recommendations arising. Overall there should be no more than six recommendations of which: none are risk level 4 or 3 recommendations and no more than two are risk level 2 recommendations
Adequate	Sound satisfactory management of risk; identification of some elements of the control framework that merit attention; Marginal identification of deficiencies in the control framework that result in some risks not being managed effectively and must be addressed. Overall there should be no more than ten recommendations of which: no more than one recommendation is at either a risk level 4 or 3 and no more than six are risk level 2 recommendations
Limited	Unsatisfactory identification of deficiencies in the control framework compromising the overall management of risks demanding immediate attention. Overall there should be no more than fourteen recommendations of which: no more than four recommendations are at risk levels 4 and 3 and no more than ten recommendations are at risk level 2
Little	Major controls have failed and/or major errors have been detected. There will be: more than fifteen recommendations or more than four recommendations at risk level 4 and 3 or more than ten recommendations at risk level 2

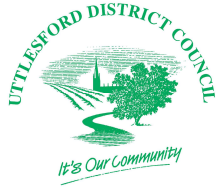


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3. Findings and Recommendations

No	Expected Controls	Test Results and Implications	Recommendations	Risk * 1- 4
3.1				
3.2				
3.3				
3.4				
3.5				

- *
 4. Catastrophic effect - immediate action required. Matters that are considered fundamental that require immediate attention and priority action.
 3. Significant impact – action required. Matters that are considered significant that should be addressed within six months.
 2. Some impact – action necessary. Matters that are considered important that should be addressed within twelve months.
 1. Little or no impact. Matters that merit attention and would improve overall control levels.



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4. Management Action Plan

for completion and return by xx xxxxx 2008

Ref	Recommendation	Risk 1-4	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
3.1						
3.2						
3.3						
3.4						

Agreed _____ (Head of Division) Date ____



OPTION 2

Internal Audit

FINAL REPORT

X Service 2007-08

To: **Director of Service**

For information: Chief Executive
Assistant Chief Executive
Chief Finance Officer
Head of Division
Service Manager

3. Executive Summary

3.1 Introduction

An audit of X Service has been carried out as part of the 2007-08 audit plan, the previous audit of this service was completed in xxxx 200X. The scope of and the approach to this audit were agreed with the Chief Auditee, xxxx xxxxxxxx Head Of Division in the Terms of Reference. Areas covered during the audit are attached at Appendix 1

This audit was assessed as risk level **4/3/2/1** as part of Internal Audit's planning approach

3.2 Findings and recommendations

Detailed findings and recommendations are set out in Appendix 2.

3.3 Conclusion

In our opinion on the basis of the work we have performed, we consider that the controls within the service as currently laid down and operated provide **Substantial / Adequate / Limited / Little** assurance that risks material to the achievement of the objectives for this service are managed and controlled.

1.4 Summary of Risk Level 4 and 3 Matters

There are X risk level 4 matters that are considered fundamental that require immediate attention and priority action and X risk level 3 matters that are considered significant that should be addressed within six months.

Sheila Bronson
Audit Manager
Xx XXXXX 2008



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4. Management Action Plan

for completion and return by xx xxxxx 2008

Appendix 2 Para	Recommendation	Risk 1-4 *	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date

Agreed _____ (Head of Division) Date ____

*

1. Little or no impact. Matters that merit attention and would improve overall control levels.
2. Some impact – action necessary. Matters that are considered important that should be addressed within twelve months.
3. Significant impact – action required. Matters that are considered significant that should be addressed within six months.
4. Catastrophic effect - immediate action required. Matters that are considered fundamental that require immediate attention and priority action.



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Appendix 1

AREAS COVERED DURING THE AUDIT

The key areas of possible risk identified at the planning stage of the audit were as follows:

- a)(as agreed in Terms of Reference)
- b)
- c)
- d)
- e)
- f)
- g)

The methodology stated in the terms of reference document was used to establish and test the controls that management have in place for mitigating or reducing the above risks to an acceptable level.



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Appendix 2

DETAILED FINDINGS AND RECOMMENDATIONS

2004-05 AUDIT

2.1 PREVIOUS RECOMMENDATIONS

The recommendation made at the previous audit has been fully implemented.

2007-08 AUDIT

2.2 AREA OF COMMENT

We are please to report that

2.3 AREA OF COMMENT AND RECOMMENDATION

It is pleasing to note that the however **we therefore recommend that.** etc etc

2.4 AREA OF COMMENT AND RECOMMENDATION

Test during our audit identified..... **we therefore recommend that.** etc etc. .

2.5 AREA OF COMMENT AND RECOMMENDATION

Test during our audit identified..... **we therefore recommend that.** etc etc. .

2.6 AREA OF COMMENT AND RECOMMENDATION

Test during our audit identified..... **we therefore recommend that.** etc etc. .

XXXX XXXXXXXX
Internal Auditor
Xxxxxx 2008



OPTION 3
Internal Audit
FINAL REPORT

X Service 2007-08

To: **Director of Service**

For information: Chief Executive
Assistant Chief Executive
Chief Finance Officer
Head of Division
Service Manager

1. Introduction

An audit of X Service has been carried out as part of the 2008-09 audit plan. Detailed tests have been carried out on the systems of control and the management of risk within this area.

2. Findings and recommendations

The detailed findings and recommendations are set out in the attached appendices. A Management Action Plan is attached and we should be grateful if you would arrange for its completion and return by XX XXXXX 2008. A satisfaction survey has been sent to the Head of Division.

3. Conclusions

Based on the evidence obtained from our testing, we have concluded that the adequacy and application of controls **is/is not** sufficiently robust to provide assurance that the activities and procedures in place will achieve the objectives for the service.

Recommendation have been made concerning xxxxxx, xxxxxx and xxxxx

Sheila Bronson
Audit Manager
XX XXXXX 2008

OPTION 3

IT AUDIT 2007-08

1.1 AREAS COVERED DURING THE AUDIT

The key areas of possible risk identified at the planning stage of the audit were as follows:

- e) as agreed in Terms of Reference
- f)
- g)
- h)

The methodology stated in the terms of reference document was used to establish and test the controls that management have in place for mitigating or reducing the above risks to an acceptable level.

1.2 OVERALL AUDIT OPINION

In our opinion on the basis of the work we have performed, we consider that the controls within the service as currently laid down and operated provide Substantial / Adequate / Limited / Little assurance that risks material to the achievement of the objectives for this service are managed and controlled.

2004-05 AUDIT

1.3 PREVIOUS RECOMMENDATIONS

The recommendation made at the previous audit has been fully implemented.

2007-08 AUDIT

1.4 AREA OF COMMENT

We are please to report that

.

1.5 AREA OF COMMENT AND RECOMMENDATION

It is pleasing to note that the however **we therefore recommend that.** etc etc

1.6 AREA OF COMMENT AND RECOMMENDATION

Test during our audit identified..... **we therefore recommend that.** etc etc. .

Internal Auditor
September 2007



OPTION 3
Internal Audit

MANAGEMENT ACTION PLAN

Audit	IT AUDIT 2007-08
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Appendix Para	Recommendation	Risk * 1- 4	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date

Agreed _____ (Head of Division) Date ____

- *
 4. Catastrophic effect - immediate action required. Matters that are considered fundamental that require immediate attention and priority action.
 3. Significant impact – action required. Matters that are considered significant that should be addressed within six months.
 2. Some impact – action necessary. Matters that are considered important that should be addressed within twelve months.
 1. Little or no impact. Matters that merit attention and would improve overall control levels.