

FUNDAMENTAL SYSTEMS, AUDIT OPINIONS AND RESULTING RECOMMENDATIONS

Report By: Principal Audit Manager

Wards Affected

County-wide

Purpose

To update Members on the Council's Fundamental Systems, the types of Audit Opinion given by Audit Services and the proposed action that will be taken by Audit Services on key (i.e. critical) audit recommendations.

Financial Implications

None

Background

3. The CPA Use of Resources requires the Council to have procedure notes/manuals for the systems identified as being business critical (Fundamental) and that procedure notes/manuals should be updated at least annually.
4. In consultation with the Audit Commission, the Council has currently identified seventeen systems as business critical and these are listed in Appendix 1. All Fundamental Systems are reviewed on an annual basis and the procedure notes updated. To comply with International Standards from 2005/06, all Fundamental Systems will also be flowcharted. This is currently in progress.
5. As part of the audit process, all audit reviews are given an audit opinion ranging from unsound to good. In addition, audit recommendations are ranked in relation to their level of risk. For 2005/06, an additional rank Level 1 Critical has been added. It is intended that all recommendations at this level and the actions taken by management will be reported to the Audit Committee. Definitions relating to each opinion and recommendation level is attached in Appendix 2.

Recommendation

THAT the report is noted, subject to any comments the Committee wishes to make.

BACKGROUND PAPERS

None identified