

Oxfordshire County Council
Internal Audit Services
Annual Report of the Head Of Internal Audit
2010/11

Date Issued: June 2011

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1 INTRODUCTION

1.1 BACKGROUND

1.1.1 The Accounts and Audit Regulations 2003 (as amended 2006) require the Council to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices. Proper practice is defined as the CIPFA Code of Practice for Internal Audit in Local Government 2006 (the Code). In accordance with the Code, the Head of Internal Audit, (Assistant Head of Finance (Audit)), is required to provide a written report to those charged with Governance, timed to support the Annual Governance Statement, which should include an opinion on the overall adequacy and effectiveness of the Council's control environment.

1.2 RESPONSIBILITIES

1.2.1 It is a management responsibility to develop and maintain the internal control framework and to ensure compliance. It is the responsibility of Internal Audit to form an independent opinion on the adequacy of the system of internal control.

1.3 INTERNAL CONTROL ENVIRONMENT

1.3.1 The CIPFA Code defines the control environment as comprising of the Council's systems of governance, risk management and internal control, the key elements of which include:

- Establishing and monitoring the achievement of the organisation's objectives.
- The facilitation of policy and decision-making ensuring compliance with established policies, procedures, laws and regulations – including how risk management is embedded in the activity of the organisation, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their authority and duties.
- Ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- The financial management of the organisation and the reporting of financial management.
- The performance management of the organisation and the reporting of performance management.

1.3.2 In order to form an opinion on the overall adequacy and effectiveness of the control environment the internal audit activity is planned to provide coverage of financial controls, through review of the key financial systems, and internal controls through a range of operational activity both within Directorates and cross cutting, including a review of risk management and

governance arrangements. The Head of Internal Audit's annual statement on the System of Internal Control is considered by the Corporate Governance Assurance Group when preparing the Council's Annual Governance Statement.

1.4 THE AUDIT METHODOLOGY

1.4.1 Internal Audit complies with the CIPFA Code of Practice, and has approved Terms of Reference that set out the objectives and scope of Internal Audit. In accordance with the requirements of the Accounts and Audit Regulations 2011, the Monitoring Officer has carried out a review of the effectiveness of the System of Internal Audit. The scope of the review covered compliance with proper practice (CIPFA Code of Practice for Internal Audit 2006), reporting on performance and outcomes to the Audit Committee, External Auditor's opinion, and a survey of Senior Management on the effectiveness of Internal Audit. In the report to the Audit Committee it was concluded there is acceptable effectiveness with no significant weaknesses identified.

1.4.2 The Internal Audit Strategy and Annual Plan for 2010/11 was agreed by the Assistant Chief Executive & Chief Finance Officer and approved by the Audit Committee in April 2010.

1.4.3 The Internal Audit Plan identified the individual audit assignments. The activity was undertaken using a systematic risk-based approach. The objectives for each activity were determined and risks in the processes that supported that activity were identified and set down in terms of reference that outlined the objectives and scope for each audit. The work was planned and performed so as to obtain all the information and explanations considered necessary to provide sufficient evidence in forming an overall opinion on the adequacy and effectiveness of the internal control framework.

1.4.4 In accordance with the revised Turnbull Guidance (2005), Internal Audit reports provide a conclusion for each of the following, as well as an overall conclusion on the system of internal control:

- The adequacy and effectiveness of the risk assessment process
- The adequacy and effectiveness of the controls designed to manage the risks
- The adequacy and appropriateness of management action designed to remedy any failings or weaknesses in the internal control system
- The adequacy and effectiveness of management assurance processes for monitoring the system of internal control.

A summary of the conclusions for each audit are listed as appendix 1 to this report. The definitions of each conclusion are attached as appendix 4.

1.4.5 To provide quality assurance over the audit output, audit assignments are allocated to staff according to their skills and experience. Each auditor has a designated Audit Manager to perform quality reviews at four stages of

the audit assignment: the terms of reference, file review, draft report and final report stages.

- 1.4.6 In addition to this annual report, we have reported on progress against the planned activity to every Audit Working Group meeting.

1.5 THE AUDIT TEAM

- 1.5.1 During 2010/11 the Internal Audit Service was delivered by an in house team, supported by contracted services for information technology audits and schools audits. The Team also provided services to external organisations, Thames Valley Police Authority and Buckinghamshire County Council. In addition resources to support the delivery of the Audit Plan were procured from Deloitte, primarily to cover vacancies that occurred in the year and maternity leave
- 1.5.2 Throughout the year the Audit Working Group were kept informed of staffing issues and the impact on the delivery of the Plan.

2 OPINION ON SYSTEM OF INTERNAL CONTROL

2.1 BASIS OF THE AUDIT OPINION

- 2.1.1 The 2010/11 Internal Audit Plan has been completed enabling the Assistant Head of Finance (Audit) to provide an objective assessment of whether systems and controls are working properly. In giving an audit opinion, it should be noted that assurance can never be absolute; however, the scope of the audit activity undertaken by the Internal Audit Service is sufficient for reasonable assurance to be placed on their work.
- 2.1.2 A summary of the work undertaken during the year, forming the basis of the audit opinion on the control environment, is shown in appendix 1 to this report.
- In accordance with the strategy to provide a flexible service, the original Audit Plan approved by the Audit Committee in April 2010 has been subject to revision. Material changes have been reported to the Audit Working Group in the routine progress reports that are produced for each meeting.
- 2.1.3 Counter-fraud activity has been undertaken during year, including fraud investigations. The outcomes of these investigations and exposure of the control environment has been taken into account when forming the overall opinion.
- 2.1.4 The programme of school audits and the external assessment process for Financial Management Standards in Schools (FMSiS) continued in 2010/11, until the FMSiS procedure was ended in November 2010; however, the programme of schools audits continued as planned until the end of March. A summary of the outcomes of these audits is included as Appendix 2 to this report.

- 2.1.5 It should be noted that it is not internal audit's responsibility to operate the system of internal control; that is the responsibility of management. Furthermore, it is management's responsibility to determine whether to accept and implement recommendations made by internal audit or, alternatively, to recognise and accept risks resulting from not taking action. If the latter option is taken by management, the Head of Internal Audit would bring this to the attention of the Audit Working Group and Audit Committee.
- 2.1.6 The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.
- 2.1.7 In arriving at our opinion we have taken into account:
- The results of all audits undertaken as part of the 2010/11 audit plan.
 - The results of follow up action taken in respect of previous audits.
 - Whether or not any priority 1 recommendations have not been accepted by management.
 - The affects of any material changes in the Council's objectives or activities.
 - Whether or not any limitations have been placed on the scope of Internal Audit – of which there have been none.

2.2 HEAD OF INTERNAL AUDIT'S OPINION ON THE SYSTEM OF INTERNAL CONTROL

2.2.1 The opinion on the Council's System of Internal Control is that overall it continues to operate satisfactorily; in general the key controls in place are adequate and effective such that reasonable assurance can be placed on the operation of the Council's functions. The opinion demonstrates a good awareness and application of effective internal control necessary to facilitate the achievement of objectives and outcomes.

2.2.2 Whilst this opinion represents a positive outcome for the Council, most audits have resulted in reports identifying areas for improvement which have been well received by Managers. As a result of the audit reports actions to address the identified weaknesses in control have been designed by managers, and evaluated by Internal Audit. The implementation of these actions are tracked by Internal Audit through a continuous follow up process, and actively monitored by Directorate Leadership Teams and the Audit Working Group on a quarterly basis.

In forming this opinion consideration has been given to the four audits that remain at draft report stage (the reports still at draft and the draft conclusions are listed in table 2 of Appendix 1). In all cases of the finalised audits, management action has been agreed and either implemented or currently on going.

2.2.3 The internal audit activity also included a review of key control processes: risk management, governance, and key financial systems. No major issues were identified with our audits of key financial systems. With regard to risk management, issues regarding the governance of the risk management processes being applied in the Directorates have been discussed at the Audit Working Group. This is supported by the evidence from the internal audit activity listed in appendix 1, where for the majority of audits in 2010/11, weakness have been identified in the management of risks within the systems and processes we have reviewed; and further in the programme of governance audits we identified weaknesses in the process of risk management across Directorates.

2.2.4 In addition to the planned audit activity, internal audit has continued to challenge the ongoing development of SAP roles; and integral part of the SAP Governance. The AWG were informed of ongoing issues in March, but subsequently a task group of senior managers has been formed to take ownership of the issues and to resolve them.

2.3 INTERNAL AUDIT PERFORMANCE

2.3.1 The following table shows the performance targets agreed by the Audit Committee and the actual 2010/11 performance.

Measure	Target	Actual Performance
Elapsed time between start of the audit (opening meeting) and the Exit Meeting	Target date agreed for each assignment by the Audit Manager, no more than three times the total audit assignment days	85% of the audits met this target. (last year 55%)
Elapsed time for completion of the audit work (exit meeting) to issue of draft report	15 Days	72% of the audits met this target. (Last year 74%)
Elapsed time between issue of draft report and the issue of the final report	15 Days	56% (Last year 56%)
% of Internal Audit planned activity delivered	100% of the audit plan by end of April 2011	93% of the plan was completed. (last year 89%).
Hours charged to audits compared to budgets	All audits delivered within budget	Not captured for 2010/11
% of priority 1 and 2 recommendations followed up after implementation date.	100% within 3 months of the date of expected implementation	Not specifically measured. Part of routine operations.
% of recommendations	90% of recommendations	2009/10: 85% (Of the

Measure	Target	Actual Performance
implemented within the agreed timescales	implemented	remaining 15%, 12% relate to no longer applicable or carried forward actions). 2010/11: 63% (to date).
Customer satisfaction questionnaire (Audit Assignments)	Average score < 2	1.32 (Last year 1.29).
Directors satisfaction with internal audit work	Satisfactory or above	Achieved – Review of System of Internal Audit
Extent of reliance External Audit can place on Internal Audit	Reliance placed on internal audit work	No adverse comments – achieved

2.3.2 Appendix 1 lists the planned audits, and their outcomes, or an explanation why the audit has not been completed.

2.3.3 There were a number of staffing changes in the year, and an increase in the use of external resources. In addition half way through the year we fundamentally changed the scope of the audit activity to focus on the key control processes, and embarked on a major programme of work, covering all Directorates and the Chief executives Office. In that context overall the level of performance has been good. We have maintained a very high level of customer satisfactions, and crucially retained the support of senior managers who through the annual survey have confirmed they find the Internal Audit Service effective. There remain areas for improvement, and in particular the implementation of management actions remains an administration issue within the team. This should be remedied in 2011/12, as authorisation has just been given to progress the procurement of action tracking software. .

Ian Dyson

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June 2011

APPENDIX 1

SUMMARY OF AUDIT OUTCOMES FOR THE YEAR – COMPLETED AUDITS

	Audit Plan Priority	2010/11 Overall Opinion	Risk Management	Design of Controls	Effectiveness of Controls	Monitoring of Controls	Action Taken
<u>Key Financial Systems</u>							
Payroll	High	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	N/A – No actions
Accounts Payable	High	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable
Accounts Receivable	High	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable
Budget Setting	High	This area was reviewed as part of the Directorate Governance and Financial Management Audits – see summary below.					
Budgetary Control	High	This area was reviewed as part of the Directorate Governance and Financial Management Audits – see summary below.					
Main Accounting / General Ledger	High	Acceptable	Acceptable	Acceptable	Acceptable	Issues	Acceptable
Treasury Management	High	Issues	Acceptable	Acceptable	Issues	Issues	Acceptable
Capital Accounting	High	This audit was removed as last years review was fully Acceptable and the review was not required by the Council's external auditors.					
Pensions Administration	High	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable
Pensions Fund	High	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable
Cash Receipting	Medium	Issues	Acceptable	Acceptable	Issues	Issues	Acceptable
Overtime and Subsistence Claims	Medium	Counter-Fraud Audit – minor issues were identified in relation to documents not being completed in full. However, no fraud was identified.					

	Audit Plan Priority	2010/11 Overall Opinion	Risk Management	Design of Controls	Effectiveness of Controls	Monitoring of Controls	Action Taken
Corporate Core							
Partnerships							
Voluntary Sector Grants and Donations	High	Unacceptable	Unacceptable	Issues	Unacceptable	Unacceptable	Acceptable
Thematic Partnership Arrangement	High	This area was reviewed as part of the Directorate Governance and Financial Management Audits – see summary below.					
Partnership Governance Arrangements	Medium	This area was reviewed as part of the Directorate Governance and Financial Management Audits – see summary below.					
Policy and Performance							
LAA2 Data Quality	High	This audit was not completed as the LAA2 ceased in the year.					
LAA1 Reward Grant	High	This review was completed and assurance was provided on the quality of the data supporting the LAA1 claim. This was a verification audit and therefore an overall opinion was not provided.					
Performance Management	High	This area was deferred until quarter 1 of the 2011/12 plan to be covered as part of the Directorate Governance and Financial Management Audits					
Project Management	High	This area was reviewed as part of the Directorate Governance and Financial Management Audits – see summary below.					
HR & OD							
HR Organisational Management	High	This review was intended to look at the impact of the SAP project, but was reviewed at the planning stage, and considered it was more effective to include under the scope of the key financial system audits where there is the greatest risk.					
Sickness Management	Medium	Issues	Issues	Acceptable	Issues	Issues	Acceptable

	Audit Plan Priority	2010/11 Overall Opinion	Risk Management	Design of Controls	Effectiveness of Controls	Monitoring of Controls	Action Taken
Teachers Pensions Contributions	Medium	Acceptable	Acceptable	Acceptable	Issues	Acceptable	Acceptable
SAP Self Service	High	This review was not completed as SAP Self Service was not implemented.					
<u>Legal & Democratic Services</u>							
Corporate Governance	High	This area was reviewed as part of the Directorate Governance and Financial Management Audits – see summary below.					
Data Protection	Medium	This area was reviewed as part of the Directorate Governance and Financial Management Audits – see summary below.					
Internal Control Checklist verification	High	The Governance Assurance Framework was reviewed in 2010/11, which resulted in the cessation of the Internal Control Self Assessment process. As reported to the Audit Committee, maintaining good governance during the period of significant change the council is going through is a key risk. Internal Audit changed the focus of a substantial part of the Audit Plan to focus specifically on this risk, testing compliance with the key control processes to provide a more robust assurance that the existing self assessment procedure.					
Non-compliance with Contract Procedure Rules	High	Counter-fraud audit - This review commenced in quarter four, and will be completed during 2011/12.					
<u>CYP&F</u>							
Safer Recruitment	High	Unacceptable	Issues	Unacceptable	Issues	Unacceptable	Acceptable
Safer Recruitment – follow up audit	High	Issues	N/A	N/A	N/A	N/A	Acceptable
CYPF	High	Unacceptable	Issues	Unacceptable	Issues	Unacceptable	Acceptable

	Audit Plan Priority	2010/11 Overall Opinion	Risk Management	Design of Controls	Effectiveness of Controls	Monitoring of Controls	Action Taken
Performance Indicators							
Safeguarding / Integrated Children's System	High	This audit was deferred until quarter 1 of the 2011/12 plan.					
Dedicated Schools Grant / CYPF Grants	High	This audit was deleted from the 2010/11 plan and the days reprioritised to completed the audit of Governance and Financial Management in CYP&F.					
Disability Services	High	Issues	Acceptable	Acceptable	Issues	Acceptable	Acceptable
Children's Centres	Medium	Issues	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable
6 th form funding – assurance to the YPLA	High	This audit was deferred until quarter 1 of the 2011/12 plan.					
CYPF Contract Procurement and Contract Management	High	Issues	Acceptable	Issues	Issues	Issues	Acceptable
Contact Point	High	Acceptable	N/A	N/A	N/A	N/A	Acceptable
School Improvement Partners	Medium	This audit was deleted from the 2010/11 plan and the days used to completed the audit of Governance and Financial Management in CYP&F.					
Schools Assurance							
SAP in schools	Medium	Issues	Issues	Issues	Issues	Issues	Acceptable
ICT Audits							

	Audit Plan Priority	2010/11 Overall Opinion	Risk Management	Design of Controls	Effectiveness of Controls	Monitoring of Controls	Action Taken
Disaster Recovery	High	Issues	Acceptable	Issues	Issues	Acceptable	Acceptable
Information Security Management	High	Issues	Issues	Acceptable	Issues	Issues	Acceptable
ICT Management and Operations	High	Issues	Issues	Acceptable	Issues	Unacceptable	Acceptable
SAP Security	High	Issues	Issues	Acceptable	Issues	Issues	Acceptable
Software Asset Management	Medium	Issues	Issues	Unacceptable	Issues	Issues	Acceptable
Windows Active Directory	Medium	Issues	Issues	Issues	Unacceptable	Unacceptable	Acceptable
<u>Social and Community Services</u>							
Transforming Social Care	High	Issues	N/A	N/A	N/A	N/A	N/A
Pooled Budget Management	Medium	As a result of the reduction in staff in the final quarter, we had to reprioritise. Although a major area of spend, this area has been subject to audit review in three previous years so it has been deferred to 2011/12.					
SCS Contract Management	High	Issues	Issues	Issues	Issues	Issues	Acceptable
Client Care Funding	Medium	Audit testing was completed in quarter four. However, due to the need to resolve the issues that have been raised, further testing and work will need to be completed during 2011/12 before overall conclusions can be drawn from the audit.					
SCS Safeguarding	High	Issues	Issues	Issues	Issues	Issues	Acceptable
Extra Care	Medium	Issues	Issues	Issues	Issues	Issues	Acceptable

	Audit Plan Priority	2010/11 Overall Opinion	Risk Management	Design of Controls	Effectiveness of Controls	Monitoring of Controls	Action Taken
Housing Projects							
Aids and Adaptations	Medium	Counter Fraud Audit – Reprioritisation of resources in Q4 resulted in this audit being deferred.					
Continuing Health Care	Medium	Issues	N/A	N/A	N/A	N/A	N/A
Retained Firefighters Payroll	Medium	Issues	N/A	N/A	N/A	N/A	N/A
<u>Environment and Economy</u>							
Restructure Governance Review	High	This audit was replaced by the Governance and Financial Management audit of E&E – see below summary					
Property and Facilities Procurement	High	Issues	Issues	Acceptable	Issues	Issues	Acceptable
Oxfordshire Transport Contract Procurement and Contract Management	High	This audit was replaced with an E&E Contract Management review.					
Oxfordshire Highways Contract	High	Unacceptable	Unacceptable	Unacceptable	Unacceptable	Unacceptable	Acceptable
Waste Management Contract Management	High	Acceptable	N/A	N/A	N/A	N/A	Acceptable

	Audit Plan Priority	2010/11 Overall Opinion	Risk Management	Design of Controls	Effectiveness of Controls	Monitoring of Controls	Action Taken
Energy billing	Medium	This review was not completed.					
E&E Planning System	Medium	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable
Shared Services							
Shared Services Risk Management and Internal Control Framework	Medium	This audit was replaced by the Governance and Financial Management audit of OCS – see below summary					
Fairer Charging	Medium	As the AWG has been closely monitoring the performance of this system throughout 2010/11, the annual audit was cancelled and the resources reprioritised. The audit will be conducted again in 2011/12					
Money Management	Medium	Issues	Issues	Issues	Issues	Issues	Acceptable
Procurement Cards	Medium	Counter Fraud Audit – issues were identified in relation to a lack of compliance with procedures and purchases being made that were not in accordance with the scheme. However, no fraud was identified.					

SUMMARY OF AUDIT OUTCOMES FROM DIRECTORATE AUDITS OF GOVERNANCE & FINANCIAL MANAGEMENT

	CYPF Governance & Financial Management	SCS Governance & Financial Management	OCS Governance & Financial Management	E&E Governance & Financial Management	Chief Executives Office Governance and Financial Management
Overall 2010/11 Conclusion	Issues	Issues	Issues	Issues	Issues
Authority & Governance	Issues	Acceptable	Issues	Issues	Issues
Information Governance	Issues	Issues	Issues	Issues	Issues
Business Continuity	Issues	Acceptable	Acceptable	Acceptable	Issues
Risk Management	Issues	Issues	Acceptable	Issues	Issues
Performance Management	To be tested in qtr 1 2011/12	To be tested in qtr 1 2011/12	To be tested in qtr 1 2011/12	To be tested in qtr 1 2011/12	To be tested in qtr 1 2011/12
Financial Management	Issues	Issues	Acceptable	Issues	Acceptable
Legislation	Issues	Issues	Issues	Issues	Issues
Human Resources	Issues	Issues	To be tested in 2011/12	To be tested in 2011/12	To be tested in 2011/12
Change Management & Project Management	To be tested in 2011/12	Issues	Issues	Issues	To be tested in 2011/12
Partnerships	Acceptable	Acceptable	To be tested in 2011/12	Issues	To be tested in 2011/12

CORPORATE FINDINGS REPORTED AS PART OF THE GOVERNANCE AND FINANCIAL MANAGEMENT AUDITS – SEPARATE REPORTS ISSUED

Authority & Governance	ISSUES	Directorate findings in respect of the schemes of delegation meant that corporate actions were required. These were agreed within this report.
Budget Setting	ISSUES	Directorate findings were summarised and reported before issue of the main directorate reports, to ensure actions could be taken on a timely basis. This report also contained corporate actions
Health & Safety	ISSUES	Directorate findings in our testing in the area of Legislation meant that corporate actions were required. These were agreed within this report.
Information Governance	UNACCEPTABLE	There were corporate issues identified in this area. Actions were agreed within this report.
Risk Management & Project Management	ISSUES	This report summarised the issues identified from directorate testing and the actions agreed with the directorates. It also contained corporate actions which were agreed.

SUMMARY OF AUDIT OUTCOMES FOR THE YEAR – NOT YET FINALISED

	Audit Plan Priority	2009/10 Overall DRAFT Opinion	Risk Management	Design of Controls	Effectiveness of Controls	Monitoring of Controls	Action Taken
<u>Schools Assurance</u>							
Schools Support and Technical	High	Issues	Issues	Acceptable	Issues	Issues	?
<u>Social and Community Services</u>							
Care Purchasing	High	Issues	Acceptable	Acceptable	Issues	Issues	?
Mental Health Follow Up	High	Issues	Acceptable	Acceptable	Issues	Issues	?
<u>Environment and Economy</u>							
E&E Contract Management	High						?

- Schools Support and Technical: Draft report was issued 26 May 2011. Awaiting confirmation of management actions to the issues raised.
- Care Purchasing: Draft report was issued 7 June 2011. Awaiting confirmation of management actions to the issues raised.
- Mental Health Follow Up: Draft report issued 28 March 2011. Awaiting confirmation of management actions to the issues raised.
- E&E Contract Management: Draft report yet to be issued.

Appendix 2 – School Audits 2010/11

Primary, Nursery & Special Schools Internal Audits 2010-11

School name	Overall Conclusion
Slade Nursery	ISSUES
Headington Nursery	
ACE Centre Nursery	ACCEPTABLE
All Saints CE Primary	A
Badgemore Primary	
Longworth Primary	
Shiplake Primary	
Faringdon Infants	
Sacred Heart Primary	
Faringdon Juniors	A
Trinity Primary	
Longfields Nursery & Primary	
Manor School	
Watchfield Primary	
RAF Benson Primary	
Northbourne Primary	
Chalgrove Primary	
John Blandy Primary	
South Moreton Primary	
Stadhampton Primary	
Brookside Primary	
Lewknor Primary	
St Mary's Primary, Chipping Norton	
Harwell Primary	
Longcot & Fernham Primary	
Watlington Primary	
Long Wittenham Primary	
Kings Meadow Primary	
Ashbury with Compton Beauchamp	
Buckland Primary	
Glory Farm Primary and Nursery	
Wood Farm Primary	
Queensway School	
Ewelme Primary	
Landford Village Primary	
Cropredy Primary	
Southwold Primary	
Charlbury Primary	
Five Acres Primary & Nursery	

School name	Overall Conclusion
Finmere Primary	I
Shrivenham Primary	I
St Mary's CE Primary, Banbury	I
Fritwell Primary	I
Stephen Freeman Primary	I
Lydalls Nursery	I
St Joseph's Catholic Primary, Banbury	I
St Edburg's CofE (VA) School	I
Chadlington Primary	A
Hardwick CP School	I
Windmill Primary	I
Frank Wise	I
Chesterton Primary	I
Bardwell	I
Bure Park Primary	I
Great Tew Primary	I
Launton Primary	I
Orchard Fields CP School	I
Bayards Hill Primary	I
Middle Barton Primary	I
Hill View Primary	I
Hook Norton Primary	A
Valley Road Primary	I
Shellingford Primary	I
The Grange School	I
Blewbury Primary	I
Holy Trinity Primary	I
Chilton Primary	I
Oxfordshire Hospital School	I
Kingham Primary	I
Bishop Loveday Primary	I
St Andrews Primary	A
Charlton-on-Otmoor Primary	I
Enstone Primary	I
William Morris School	I
St Francis Primary	I
Great Rollright Primary	A
St John's Catholic Primary	I
Hanwell Fields Primary	I
St Leonards Primary	I
Harriers Ground Primary	I
Hagbourne Primary	I
Fringford Primary	I
Ladygrove Primary	I

Secondary Schools Internal Audits 2010-11

School name	Overall Conclusion
Burford School & Community College	A
The Henry Box School	I
St Birinus School	I
Larkmead School	I

APPENDIX 3

DEFINITION OF CONCLUSIONS

Grading:	ACCEPTABLE	ISSUES	UNACCEPTABLE
Conclusion on:	Wording		
Overall conclusion on the system of internal control being maintained	There is a sound system of internal control in which risks are being managed to acceptable levels	There is generally a sound system of internal control. Risks are being mitigated to acceptable levels, except for the significant risks noted and there is therefore the possibility that some objectives will not be achieved	The system of internal control is generally weak, and the exposure to risk is such that it is probable that objectives will not be, OR are not being achieved. The system is open to the risk of significant error or abuse.
Risks have been identified, evaluated and managed	Thorough processes have been used	Processes have been used, but there are some deficiencies	Inadequate, or no, processes have been used
Internal controls are adequately designed to reduce risks to acceptable levels	There are adequately designed controls to mitigate the risks identified to acceptable levels (although some action may be required).	In general there are adequately designed controls to mitigate the risks identified, except for the significant risks noted in the report.	The design of internal controls is unacceptable as risks are not being mitigated to an acceptable level
Internal controls are operating effectively in reducing risks to acceptable levels	The controls in place are operating effectively, (although some action may be required)	In general the controls in place are operating effectively, except for the significant risks noted in the report.	Generally the controls in place are not operating effectively leaving an unacceptable exposure to significant risks.
The current levels of monitoring are sufficient	No more monitoring is necessary than is done at present	Some additional monitoring is required	Major improvements are required to the monitoring of controls
Action being taken to promptly remedy significant failings or weaknesses	The action being taken will result in all risks being mitigated to acceptable levels	The action being taken will result in only some risks being mitigated to acceptable levels	No action is being taken, OR Insufficient action is being taken to mitigate risks

