# AUDIT BOARD REPORT

**Date of meeting**  
12 September 2018

**Subject Heading**  
Audit Summary reports

**Is this Item for:**  
Information and Discussion

## Summary of issues/key points for discussion

At the completion of each audit, following the issue of the final report, the Audit Board is informed of the outcome of the audit. Where the audit opinion is assessed as Limited, the full report is submitted. Where the audit opinion is assessed as Substantial or Moderate Assurance, a summary report is prepared for the Audit Board’s information and consideration.

This report summarises the following four reviews for which the audit opinion was Substantial or Moderate Assurance.

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<thead>
<tr>
<th>Service</th>
<th>Audit</th>
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<tbody>
<tr>
<td>Exchequer &amp; Transactions (oneSource)</td>
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<tr>
<td>ICT (oneSource)</td>
<td>Data warehouses</td>
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**Officer preparing report**  
Nicole Metivier

**Manager's name**  
Stuart Moore

**Manager's Title**  
Deputy Head of Assurance

**Contact Number and e-mail address**  
02033739783  
nicole.metivier@newham.gov.uk

**Exempt Information**  
No
1 Introduction and Background

1.1 At the completion of each audit, following the issue of the final report, the Audit Board is advised of the outcome of each audit.

1.2 Included in each report is the audit opinion. These are defined as follows:

- **Substantial Assurance** - There is a robust framework of controls and appropriate actions are being taken to manage risks within the areas reviewed. Controls are applied consistently or with minor lapses that do not result in significant risks to the achievement of system objectives.

- **Moderate** - Whilst there is basically a sound system of control within the areas reviewed, weaknesses were identified, and therefore, there is a need to enhance controls and/or their application and to improve the arrangements for managing risks.

- **Limited** - There are fundamental weaknesses in the internal control environment within the areas reviewed, and further action is required to manage risks to an acceptable level.

1.3. Appended to this report are the following four summary reports in respect of audit reviews for which the audit opinion was Substantial or Moderate Assurance.

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## Audit Board
Internal Audit Section – Audit Report Summary

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### Outline of audit review
The audit focused on Accounts Receivable (AR) and concentrated on examining the effectiveness and efficiency of the recovery processes built into 1Oracle.

### Main conclusions
No high priority recommendations were identified during the audit. Three medium priority recommendations were included in the management action plan.

### High Risk Findings
None

### Management Actions
Managers prepared an action plan in response to all recommendations.

### Audit Opinion
Substantial Assurance.

### Assessment of Significance of Audit
Newham Council has a legal duty to ensure cost effective billing, collection and recovery of all sums due, through raising charges for a wide range of services provided, as well as collecting local taxes.

### Further Action by the Audit Board
No further action is recommended at this time.
Audit Board
Internal Audit Section – Audit Report Summary

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Outline of audit review
The objective of the audit was to provide an independent and objective opinion on the degree to which oneSource manages and mitigates the risks associated with the data warehouse in respect of its confidentiality, integrity and availability.

Main conclusions
No high priority recommendations were identified during the audit. Five medium priority recommendations were included in the management action plan.

High Risk Findings
None.

Management Actions
Managers prepared an action plan in response to all recommendations.

Audit Opinion
Substantial Assurance

Assessment of Significance of Audit
The data warehouse was developed in 2013, primarily in response to a requirement to identify housing tenure. This was expanded to encompass the needs of the Private Sector Landlord Licencing project. In late 2014, Strategic Policy & Research became major consumers of the data, and helped to expand the scope from the initial property bias towards person/citizens, leading to the development of a Single Person View, as well as a number of probabilistic modelling projects.

Further Action by the Audit Board
No further action is recommended at this time.
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**Outline of audit review**
As part of the Internal Audit Plan, we have a commitment to conduct follow ups of our previous audit reports, where relevant. This follow up assesses the actions taken to implement recommendations arising from an audit of North Beckton Primary in January 2017. In the original report, it was Audit’s opinion that there was Limited Assurance.

**Main conclusions**
Fourteen recommendations were followed-up from the previous audit report. Eleven were fully implemented; two medium priority recommendations were partly implemented and one, which was high priority, was not implemented. The latter related to the security marking of assets and this is to be addressed during the summer holidays.

**Revised Audit Opinion**
Substantial Assurance.

**Assessment of Significance of Audit**
Poor governance and an inadequate financial control environment may lead to the ineffective deployment of resources.

**Further Action by the Audit Board**
No further action is recommended at this time.
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**Outline of audit review**
The review looked at how the Governing Body and staff of St Stephen’s Nursery have exercised their powers and duties regarding compliance with policies, procedures and guidelines that are in place to safeguard assets and maintain effective stewardship of public funds.

**Main conclusions**
The review identified that there are a number of appropriate controls in place to address the risks associated with financial management; however, areas for improvement were identified.

**High Risk Findings**
No high risk findings were identified.

**School’s Actions**
The school prepared an action plan in response to all recommendations.

**Audit Opinion**
Substantial Assurance.

**Assessment of Significance of Audit**
Poor governance and an inadequate financial control environment may lead to the ineffective deployment of resources.

**Further Action by the Audit Board**
No further action is recommended at this time.