

Regulatory and Audit Committee

Title:	Chief Executive's Commentary on the Chief Internal Auditor's Annual Report 2013/14
Date:	25 June 2014
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Electoral divisions affected:	All

Summary

This report responds to matters raised by the Chief Internal Auditor in his Annual Report for 2013/14

Recommendation

The Regulatory and Audit Committee is asked to note the report

The Audit and Risk Management Service's Annual Report is an important management report for the organisation providing an assurance on the Council's system of internal control. A wide range of views and reports are taken into account when arriving at the audit opinion and when planning the internal audit quarterly work plan, including our own risk analysis. There continues to be good engagement with COMT and Service Directors by the Audit and Risk Management Team; and they are playing an important role in the design of the Governance Framework, including the risk management strategy, system of control and process of assurance for the Future Shape Programme. The organisation has progressed in the last year in developing its understanding and awareness of risk. This is key if we are to identify and maximise real opportunities for delivering the best outcomes for our communities. Through the support of the Audit and Risk Management Team, our risk awareness will continue to improve, and we will be better informed enabling more risk taking, and effective risk management. The Chief Internal Auditor and the Risk Manager are strong advocates of this approach, which is important for a progressive organisation. In this time of continuous change and financial pressures it is more important than ever that we continue to have an effective risk and assurance function that helps to underpin a culture of strong governance, which is the foundation on which organisations can prosper.



INVESTOR IN PEOPLE



I am pleased to read that the Chief Internal Auditor continues to find that 'Buckinghamshire County Council's system of internal control continues to 'facilitate the effective exercise of the Council's functions and provides a **reasonable** assurance regarding the effective, efficient and economic exercise of the Council's functions.' I note the comment made regarding capacity and the need to continue to support the key control projects. Capacity and skills is something that my Corporate Management Team regularly discusses and reviews. I was very pleased to note the improvement in the outcome of the Payroll Audit this year, having been a limited assurance in 2012/13. There are seven reports issued with an opinion of "limited" assurance this year, including four in fundamental areas. I am aware that the Committee has received regular updates on the improvements to the management of the Amey Contract, and has been engaged in the reviews that have been completed in respect of the Highways Contract, including the current strategic review. The audit opinion on the two management audits of both Childrens and Adults safeguarding was disappointing, but at the time of the audit fieldwork, additional management resources were being introduced to help provide capacity for the services. In the case of the Children's service, the audit report was delayed, and the findings were based on the fieldwork completed during Q3 and into January. As a result, in May I commissioned a follow up audit, as I wanted assurance that management are now on top of the issues raised. I was assured by the initial findings from that follow up that actions have been taken and new practices are in place. I will expect a second follow up later in the year across both services to confirm the actions are working effectively.

I note the increase in detected and prevented fraud, and fully endorse the approach adopted by the S151 Officer and the CIA is raising awareness and promoting vigilance and control. Whilst there is an increase in the instances reported, overall it remains low, in the context of the national picture where there is an increase in fraud within the public sector; however I am cautiously assured but not complacent that we are managing the risk of fraud. I am though pleased to note that in his Internal Audit Strategy and Plan for 14/15 the CIA is highlighting financial management as a key area for audit.

Resource implications

There are no significant additional resource implications relating to the implementation of the recommendations arising from the Audit Report.

Legal implications

None

Other implications/issues

Not applicable

Background Papers

Audit & Risk Management Service Annual Report of the Chief Internal Auditor 2013/14
Audit & Risk Management Strategy 2014/15
