



Chiltern District Council

**Internal Audit Annual Report
2016/17**

Internal Audit Annual Report

INTRODUCTION

This is the 2016/17 Annual Report by TIAA on the internal control environment at Chiltern District Council. The annual internal audit report summaries the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control. This report is designed to assist the Council in making its annual governance statement.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of Chiltern District Council's risk management, control and governance processes. In my opinion, Chiltern District Council has adequate and effective management, control and governance processes in place to manage the achievement of their objectives.

INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT

The 2016/17 Annual Audit Plan approved by the Audit and Standards Committee was for 340 days (this includes South Bucks Council) of internal audit coverage in the year. During the year there were 4 changes to the Audit Plan and these changes were agreed by the Audit and Standards Committee.

All the planned work has been carried out and the reports have been issued (Annex A).

The following audits were carried out which was in addition to the work set out in the Annual Audit Plan:

- Purchasing Cards
- Treasury Management Practices
- Expenses

- Health & Safety (Contractor Arrangements)

ASSURANCE

TIAA carried out 26 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve the Council's objectives. We also carried out 2 reviews that did not generate an assurance due to being advisory audits. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex A and a summary is set out below.

Assurance Assessments	Number of Reviews	Previous Year
Substantial Assurance	16	13
Reasonable Assurance	10	11
Limited Assurance	0	0
No Assurance	0	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2016/17.

Urgent	Important	Routine
0	21	38

AUDIT SUMMARY

Control weaknesses: There were no areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'.

Recommendations Made: We have analysed our findings/recommendations by risk area and these are summarised below.

Risk Area	Urgent	Important	Routine
Directed	0	4	9
Compliance	0	14	25
Operational	0	3	4
Reputational	0	0	0

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

Operational
21

INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

PERFORMANCE AND QUALITY ASSURANCE

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	100%
Audits Completed in Time Allocation	100%	100%
Final report issued within 10 working days of receipt of responses	95%	95%
Compliance with Public Sector Internal Audit Standards	100%	100%

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2016 and in particular to meet the requirement of an independent 5 year review, the outcome confirmed full compliance with all the standards. Our work also complies with the IIA-UK Professional Standards.

RELEASE OF REPORT

The table below sets out the history of this Annual Report.

Date report issued:	5 th June 2017
Date revised report issued:	23 rd June 2017

Actual against planned Internal Audit Work 2016/17

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Governance	Assurance	9	9		
Procurement	Assurance	8	8		
Counter Fraud	Assurance	8	8		
Complaints and Compliments	Assurance	6	-		Cancelled
Performance Management/Efficient Working	Assurance	10	10		Report at draft stage
Information Governance/Data Quality	Assurance	9	9		
Main Accounting	Assurance	8	8		
Payroll	Assurance	13	10		
Debtors	Assurance	10	10		
Creditors	Assurance	10	10		
Council Tax Support	Assurance	10	10		
Council Tax and NDR	Assurance	20	20		
Cash and Bank	Assurance	9	9		
Treasury Management Practices	Assurance	-	4		Additional Review
Budgetary Control	Assurance	8	8		
Expenses		-	8		Additional Review
Mobile/Agile Working	ICT	10	10		Report at draft stage
Information Risk Management	ICT	10	10		Report at draft stage
Network Project Implementation	ICT	10	10		Report at draft stage
Controls over access to the internet	Assurance	6	6		
Risk Management Assistance	Assurance	10	10		No report generated

Environmental Health	Assurance	10	10		
Licensing	Assurance	10	10		
Health and Safety – contractor arrangements	Assurance	-	5		Additional Review - Report at draft stage
Health and Safety – internal arrangements	Assurance	8	8		
Disabled Facilities Grants	Regulatory	5	5		
Housing DECC Grants – energy efficiency	Regulatory	10	20		
Leisure Contracts	Assurance	8	8		Report at draft stage
Waste – Joint service Chiltern and Wycombe	Assurance	8	-		Cancelled
Car Parking	Assurance	11	11		
Property and Asset Management	Assurance	8	8		
Individual Electoral Registration	Assurance	8	-		Cancelled
Absence Management	Assurance	8	-		Cancelled
Recruitment	Assurance	8	-		Cancelled
Annual Internal Audit	Assurance	5	5		
New Administration System	Assurance	5	5		
Follow Up		10	10		Work in progress – reviewing the 16/17 recommendations
Annual Assurance Report		2	2		
Audit Management		32	22		
Purchasing cards		-	11		Additional Review
	Total Days	340	317		