



Chiltern District Council

**Internal Audit Annual Assurance Report
2017/18**

Internal Audit Annual Report

INTRODUCTION

This is the 2017/18 Annual Assurance Report by TIAA on the internal control environment at Chiltern District Council. The annual internal audit report summarises 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 2017/18 Annual Audit Plan approved by the Audit and Standards Committee was for 340 days (combined with South Bucks DC) of internal audit coverage in the year. During the year there were 5 additions and 4 deletions to the Audit Plan and these changes were approved by the Audit and Standards Committee.

The majority of the planned work has been carried out and final reports have been issued (Annex A).

There were a number of audits carried out which were in addition to the work set out in the Annual Audit Plan which were reported to the Committee.

ASSURANCE

TIAA have carried out, or in the process of carrying out some 35 reviews, (of which 23 are finalised) 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. 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	16
Reasonable Assurance	6	10
Limited Assurance	1	-
No Assurance	-	-

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 which has reached final report stage in 2017/18.

Urgent	Important	Routine
1	18	31

AUDIT SUMMARY

Control weaknesses: There were one area reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'. Recommendations were made to further strengthen the control environment in this area and the management responses indicated that the recommendations had been accepted.

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
9

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%	TBA%
Audits Completed in Time Allocation	100%	TBA%
Final report issued within 10 working days of receipt of responses	95%	TBA%
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 five 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:	February 2018
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Annexes

Annex A

Actual against planned Internal Audit Work 2017/18

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Governance – Gifts and Hospitality	Assurance	8	8	Reasonable	
Disabled Facilities Grants	Grant	5	5	Substantial	
Cemeteries	Assurance	8	8		Draft report issued
HR - Harmonised Policies and Procedures	Assurance	8	8	Substantial	
HR - iTrent Payroll System (HR Module)	Assurance	6	6	Substantial	
Crematorium - Annual Internal Audit	Assurance	5	6	Reasonable	
Expenses	Assurance	8	8	Substantial	
Ground Maintenance	Assurance	8	8		Draft report issued
Risk Management	Assurance	8	0	-	Cancelled
Complaints and Compliments	Assurance	6	6	Substantial	
Temporary Accommodation	Assurance	9	18	Reasonable	Additional areas to audit at the request of South Bucks Council Members
HR - Absence Management	Assurance	8	0	-	Cancelled
Purchase Cards	Assurance	8	8	Reasonable	
HR - Recruitment	Assurance	8	8	Substantial	
Main Accounting	Assurance	7	7	Substantial	
Payroll	Assurance	12	12	Reasonable	
Accounts Receivable (Debtors)	Assurance	9	9	Substantial	

Accounts Payable (Creditors)	Assurance	9	9	Substantial	
Contracts and Procurement	Assurance	10	10	Substantial	
Information Governance/Data Quality	Assurance	8	0	-	Cancelled
Data Protection	Assurance	8	8		In progress
Business Continuity	Assurance	7	0	-	Cancelled
Emergency Planning	Assurance	6	6	Substantial	
Benefits	Assurance	13	13	Substantial	
Council Tax Support	Assurance	13	13	Substantial	
Council Tax	Assurance	10	11.5	Substantial	
NDR	Assurance	10	11.5	Substantial	
Cash and Bank	Assurance	8	8		Draft report issued
Treasury Management	Assurance	8	8		Draft report issued
ICT – Network Controls	Assurance	7	7		Draft report issued
ICT - Telecomms	Assurance	7	7		In progress
ICT – Mobile/Agile Working	Assurance	7	7		In progress
ICT – Information and Data Storage	Assurance	3	3		In progress
Waste Services (Chiltern, Wycombe and South Bucks)	Assurance	11	11		In progress
Waste Services (Health and Safety)	Assurance	0	15	Limited	New audit
Waste Services (H & S) – Follow up	Follow up	0	4		Late February 2018 start
Car Parking	Assurance	7	7		Late February 2018 start
Commercial Rents/Debt Recovery	Assurance	8	8	Substantial	
Crematorium - New Administration System	Assurance	5	5	Reasonable	
Follow up	Follow up	10	10		April/May 2018

Risk Management Assistance	Assistance	10	15		Assistance no report including training
Management time		24	24		
	Total Days	340	346		