



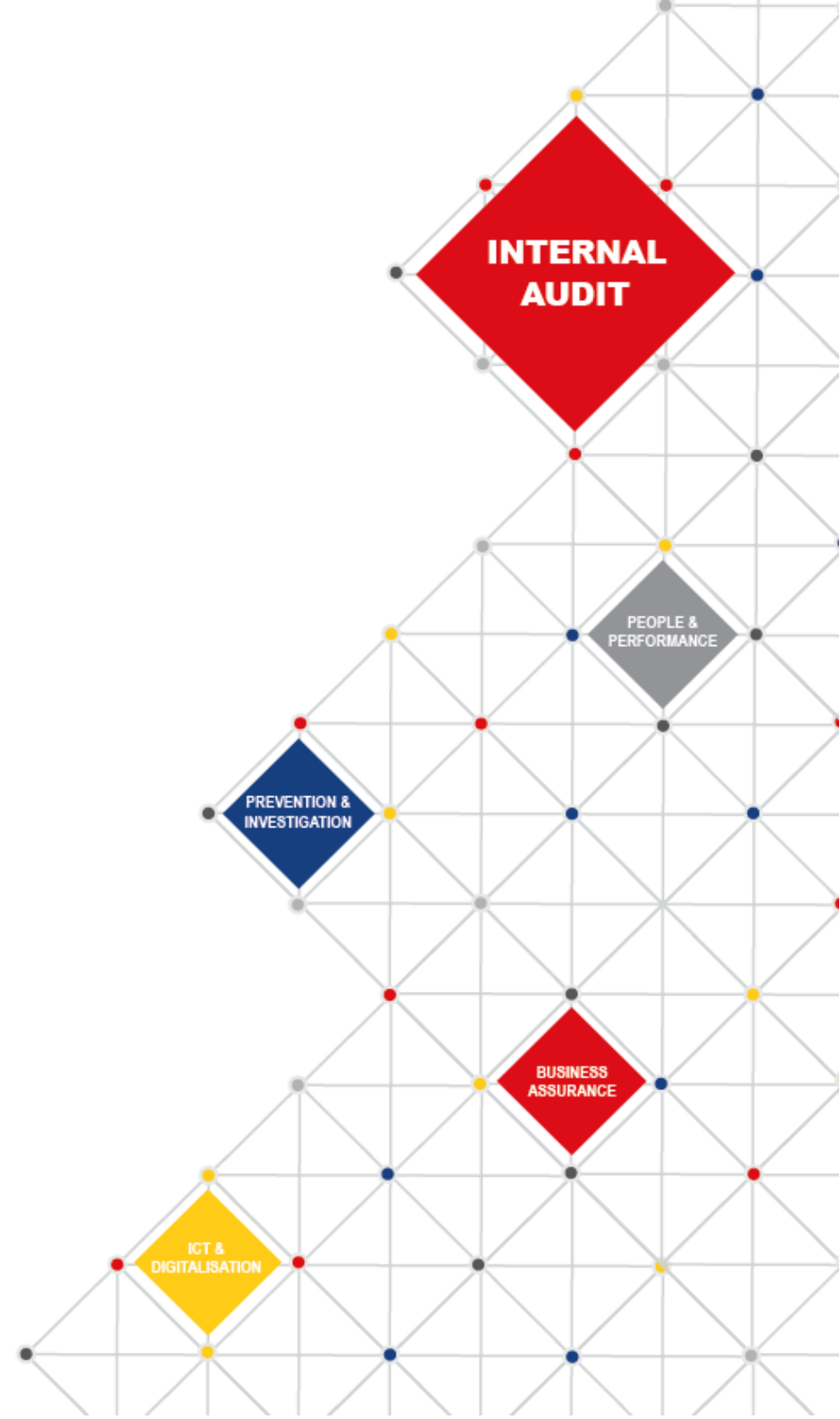
Chiltern District Council

Internal Audit Annual Report

March 2019

FINAL

2018/19



Internal Audit Annual Report

INTRODUCTION

This is the 2018/19 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 2018/19 Annual Audit Plan approved by the Audit and Standards Committee was for 330 days of internal audit coverage in the year (to include Chiltern District Council). During the year there were several changes 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 the reports have been issued (Annex A).

ASSURANCE

TIAA carried out or are in the process of carrying out some 27 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. 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	13	16
Reasonable Assurance	1	6
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 carried out in 2018/19.

Urgent	Important	Routine
-	6	20

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	-	3	4
Compliance	-	2	17
Operational	-	-	-
Reputational	-	-	-

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
4

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%	60%
Audits Completed in Time Allocation	100%	90%
Final report issued within 10 working days of receipt of responses	95%	100%
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 9001:2015 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2017 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:	18 March 2019
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Annexes

Annex A

Actual against planned Internal Audit Work 2018/19

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Governance	Assurance	8	8		In progress
Risk Management	Assurance	0(8)	0		Cancelled
Procurement	Assurance	8	8		In progress
Counter Fraud	Assurance	8	8	No opinion	Draft
Data Protection	Assurance	0(8)	0		Cancelled
Business Continuity	Assurance	7	7	Substantial	
Purchase Cards	Assurance	8	8	Reasonable	
Expenses	Assurance	8	8	Substantial	
Project Management	Assurance	8	8		In progress
Main Accounting	Assurance	7	7	Substantial	
Payroll	Assurance	15	15	Substantial	
Accounts Receivable (Debtors)	Assurance	8	8	Substantial	
Accounts Payable (Creditors)	Assurance	8	8	Substantial	
Benefits	Assurance	13	13		Q1 19/20
Council Tax Support	Assurance	13	13		Q1 19/20
Council Tax and NDR	Assurance	25	25		Q1 19/20
Cash and Bank	Assurance	7	7	Substantial	
Budgetary Control	Assurance	7	7	Substantial	
ICT - Annual Network Audit	Assurance	6	6		In progress

ICT - GDPR	Assurance	6	6		In progress
ICT - Customer Experience	Assurance	6	6		In progress
ICT – Members ICT Support	Assurance	0(6)	0		Cancelled
ICT – Cyber Security	Assurance	0(6)	0		Cancelled
ICT – User Access to Business Systems	Assurance	0(8)	0		Cancelled
Temporary Accommodation follow up	Assurance	8	8		In progress
Housing Section 106	Assurance	8	8		In progress
Disabilities Facilities Grant	Assurance	5	5	Substantial	
Safeguarding	Assurance	6	6	Substantial	
Chiltern Pools	Assurance	0(8)	0		Cancelled
New Chiltern Car Park	Assurance	8	8		In progress
Contractor’s Health & Safety Arrangements	Assurance	8	8	Advisory	
Property & Asset Management	Assurance	8	8	Substantial	
Planning Development & Enforcement	Assurance	11	11		In progress
Building Control	Assurance	8	8		In progress
HR - Absence Management	Assurance	8	8	Substantial	
Crematorium – Annual audit	Assurance	6	6	Substantial	
Crematorium – Additional audit	Assurance	6	0		Cancelled