



South Bucks District Council

Internal Audit Annual Report

2014/15

June 2015

Internal Audit Annual Report

INTRODUCTION

This is the 2014/15 Annual Report by TIAA on the internal control environment at South Bucks 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 statement on internal controls assurance.

HEAD OF AUDIT’S ANNUAL OPINION

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

INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT

The 2014/15 Annual Audit Plan approved by the Audit Committee was for 154 days of internal audit coverage in the year.

There were three changes made to the Annual Plan during the year which were approved by the Audit Committee. (These changes are identified in the concurrent Progress Report to Committee)

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

There was no work carried out which was in addition to the work set out in the Annual Audit Plan.

OPERATIONAL ASSURANCE

TIAA carried out 18 reviews where we provide an assessment, 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 South Bucks District 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 B and a summary is set out below.

Assurance Assessments	Number of Reviews
Substantial Assurance	9
Reasonable Assurance	6
Limited Assurance	1
No Assurance	0
No assurance assessment was applicable	2

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 2014/15. The number in brackets refers to the number of these recommendations which had not been cleared by the year end.

Urgent	Important	Routine
1	12	27

AUDIT SUMMARY

Control weaknesses: There was 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 these areas and the management responses indicated that the recommendations had been accepted.

Direction of Travel: This was the first year that we have analysed our findings/recommendations by risk area and these are summarised below.

Urgent	Important	Routine
1	11	23

Urgent	Important	Routine
0	0	4



Urgent	Important	Routine
0	1	0

Urgent	Important	Routine
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
8

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%	92%
Audits Completed in Time Allocation	100%	67%
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 review was carried out and this confirmed our work was carried out in accordance with the IIA-UK Professional Standards.

RELEASE OF REPORT

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

Date Report issued:	1 st June 2015
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Annexes

Annex A

Actual against planned Internal Audit Work 2014/15

System	Type	Planned Days	Actual Days	Comments
Shared Service	Appr	5	5	
Community Grants	Assur	5	-	Postponed to 15/16
Absence Management	Assur	5	5	
Licensing	Assur	6	6	
Data Protection/FOI	Assur	5	-	Postponed to 15/16
Procurement	Assur	5	5	
Farnham Park – Stock Control	Appr	5	5	
Housing Grants (energy efficiency)	Appr	5	5	
Payroll	Assur	8	8	
Joint Working (with SBDC)	Assur	8	8	
Main Accounting	Assur	5	5	
Debtors	Assur	6	6	
Creditors	Assur	6	6	
Housing Benefits	Assur	6	6	
Council Tax Support	Assur	6	6	
Cash and Bank and Treasury Management	Assur	6	6	
Council Tax and NDR	Assur	12	12	
Governance	Assur	5	5	
Car Parking	Assur	6	6	

ICT Audits	Assur	15	15	
Environment Services	FU	4	4	
Audit Follow-Up and Year End Cash	Gov	4	4	To be completed Q1 of 15/16
Annual Audit Letter/Report	Gov	1	1	
Management of Contract	Gov	10	10	
Farnham Park - Contingency	Gov	5	5	
		154	144	

Assurance Assessments 2014/15

System	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance
Shared Service	✓			
Creditors	✓			
Housing Benefits	✓			
Council Tax Support	✓			
Car Parking	✓			
Payroll	✓			
Cash and Bank and Treasury Management	✓			
Council Tax and NDR	✓			
Absence Management	✓			
Joint Working (with SBDC)		✓		
Main Accounting		✓		
Debtors		✓		
Governance		✓		
Licensing		✓		
Procurement		✓		
Environment Services			✓	
Farnham Park – Stock Control	N/A			
Housing Grants (energy efficiency)	N/A			