



**South Bucks Council**

**Annual Assurance Report 2015/16**

**Audit Committee: 28 June 2016**

**June 2016**

## Internal Audit Annual Report

### INTRODUCTION

This is the 2015/16 Annual Report by TIAA on the internal control environment at South Bucks 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 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 South Bucks Council's risk management, control and governance processes. In my opinion, South Bucks 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 2015/16 Annual Audit Plan approved by the Audit Committee for South Bucks Council was for 140 days of internal audit coverage in the year. During the year there were several changes to the Audit Plan and these changes were approved by the Audit Committee.

Of the original planned work five ICT audits were cancelled and replaced by three new ICT audits (one has been delayed to 2016/17). In addition two general audits have been delayed by the Council and will now be completed as part of the 2016/17 audit plan. All other work has been carried out as planned and the reports have been issued (Annex A).

There were two additional grant audits carried out which were in addition to the work set out in the original Annual Audit Plan.

### OPERATIONAL ASSURANCE

TIAA carried out 23 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 South Bucks Council 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	13
Reasonable Assurance	10
Limited Assurance	0
No Assurance	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 2015/16.

Urgent	Important	Routine
0	18	32

Urgent	Important	Routine
0	1	2

Urgent	Important	Routine
0	1	0

**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'.

**Direction of Travel:** We have analysed our findings/recommendations by risk area and these are summarised below.

Urgent	Important	Routine
0	8	22

Urgent	Important	Routine
0	8	8



**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
22

**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%	90%
Audits Completed in Time Allocation	100%	85%
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 standards. An independent external review was carried out of our compliance of the Public Sector Internal Audit Standards (PSIAS) in 2015/16 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:	7 June 2016
---------------------	-------------

## Annexes

### Annex A

#### Actual against planned Internal Audit Work 2015/16

System	Type	Planned Days	Actual Days	Comments
Disabled Facilities Grant	Grant	-	2.5	Additional audit
Defra Repair and Renew Grant	Grant	-	1	Additional audit
Main Accounting	Assurance	3	3	
Payroll	Assurance	7	7	
Debtors	Assurance	5	5	
Creditors	Assurance	5	5	
Benefits	Assurance	5	5	
Council Tax Support	Assurance	5	5	
Council Tax & NDR	Assurance	9	9	
Cash & Bank	Assurance	4	4	
Treasury Management	Assurance	3	3	
Budgetary Control	Assurance	3	3	
ICT - Information Security Management in shared service	Assurance	3	-	Audit Cancelled
ICT - Regulatory compliance	Assurance	3	-	Audit Cancelled
ICT - Control Assurance of services provided remotely	Assurance	3	-	Audit Cancelled

ICT - IT Management and operational structure	Assurance	3	-	Audit Cancelled
ICT - Service desk operation & management	Assurance	3	-	Audit Cancelled
ICT - Updata	Assurance	-	3	Replacement ICT Audit Report delayed until 2016/17
ICT – Project Management review	Assurance	-	4	Replacement ICT Audit
ICT – Data Protection	Assurance	-	3	Replacement ICT Audit
Planning Development (and enforcement)	Assurance	6	6	Report delayed until 2016/17
Building Control	Assurance	3	3	
Housing - Allocations/Homelessness	Assurance	3	3	
Housing – Section 106	Assurance	4	4	
Contracts	Assurance	6	6	
Car Parking	Assurance	5	5	
Waste Collection	Assurance	5	5	
Health and Safety – Contractor arrangements	Assurance	4	4	Report delayed until 2016/17
Community Grants	Assurance	3	3	
Electoral Registration	Assurance	3	3	
Freedom of Information	Assurance	3	3	
Governance	Assurance	4	4	
Risk Management	Assurance	3	3	
Joint Working Arrangements	Assurance	6	6	
Counter Fraud	Operational	5	5	No report
Audit follow up work	Follow up	4	4	



<b>Management of Contract</b>		<b>9</b>	<b>9</b>	
<b>Total Days</b>		<b>140</b>	<b>138.5</b>	
<b>Farnham Park Charitable Trust</b>				
<b>Stock Control</b>	<b>Assurance</b>	<b>6</b>	<b>6</b>	
<b>Operational Advice and Assistance</b>	<b>Operational</b>	<b>4</b>	<b>4</b>	
		<b>150</b>	<b>148.5</b>	

**Assurance Assessments 2015/16**

System	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance
Disabled Facilities Grant	N/A	N/A	N/A	N/A
Defra Repair and Renew Grant	N/A	N/A	N/A	N/A
Main Accounting	✓			
Payroll	✓			
Debtors		✓		
Creditors		✓		
Benefits and Council Tax Support	✓			
Council Tax & NDR		✓		
Cash & Bank	✓			
Treasury Management	✓			
Budgetary Control	✓			
ICT – Project Management review	✓			
ICT – Data Protection		✓		
Building Control		✓		
Housing - Allocations/Homelessness		✓		
Housing – Section 106	✓			
Contracts		✓		





<b>Car Parking</b>	✓			
<b>Waste Collection</b>	✓			
<b>Community Grants</b>	✓			
<b>Electoral Registration</b>	✓			
<b>Freedom of Information</b>		✓		
<b>Governance</b>		✓		
<b>Risk Management</b>		✓		
<b>Joint Working Arrangements</b>	✓			
<b>Counter Fraud</b>	N/A	N/A	N/A	N/A