

Runnymede Borough Council

Standards and Audit Committee - 24 May 2023

Internal Audit Annual Report

2022/23

May 2023

Internal Audit Annual Report

Introduction

This is the 2022/23 Annual Report by TIAA on the internal control environment at Runnymede Borough 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.

Our approach is based on the International Standards for the Professional Practice of Internal Auditing which have been developed by the Institute of Internal Auditors (IIA) and incorporate the Public Sector Internal Audit Standards (PSIAS). In 2022, TIAA commissioned an External Quality Assessment (EQA) of its internal audit service. The independent EQA assessor was able to conclude that TIAA 'generally conforms to the requirements of the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF)'. 'Generally conforms' is the highest rating that can be achieved using the IIA's EQA assessment model.

Ongoing quality assurance work was carried out throughout the year and we continue to comply with ISO 9001:2015 standards. Our work also complies with the IIA-UK Professional Standards and relevant guidance issued by the Accounts & Audit Regulations 2015.

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 Runnymede Borough Council's risk management, control and governance processes. In my opinion, Runnymede Borough Council has adequate and effective management, control and governance processes in place to manage the achievement of their objectives.

Our opinion is based solely upon the work TIAA have undertaken. It must be noted that the External Auditor has not yet signed off the accounts at Runnymede BC for the years 2019/20, 2020/21 and 2021/22 and as such this may present a risk to the control framework at Runnymede.

Internal Audit Planned Coverage and Output

The 2022/23 Annual Audit Plan approved by the Standards and Audit Committee was for 175 days of internal audit coverage in the year.

During the year there were five changes to the Audit Plan and these changes were approved by the Standards and Audit Committee.

The planned work that has been carried out against the plan and the status of work not completed is set out at Annex A.

There was one extra audit carried out which was in addition to the work set out in the Annual Audit Plan. This was for Safeguarding – follow up and replaced a cancelled audit.

Assurance

TIAA carried out 21 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	7	11
Reasonable Assurance	10	9
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 2022/23. The numbers in brackets relate to 2021/22 recommendations.

Urgent	Important	Routine
0(0)	15(14)	23(26)

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			
Governance Framework	-	2	4
Risk Mitigation	-	-	1
Compliance	-	13	18
Delivery			
Performance Monitoring	-	-	-
Sustainability	-	-	-
Resilience	-	-	-

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
12

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%	100%
Compliance with Public Sector Internal Audit Standards	100%	100%

Release of Report

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

Date Report issued:	May 2023
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Annexes

Annex A

Actual against planned Internal Audit Work 2022/23

System	Type	Planned Days	Actual Days	Assurance Assessment	Comments
Commercial Property	Assurance	6	3	-	Audit cancelled – deferred to 23/24
Commercial Rents	Assurance	6	6	Reasonable	
HR - Absence Management	Assurance	6	12	Reasonable	
Housing - Allocations and Homelessness	Assurance	6	6	Reasonable	
Leisure Contract	Assurance	6	0	-	Audit cancelled – no longer required
Community Grants	Follow up	6	6	No Opinion	
Governance – Gifts and Hospitality	Assurance	6	6	Reasonable	
Data Protection & Information Governance	Assurance	6	6	Reasonable	
ICT – Service Desk	Assurance	8	8	Reasonable	
ICT – Virtual / Cloud based approach to DR	Assurance	8	0	-	Audit cancelled – deferred to 23/24
Housing - Health and Safety	Assurance	5	5	Substantial	
HR - Recruitment	Follow up	6	6	No Opinion	
Depot (including Trade Waste)	Follow up	6	6	No Opinion	
Car Parking	Assurance	6	9	Reasonable	
Payroll	Assurance	8	8	Reasonable	
Budgetary Control	Assurance	6	6	Substantial	
Key Revenues Controls: -Housing Benefits and Council Tax Support -Business Rates -Council Tax	Assurance	20	20	Substantial	
Key Financial Controls:	Assurance	12	12	Reasonable	

-Accounts Payable (Creditors)					
-Accounts Receivable (Debtors)					
Procurement/Contracts	Assurance	6	0	-	Audit cancelled – deferred to 23/24
Climate Change	Assurance	6	6	Reasonable	
Income – Cash & Bank	Assurance	6	6	Substantial	
Main Accounting (General Ledger)	Assurance	6	6	Substantial	
Capital Accounting and Asset Management	Assurance	6	6	Substantial	
Housing Rents	Assurance	6	6	Substantial	
Safeguarding – Follow up	Follow up	6	6	No Opinion	
Follow Up	Follow up	12	12	No Opinion	
Total Days		187	173		