Internal Audit
Annual Report
2013-14

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Internal Audit

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Cheshire East Council

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1 Introduction

1.1 From 1 April 2013, the Public Sector Internal Audit Standards (PSIAS) and accompanying Local Government Application Note superseded the 2006 CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom as the standards by which all Local Government Internal Audit Sections must comply.

1.2 As set out in the PSIAS, the Council's Audit Managers must provide an annual report to the Audit and Governance Committee - timed to support the annual governance statement. This must include:
- an annual internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (i.e. the control environment)
- a summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance bodies), and
- a statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme (QAIP).

1.3 It should also include:
- disclosure of any qualifications to that opinion, together with the reasons for the qualification;
- disclosure of any impairments ('in fact or appearance') or restriction in scope

- a comparison of the work actually undertaken with the work that was planned and a summary of the performance of the internal audit function against its performance measures and target;
- any issues judged particularly relevant to the annual governance statement; and
- progress against any improvement plans resulting from QAIP external assessment.

2 Background and Context

2.1 It is important for this Annual Report to be placed in context. Since 2010 public services have faced unprecedented change. Like all local authorities, this Council continues to be affected by Central Government's austerity measures, as it wrestles with the size of the national debt.

2.2 The Council's medium term financial strategy illustrates the scale of the challenge it faces over the next few years. Alongside its ambitious major change programme the Council expects to continue to balance its budget - despite increased demands and high public expectations - by: innovation, creativity, and a hard commercial focus on costs, productivity and income generation. It remains clear that the overall cost base of the Authority will have to continue to reduce.

2.3 The Council is developing new approaches to service delivery to get the best from in-house services. These

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include joint ventures between the Council and other providers, and new delivery vehicles including Council owned and controlled companies, social enterprises and Trusts.

2.4 The Council's 2013/14 audit plan reflected this context through the areas selected for review and the changes made during the year to ensure resources were focussed in the right areas. For example:
- additional work on programme and project management processes; and
- work to review the development of the Council's new delivery vehicles.

3 Opinion on the Control Environment

3.1 Internal Audit is required to form an annual opinion on the adequacy and effectiveness of the Council's internal control environment. This includes consideration of any significant risk or governance issues and control failures that have been identified.

3.2 Assurances given by Internal Audit are never absolute. It is impossible to examine every activity and every transaction and, audit reviews are at a point in time. The most Internal Audit can provide is a reasonable assurance that there are no major weaknesses, or that the weaknesses identified have been addressed.

3.3 During 2013/14 Internal Audit identified, and was made aware of, a number of issues with regard to the

adequacy and effectiveness of the Council's system of internal control. A significant amount of work has been done in response to these issues. In particular, the risk management and internal control framework is now in place. More work is required so that the framework is fully, and consistently, embedded into the Council's governance arrangements.

3.4 Importantly, the Council's senior managers have agreed a range of specific actions in response to the issues raised by Internal Audit. The ongoing challenge is the inherent risk of the breakdown in control, especially where responsibilities and systems are changing. This is particularly true in the context of the Council's ambitious plans to transform service delivery and secure significant cost savings by putting residents and businesses first.

3.5 Further assurance can also be taken from the operational and financial performance achieved in 2013/14. The environment remains challenging across the public sector; continued focus on improving and enhancing the governance and stewardship arrangements of the organisation remains a high priority.

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Audit Managers' opinion on the Council's control environment

The Council's framework of risk management, control and governance is assessed as adequate for 2013/14.

This framework continues to be developed as the Council progresses through a period of rapid and unprecedented change.

Evidence throughout 2013/14 shows that appropriate strategies and policies are in place and have been communicated. Understanding, application and compliance is not yet consistent across the organization and given the scale and pace of change, this is inevitable. Action has already been taken, or is planned, to address all of the issues raised by internal audit.

This opinion is based upon:

- the programme of internal audit reviews - including opinion based work undertaken during the year;
- Management's response to advice and recommendations
- the process of producing the Council's annual governance statement; and
- the Council's Annual Report on its Risk Management Arrangements

4 Summary of Audit Work 2013/14

4.1 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit plays a vital part in advising the organisation that these arrangements are in place and operating properly.

4.2 The provision of assurance is, therefore, the primary role for internal audit. This role requires the Head of Internal Audit (HIA) to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.

4.3 A risk based Internal Audit plan is produced each year to ensure that:
- the scale and breadth of audit activity is sufficient to allow the HIA to provide an independent and objective opinion to the Council on the control environment.
- audit activity focuses on areas where assurance is most needed i.e. risk based coverage.

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4.4 In preparing the risk based plan for 2013/14 the Council's audit managers consult with the Corporate Leadership Board and the Audit and Governance Committee. They also consider:
- the adequacy and outcomes of the Council's risk management, performance management and other assurance processes;
- their own risk assessment;
- the Council's Three Year Plan 2014/2017; and
- discussion with key stakeholders including external audit, the internal audit team and also the Cheshire West and Chester internal audit team in relation to shared services.

4.5 The plan is broadly split into two main areas:
- those audits that deliver an opinion report on the risks and controls of the area under review and will inform the Annual Internal Audit Opinion.
- work that will not deliver an opinion report but will help inform the Annual Internal Audit Opinion.

4.6 The plan is reviewed and adjusted, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, and controls. Any significant changes are communicated to both the Corporate Leadership Board and the Audit and Governance Committee.

4.7 During 2013/14, interim reports on progress against the Internal Audit Plan were regularly brought to this Committee.

4.8 Following a half year review, areas to be audited in the remainder of the year were re-assessed and re-prioritised. A summary comparison of the 2013/14 Audit Plan (and mid-year revision) with actuals for the year is shown on page 5.

4.9 A summary of the audit work carried out during the year, from which the Annual Internal Audit Opinion is derived, and the relative outputs from that work is shown on page 6.

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Summary comparison of Audit Plan against actual 2013/14

Area of Plan	Original Plan		Revised Plan		Actual		Comments on planned/actual coverage
	Days	%	Days	%	Days	%	
Chargeable Days	**1565**		**1510**		**1612**		
Less: Corporate Work	(110)		(180)		(205)		Including Audit & Governance Committee support.
Available Audit Days:	**1455**	**100%**	**1330**	**100%**	**1407**	**100%**	
Corporate Governance	60	4%	95	7%	88	6%	
Key Financial Systems	120	8%	90	7%	95	7%	Majority of projects completed. Two projects carried forward due to timing of new arrangements/system.
Shared Services Key Financial Systems	115	8%	110	8%	118	8%	Planned work completed.
Corporate Cross-Service	180	12%	294	22%	292	21%	Planned time increased re ASDVs and Project Health Checks.
Children, Families & Adults	240	17%	230	17%	271	19%	
Public Health	40	3%	40	3%	22	2%	Work commenced in 4th quarter and continuing into 14/15.
Places & Organisational Capacity	120	8%	117	9%	132	9%	
Working with External Organisations	50	3%	25	2%	7	1%	Time transferred to Corporate Cross-Service work (ASDVs).
Anti Fraud and Corruption	180	12%	178	13%	226	16%	Reactive investigation work agreed with senior officers and members.
Consultancy & Advice	100	7%	77	6%	98	7%	
Contingency	190	13%	-	0%	0	0%	All 13/14 contingency allocated across priority areas.
Follow Up	40	3%	54	4%	48	3%	Follow up of Internal Audit actions and external recommendations.
External Work - PATROL	20	2%	20	2%	10	1%	Work commenced in 4th quarter and continuing into 14/15.
Total Audit Days	**1455**	**100%**	**1330**	**100%**	**1407**	**100%**	

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Summary of Audit Work to support the overall opinion

Area	Description of Audit Work	Output
Assurance Work	Audits with formal assurance level.	Audit Reports
Project Health Checks	Assessment of whether the required elements to deliver projects successfully are in place and operating effectively.	Audit Reports
Schools	Assessment against Schools Financial Value Standard	Audit Reports
Supporting Corporate Governance	Support and contribution to production of the Annual Governance Statement, including assurance statements from Heads of Service.	Annual Governance Statement, and supporting evidence
	Support and contribution to update reports from the Corporate Governance Group.	Reports to Corporate Management Team
	Support and contribution to AGS Action Plan, Compliance with Contract Procedure Rules reports etc.	Report to Audit & Governance Committee
Risk Management	Support and Contribution to the Corporate Risk Management Group including update reports.	Reports to Audit & Governance Committee
Counter Fraud	Review of Anti Fraud and Corruption arrangements.	Report to Audit & Governance Committee
	National Fraud Initiative – co-ordination of matches and investigation work.	Results published on Audit Commission website/update reports to Corporate Risk Management Group/Investigation Reports.
	Investigations	Investigation Reports
Technical Enabler Group (TEG)	Support and contribution to TEG, which supports the Executive Monitoring Board (EMB).	Gateway Progress Report detailing TEG Outcome for use by EMB.
Consultancy & Advice	Ad-hoc consultancy and advice provided to services.	Various – reports etc.
Statutory Returns/ Grant Claims	Audit/assurance work on programme/project and subsequent report to statutory/funding body.	Return/Claim sign off
Implementation of Recommendations	Targeted follow up of audit recommendations based on audit opinion/recommendation.	Consolidated Action Plan (CAP)/Follow Up reports/action plans

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4.10   In-year reports to this Committee reported Internal Audit's focus on higher risk areas and areas where issues were known or expected to exist, for example through manager self-assessment. Clearly this approach adds value to the organisation, but, by its nature, may also result in lower overall assurance levels. There were no areas that resulted in 'no' assurance given in 2013/14.

Summary of reports by assurance level

Assurance Level	Audit Reports 2013/14	Audit Reports 2012/13
Good	2	0
Satisfactory	5	14
Limited	16	11
No	0	1

Note: includes assurance levels on Project Health Checks. Implementation of these recommendations is monitored by Executive Monitoring Board (EMB) (see 4.23 – 4.27)

4.11   Management has responsibility for ensuring that the agreed actions for improvement are implemented. Formal management responses to the above reports have been received, or in a small number of cases, are due in the coming weeks. Where responses have been received, all actions have been agreed by management.

4.12   Internal Audit continues to obtain assurance that actions have been implemented, especially those deemed high priority.

Limited Assurance Reports

4.13   Further detail is provided on those audits with 'Limited' or 'No' assurance during the period under review. All actions from these audits have been agreed with management and progress on implementation will be monitored through the normal processes.

4.14   The 'limited assurance' reviews reported in 2013/14 are grouped under common themes:
- new and emerging risk areas;
- risk areas highlighted by management/previous audits;
- key financial systems – identified risk areas; and
- National Fraud Initiative (NFI) exercise – identified risk areas.

4.15   A brief summary of those 'limited assurance' reports produced in the last quarter of 2013/14 is included later in this section. The summaries of other 'limited assurance' reviews were included in the interim reports to this Committee in November 2013 and January 2014.

4.16   In each case a number of recommendations have been made. When implemented these will address the identified weaknesses and improve the control environment. All actions from these audits have been,

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or are currently being, agreed with management and progress on implementation will be monitored through normal processes.

4.17 **Officer and Member Disclosures** – this audit tested whether the relevant policies and guidance were in place to support the disclosure process and whether they were owned, communicated effectively and properly complied with.

4.18 The audit concluded that there were some weaknesses in the control environment and that disclosures were not being managed consistently and effectively enough across the Council.

4.19 **Expenses** – this audit reviewed the systems and controls in operation to manage claims for reimbursement of expenses. It was done to obtain assurance that robust controls were in place to manage the risk of falsified or overstated expense claims. We selected an initial sample of 20 high value claims totalling £18,000 (out of £500,000 paid in expenses in a six month period). We also selected some additional items to test potential duplicate claims.

4.20 The audit concluded that whilst controls were in place, the lack of a clear policy setting out the requirements for both staff and managers had resulted in significant variations in practice. A small number of overpayments resulted from claims of approximately £1,000 being submitted twice. We found no evidence of fraud

relating to these claims and are satisfied that the overpayments are due to an administrative error. We will do some further spot checks during 2014/15 to ensure the agreed changes are implemented.

4.21 **Childrens Care Homes -** reviews of two homes were carried out to assess the adequacy of the systems, processes and controls in respect of managing resources and to ensure that roles and responsibilities were properly defined and understood.

4.22 The review concluded that the financial processes at both homes were generally compliant. A number of control issues were highlighted during the audit including purchasing processes and inventories. This was expected as the homes had not been audited previously. All actions have been agreed by management and will be followed up during 2014/15.

Project Health Checks

4.23 During 2013/14, Internal Audit worked with the Executive Monitoring Board (EMB) to develop the project health check process. This provides an independent assessment of whether the required elements to deliver projects successfully, e.g. good project management practices, appropriate resources, are in place and operating effectively.

4.24 The results of these assessments are reported to EMB following agreement of recommendations with the

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Senior Responsible Officer (SRO) and Project Manager (PM). Following implementation these recommendations will promote successful conditions and increase the chance of delivering the required outcome. Project assurance is also provided by the SRO with regard to the success of the project and what benefits are likely to be realised. Monitoring the implementation of recommended actions is carried out by EMB.

4.25 During 2013/14, a pilot review and second review (of the Leisure Delivery Model and the new Adult Financials projects respectively) were successfully completed and well received by the project teams. The results of the reviews and subsequent progress in implementing recommendations have been reported to EMB.

4.26 Internal Audit has also provided all SROs with a checklist on the controls and evidence that would be expected as part of a Project Health Check. This can be used by SROs to self assess their own project management arrangements.

4.27 Two further Health Checks have since been carried out on Bereavement and Environment Service. The findings of these Health Checks have informed an action plan which will be used by the Corporate Programme Management Office to further develop and embed the corporate approach across the organisation. For the most part the recommendations relate to project

management issues rather than the alternative delivery vehicles themselves.

Schools

4.28 During 2013/14, Internal Audit carried out a number of themed income and purchasing audits at four primary schools and the Pupil Referral Unit, and full 'Keeping Your Balance' audits at three secondary schools. The Department for Education requires the Council's Section 151 Officer to sign off an Annual Assurance Statement. That statement confirms:

- the number of School's Financial Value Standard (SFVS) self assessment returns received; and
- that an appropriate audit programme is in place to provide adequate assurance over the standard of financial management, and the regularity and propriety of spending in schools.

4.29 The work undertaken by Internal Audit provides assurance that the majority of controls relating to high risk areas are operating effectively. While some inconsistencies in the application of controls were highlighted, these are not considered to be significant issues. They have been reported to the relevant schools and also shared with all schools using our established network.

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Supporting Corporate Governance

4.30 In accordance with Regulation 4 of the Accounts and Audit Regulations the Council is required to conduct a review at least once a year of the effectiveness of its governance arrangements and publish an Annual Governance Statement (AGS).

4.31 Internal Audit has assisted Management in the production of the Council's AGS for 2013/14 by:
- collecting evidence for and production of the 2013/14 Annual Governance Statement.
- contribution to and production of Audit & Governance Committee reports on Corporate Governance.
- Audit Manager representation on and contribution to the Corporate Governance Group (CGG) in order to advise on risk management, control, and governance issues that have been identified through audit work and ensure that the findings have been considered when determining the 2013/14 AGS action plan.
- Audit work in contribution to and production of CGG reports to Corporate Leadership Board.

Risk Management

4.32 Internal Audit assisted in the Management of Risk through:
- Delivery of a risk based audit plan; and

- Audit Manager representation on and contribution to the Corporate Risk Management Group (CRMG) - to advise on risk management, control, and governance issues identified through audit work.

4.33 Formal reports with regard to the risk management process are made throughout the year to Corporate Leadership Board, Cabinet and the Audit and Governance Committee.

Counter Fraud

4.34 As reported in January 2014, the Chief Operating Officer (COO) has allocated responsibility for the Council's response to fraud to the Head of Corporate Resources and Stewardship. Since then a review of the Council's overall arrangements has started focussing on maximising the scope of the existing investigative resource to cover all areas identified as being at risk of fraud from both internal and external sources.

4.35 The Member/Officer Fraud Sub Group continues to meet on a regular basis. This allows the Audit Managers to provide further detail to members on emerging fraud risks and the anti fraud work carried out by Internal Audit.

4.36 During 2013/14, Internal Audit carried out a number of investigations across the Council with appropriate action taken, where necessary. Internal Audit also provided support and advice to investigations where

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management had appointed another investigating officer. There are no significant issues arising from this work to bring to the Committee's attention. An Annual Fraud Report will be brought to the Committee in November 2014.

4.37 Work has also been done on the National Fraud Initiative (NFI) - including coordination of the flexible matching submission that took place in February 2014 and preparatory work for the upcoming exercise in October 2014. Specific tasks included ensuring that fair processing notices are in place and are compliant with the Data Protection Act, and liaison with services to identify responsible officers for the extract of data and investigation of matches. Further work was done to ensure that the requirements of NFI were taken into consideration in the formation of the new ASDV's. Work is ongoing in this area and will be reported as part of the Annual Fraud Report in November 2014.

Technical Enabler Group (TEG)

4.38 In addition to the Project Health Check work outlined in 4.23 to 4.27, Internal Audit also sits on the Technical Enabler Group (TEG) which supports EMB and comprises senior officers representing key corporate enablers.

Consultancy and Advice

4.39 During the year, Internal Audit provided advice - at the specific request of management. The nature and scope of these engagements are generally aimed to improve governance, risk management and control and contribute to the overall opinion. This year advice was given on new arrangements including ASDVs and the application of Finance & Contract Procedure Rules.

Statutory Returns/Grant Claims

4.40 Internal Audit is sometimes required to certify statutory returns and grant claims. This may be related to funding provisos or similar. In most cases the work required is either an audit or an assurance statement on a specific programme/project. During 2013/14 this included work on the Growing Places Fund and sign off of four grants, including the Department of Energy and Climate Change's 'Green Deal' – with no amendments.

Implementation of Audit Recommendations

4.41 Throughout 2013/14, Internal Audit completed a range of follow up exercises to ensure recommendations are implemented. This work is done in a number of different ways:

- Major pieces of audit work, such as the AGS have detailed action plans which are monitored and reported separately to the Committee.

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- Investigations – follow up work is usually dependent on both the nature of the investigation and any recommendations made e.g. a follow up audit may be done at the request of management.
- Formal assurance audits (see 4.10 - 4.22).

4.42 As previously reported to the Committee, Internal Audit have also developed the follow up procedure for formal assurance reports. Managers are now asked to assess their own performance and to feedback to the audit team. More detailed checks are then done across a sample of implemented recommendations.

4.43 Audits with 'limited' or 'no' assurance are subject to more detailed review. In addition, key systems (e.g. Payroll, Accounts Payable) are audited each year with recommendations followed up as part of the work.

4.44 At the beginning of 2013/14, the Chief Operating Officer, (COO), introduced a new process to monitor outstanding actions for the Council. This includes recommendations from both Internal and External Audit. The Consolidated Action Plan (CAP) has been monitored throughout the year with managers providing progress reports on the implementation of actions assigned to them.

4.45 Internal Audit also introduced a new performance indicator reporting on the implementation of audit recommendations within timescale.

2013/14 implementation of agreed recommendations

On time	After the agreed date	Total implemented	In progress or part implemented
26%	56%	**82%**	18%

4.46 The indicator shows that a high percentage (82%) of 2013/14 agreed recommendations have been implemented. However too many of these are implemented after the agreed timescale. In part this is due to the extent and range of change activity over the past year. The Chief Operating Officer has made a commitment to improve this indicator in 2014/15. He will work with Internal Audit and the Corporate Leadership Board, (CLB), to ensure this happens.

4.47 Throughout the year Internal Audit has been working closely with senior officers to promote the timely implementation of audit recommendations. In some cases the scale of change now means that the original recommendation is no longer appropriate. In these circumstances Internal Audit continue to liaise with managers to agree a more appropriate action. Where there are common themes or patterns emerging where agreed recommendations (high and medium rated) are not being progressed, these are escalated to COO and, where necessary, to CLB.

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4.48 During the past year common themes include:
- Ownership of actions – the timing of the management review has sometimes led to delays. In addition structural changes mean that actions now rest with different managers not involved in the original audit work.
- Actions linked to development of new/emerging strategies e.g. Asset Management/ Procurement/ASDVs.
- Actions linked to a change in the Constitution.
- Actions linked to changes in processes beyond the direct control of an individual manager.

4.49 The timely implementation of audit recommendations is a good indicator of both the effectiveness of Internal Audit in securing action and the Council's commitment and capacity to improve. Internal Audit will continue to work with CLB and other senior managers to improve this important indicator. A formal reminder and strengthened escalation process to the Corporate Leadership Board is now in place, led by the Coo.

2014/15 implementation of agreed recommendations target:

90% (75% within timescale)

Ongoing Work

4.50 The following audits commenced during 2013/14, with work ongoing in the first quarter of 2014/15:
- Schools – Consolidated Report
- Carbon Reduction
- Risk Management
- Project Health Check – Bereavement
- Project Health Check – Environment Services

Reliance placed on the work of other assurance bodies

4.51 Internal Audit place assurance on the work of the Council's external auditors, OFSTED and other external bodies, where appropriate.

5   Annual Governance Statement 2013/14

5.1 Each year the Council produces an Annual Governance Statement that explains how it makes decisions, manages its resources and promotes its values and high standards of conduct and behaviour.

5.2 Any significant issues that are assessed as falling short of the Council's expected high standards are reported in the Annual Governance Statement, (AGS). There are no outstanding significant control issues identified through the work of Internal Audit that require disclosure in the Council's 2013/14 Annual Governance Statement.

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5.3   The Council's assessment of its governance
       arrangements in 2013/14 has not identified any
       significant issues. The AGS does however identify a
       small number of areas that require further attention
       and improvement during 2014/15. It also acknowledges
       emerging governance issues for the Council. These will
       be monitored by the Corporate Governance Group
       during 2014/15. They will be escalated, as necessary, to
       the Corporate Leadership Board, Audit and Governance
       Committee and/or Cabinet.

5.4   Internal Audit is already involved in supporting the
       Corporate Governance Group to ensure that effective
       improvements and mitigating actions are implemented.

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6	Internal Audit Performance

6.1 Internal audit's performance is measured in a number of ways. Its performance against the new indicator – implementation of agreed recommendations is reported in paragraph 3.44. The internal audit team's performance overall is slightly below the levels achieved in 2012/13. In part this is due to the pressures of competing demands, ongoing vacancies and the proportion of higher risk reviews completed.

Performance Indicator	2014/15 Target	2013/14 Actual	2013/14 Target	2012/13 Actual	Comments on 2013/14 Actuals
Percentage of Audits completed to user's satisfaction	92%	89%	90%	94%	Slightly below target. Some lower scores for schools (see comments below).
Percentage of significant recommendations agreed	90%	93%	85%	93%	Above target.
Productive Time (Chargeable Days)	80%	82%	80%	84%	Above target.
Draft report produced promptly (per Client Satisfaction Form)	95%	78%	90%	90%	Staffing capacity caused delays in issuing a number of school reports. This resulted in a number of lower scores and also impacted upon user satisfaction levels. This has now been addressed through the audit planning process by ensuring there is adequate time built into the audit programme.

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Benchmarking

6.2   Benchmarking is an important tool to help identify areas for review, drive improvement and deliver better value for money. The Council has not taken part in formal benchmarking in recent years. The Chief Operating Officer has instructed that all corporate support teams take part in the CIPFA Benchmarking Club in 2014/15.

6.3   Through the Benchmarking Club, staffing cost data is collected for the internal audit function in order to derive the number of audit days available and the cost per audit day. The number of audit days per £million authority gross revenue turnover is compared and further analysed by: type of audit, system audited and type of risk. There is also comparison and analysis of the cost per auditor and the number of chargeable days per auditor.

6.4   This year's exercise has been completed and submitted, with the results due in August. These will be shared with the Committee and relevant Member/Officer Group, as appropriate.

7   Compliance with the Public Sector Internal Audit Standards (PSIAS)

7.1   Regulation 6 of the Accounts and Audit Regulations 2011 requires relevant bodies to conduct an annual review of the effectiveness of its internal audit and for a committee of the body to consider the findings. This review has been carried out by self assessing compliance with the Public Sector Internal Audit Standards (PSIAS).

7.2   The review, completed by the Audit Managers has concluded that, although there are areas for improvement, the internal audit service is being delivered to the required standard. This contributes to the assurances received for the AGS and will be shared with members of the Committee as part of the AGS process in September.

8   Other Developments

8.1   For the majority of 2013/14, Internal Audit reported to the Head of Governance and Democratic Services. From January 2014, Internal Audit reported directly to the new Head of Resources and Stewardship - with a continuing indirect line to the Chief Operating Officer, (Section 151 Officer).

8.2   The Head of Resources and Stewardship is reviewing the organisational structure and overall capacity of the internal audit team. The results of that review will be agreed with the Chief Operating Officer and reported to the Audit and Governance Committee in September.

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