

### Audit Assurance Opinion

<b>Effective</b>	Evaluated controls are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives are being met.
<b>Reasonable</b>	Some specific control weaknesses were noted and some improvement is needed; evaluated controls are generally adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Limited</b>	Evaluated controls are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Ineffective</b>	Evaluated controls are not adequate, appropriate, or effective. Internal Audit cannot provide reasonable assurance that risks are being managed.

#### Report prepared by

Audit Manager	L Fuller
Senior Auditor	M Emmens
Auditor	S Potter

#### Report issued by

Head of Internal Audit	S Martin
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7 June 2019

## 1. Audit Findings

The overall assurance of **Effective** has been made on the basis of the control framework in place and supporting risk management.

Testing confirmed that the Council has an ethical governance framework in place, and as such no recommendations have been raised. This review did not test if staff are abiding by these arrangements.

Positive findings for each area of the scope of this review have been detailed below.

### 1.1 Ethical and Cultural Codes and Policies

1.1.1 There are a number of codes and policies available to staff which contain ethical statements and procedures which were found to be clear and understandable. The majority of staff questioned as part of this review were aware of these policies and were able to find them on FRED. These policies have been updated as part of the formation of East Suffolk Council.

1.1.2 Staff interviewed confirmed they had read and understood these policies, but they would like regular reminders to refresh their knowledge of these policies.

### 1.2 Ethical and Cultural Responsibilities and Monitoring Arrangements

1.2.1 There are various officers within the Council who staff can report ethical issues to, all staff questioned were aware who they would report any issues to.

1.2.2 Staff are made aware of what is and is not expected of them through a variety of methods such as courses, e-learning and policies and procedures.

1.2.3 Of the staff sampled, Disclosure and Barring Service (DBS) checks were completed where required, and references were received which confirmed the candidates' suitability for the role and that they were trustworthy.

1.2.4 Contract Procedure Rules and the contract template include guidance on accepting gifts, bribes and declaring interests.

1.2.5 Honorary payments reviewed had a request for resources form completed which had been authorised by Senior Management Team. Note – this review did not check honorary payments for suitability / fairness of award.

1.2.6 NFI (National Fraud Initiative) data matching reviews the appropriateness of payments made to staff via the Navision financial system.

1.2.7 There is a process in place to assess the ethical conduct of suppliers.

### **1.3 Ethical and Cultural Reporting**

1.3.1 There are various ways for staff to report non compliance with Council codes and policies all of which are available to staff.

1.3.2 The accuracy of ethical and cultural reporting was outscoped from this review, and testing focussed on the process in place.

### **1.4 2018/2019 Staff Survey**

1.4.1 A high percentage of staff who responded to the staff survey agreed that the Chief Executive, Directors, Heads of Service and their line manager actively demonstrate the corporate values.

## APPENDIX A: Scope and Objective of Review

Internal Audit Services acts in accordance with the Accounts and Audit Regulations (2015) and aims to follow the Public Sector Internal Audit Standards (2016) and Local Government Application Note (2013). This report has been prepared in accordance with our Audit Charter.

This report is being issued by East Suffolk Council, however, it relates to the activities of Suffolk Coastal District Council (SCDC) and Waveney District Council (WDC) in 2018/2019. This audit has been undertaken as part of the Annual Audit Plan 2018/19, approved by the Audit and Governance Committees of SCDC (7<sup>th</sup> March 2018) and WDC (15<sup>th</sup> March 2018).

This review considered achievement of the organisations strategic objectives and risks, specifically this audit contributes towards:

- East Suffolk Business Plan – Resources, delivering a more business like approach, directing resources to support the delivery of key services, while providing the best possible quality and performance;
- Corporate Risk Register –Failure to promote and maintain Ethical Standards.

The objective of the audit was to ascertain the extent to which identified risks have been managed and to evaluate whether effective controls to mitigate the risks have been established, and have been operating effectively throughout the period under review.

The scope of the audit was:

- Review relevant ethical and cultural codes and policies to establish if up to date;
- Determine ethical and culture responsibilities and establish what monitoring / measuring arrangements are in place;
- Establish if and how ethical and cultural arrangement are reported upon and ascertain if reporting is accurate (the accuracy of ethical reporting was out-scoped from this review);
- The 2018/2019 staff survey will include a question regarding ethical behaviour and the results of which will be incorporated in this audit.

## APPENDIX B: Report Distribution

### Draft & Final Report

Chief Executive	S Baker
Head of Legal and Democratic Services	H Slater
HR and Workforce Development Manager	C Lower

### Final Report

Leader of the Council and Cabinet Member for Resources	CLlr S Gallant
Audit and Governance Committee	
Strategic Management Team	
Interim Chief Finance Officer and Section 151 Officer	S Taylor
Ernst & Young	T Poynton