



**Chiltern District Council**

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**Internal Audit Progress Report**

**2016/17**

**Audit and Standards Committee – 29 June 2017**

## INTRODUCTION

1. This summary report provides the Audit Committee with an update on the progress of our work at Chiltern District Council as at 6 June 2017.

## PROGRESS AGAINST THE 2016/17 ANNUAL PLAN

2. Our progress against the Annual Plan for 2016-17 is set out in Appendix A.

## EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

4. We have not identified any emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation.

## AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE 2016/17

5. The table below sets out details of audits finalised since our last report to the Audit Committee for the year 2016/17. Final reports with priority 1 and 2 recommendations are shown at Appendix B.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM*
Housing Benefits & Council Tax Support	Substantial	13/03/17	13/03/17	18/03/17	0	0	1	0
Treasury Management Practices	Advisory	23/03/17	23/03/17	27/03/17	0	0	0	0
Procurement	Reasonable	24/03/17	27/03/17	28/03/17	0	1	7	3
Governance	Substantial	30/03/17	30/03/17	04/04/17	0	0	2	0
Car Parking Income	Substantial	29/03/17	31/03/17	05/04/17	0	0	0	0
Health & Safety-Internal Arrangements	Reasonable	30/03/17	03/04/17	05/04/17	0	3	1	0
Counter Fraud	Advisory	30/03/17	08/05/17	15/05/17	0	1	3	0
Cash and Bank	Substantial	10/03/17	18/05/17	23/05/17	0	0	1	0

\*Operational Effectiveness Matters

**CHANGES TO THE ANNUAL PLAN 2016/17**

6. The following audits are additional to the annual plan:
- Purchasing Cards.
  - Contractor Health and Safety – follow on from 15/16 audit.
  - Expenses.
  - Treasury Management Practices

The following audits are deleted from the annual plan:

- Individual Electoral Registration (audit undertaken in later part of 2015/16).
- Waste - joint service between CDC and Wycombe D.C. (The previous year's follow up was concluded late in 2016/17 – audit to be undertaken in 2017/18)
- Complaints and Compliments (the new system is not yet in place – audit to be undertaken in 2017/18)
- HR – Absence Management (new system not yet embedded – audit to be undertaken in 2017/18)
- HR – Recruitment (new system not yet embedded – audit to be undertaken in 2017/18)

**FRAUDS/IRREGULARITIES**

7. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

**LIAISON WITH EXTERNAL AUDIT**

8. We liaise with EY and provide reports and working paper files, as required.

**PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS**

9. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous Progress Report.

**RISK MANAGEMENT**

10. The Audit Director with TIAA and the Councils Audit, Fraud & Error Reduction Manager have met to discuss progressing Risk Management for both Councils.
- The current Risk Procedures/Guidance for Risk Management is being reviewed and progress is being made to display appropriate information on Risk Management throughout both Councils. This will include posters on all notice boards at the main civic offices for South Bucks and Chiltern Councils, as well as data on the Councils intranet and regular items within the Councils all staff Newsletter.

Appropriate training has been developed and will be delivered during July 2017 on “Risk Management in a Changing Environment” for all middle managers. This has been incorporated into the current personnel training programme for staff.

**DISCLAIMER**




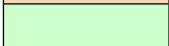

11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

## Progress against the Annual Plan for 2016/17

System	Planned Quarter	Days	Current Status	Comments
Performance Management/Efficient Working	1	10	Draft report issued June 2017	Audit commenced 23 February 2017
Purchasing Cards	1	11	Final report issued June 2016	Additional Review to 2016/17 plan
Contractor Health and Safety – follow on	1	5	Draft report issued May 2017	Additional Review to 2016/17 plan
Property and Asset Management	1	8	Final report issued March 2017	
Information Governance/Data Quality	1	9	Final report issued October 2016	
Health & Safety – internal arrangements	1	8	Final report issued April 2017	
Licensing	1	10	Final report issued October 2016	
Environmental Health	1	10	Final report issued December 2016	
Absence Management	1	8	Cancelled	Request by Head of Service to postpone
Expenses	1	8	Final report issued November 2016	Additional Review to 2016/17 plan
Chiltern Crematorium-annual Internal Audit	2	5	Final report issued February 2017	
Chiltern Crematorium-New Administration System	2	5	Draft report issued May 2017	
ICT - Controls over access to the internet	2	6	Draft report issued May 2017	
Individual Electoral Registration	2	8	Cancelled	An audit of this system was undertaken during 2015/16 and a further audit is not required at this time
Recruitment	2	8	Cancelled	Awaiting implementation of new IT system
Leisure Contracts	2	8	Draft report issued June 2017	
Waste-Joint Service Chiltern and Wycombe	2	8	Cancelled	To be undertaken in 2017/18

System	Planned Quarter	Days	Current Status	Comments
Budgetary Control	2	8	Final report issued October 2016	
ICT - Information risk management	2	10	Draft report issued May 2017	
ICT - Network project implementation	3	10	Draft report issued May 2017	
ICT - Mobile / agile working	3	10	Draft report issued May 2017	
Main Accounting	3	8	Final report issued January 2017	
Governance	3	9	Final report issued April 2017	
Procurement	3	8	Final report issued March 2017	
Debtors	3	10	Final report issued February 2017	
Council Tax and NDR	3	20	Final report issued March 2017	
Cash and Bank	3	9	Final report issued May 2017	
Benefits	3	10	Final report issued March 2017	
Council Tax Support	3	10	Final report issued March 2017	
Creditors	3	10	Final report issued January 2017	
Payroll	3	13	Final report issued February 2017	
Complaints and Compliments	3/4	6	Cancelled	To be undertaken in 2017/18
Follow up	4	10	Ongoing	Work in progress – reviewing of 16/17 recommendations
Car Parking	4	11	Final report issued April 2017	
Risk Management Assistance	3/4	10	Complete	No report generated
Counter Fraud	4	8	Final report issued May 2017	
Disabled Facilities Grants	TBA	5	Final Report issued July 2016	
Housing DECC Grants – energy efficiency	TBA	20	Final report issued February 2017	Additional 10 days agreed

KEY:

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued
	=	Audit Cancelled

## Audits Finalised since last Audit Committee

Title of review: **Procurement**

Date issued: **March 2017**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	For two of the procurement exercises sampled, either limited or no information was able to be located due to the fact that the lead officers no longer worked for the Councils.	Staff to be reminded to store all relevant supporting documentation either in local or central shared drives in accordance with procurement procedures to provide a full audit trail which is readily accessible.	2	<p><i>Agreed.</i></p> <p><i>The Contracts Procedure Rules are quite clear that:</i></p> <p><i>A Contract Owner must keep records on the decisions and activities they take concerning how they prepare for, enter into, manage, extend, vary and terminate each of the Councils' contracts.</i></p>	<i>Immediate</i>	<i>All Head of Service</i>



Title of review: **Health & Safety-Internal Arrangements**

Date issued: **April 2017**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	It was noted that attendance at 2016 Health and Safety Committee meetings did not meet the expectations set out in the terms of reference, with a large number of apologies at each meeting. The Director of Services and a number of Heads of Service had not attended at all during the 2016 calendar year, and there were no meetings where all service areas were represented. Attendance by senior managers at Health & Safety Committee meetings is key to ensuring that Health & Safety matters are given the requisite level of importance in line with legislative requirements.	Action be taken to ensure that attendance at Health and Safety Committee meetings is in line with the expectations set out in the Committee terms of reference.	2	<i>The committee dates will be set for the year ahead and HOS invited to attend with appointments placed in diaries.</i>  <i>The need to attend will be advised to all HOS at the next HOS meeting.</i>	19/04/17	GC

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Smart Log software is used to provide officers with online training material and to record completion of such training. Training currently covers Fire Awareness training, Display Screen Equipment training and specific training for Fire Wardens. The system records the due date for carrying out the training, and sends automated emails to officers on a weekly basis reminding them to carry out the training when it becomes overdue. At the time of the audit, eight users were overdue by more than two years, and more than 20 users were overdue by more than a year.	Action be taken to ensure all officers are carrying out regular fire awareness and DSE training/assessments.	2	<p><i>Currently reviewing the operation of Smart Log as part of the Mobile working project and recommendation will be made to MT.</i></p> <p><i>All staff will be reminded to complete the training.</i></p> <p><i>Staff who have not completed the Smart Log system will be targeted and required to complete within 2 months.</i></p>	<p>31/3/18</p> <p>31/6/17</p> <p>31/05/17</p>	<p>NPH</p> <p>HOS</p> <p>GC</p>
3	Compliance	For three service areas (Environment, Sustainable Development, and Business Support) it was noted that the internal audit risk assessment summaries had not yet been completed, and a limited number of individual risk assessments had been produced for these areas.	Action be taken to ensure that all risk assessment summaries are completed at the earliest opportunity.	2	<i>HOS to ensure these are reviewed completed and updated.</i>	31/03/18	HOS

Title of review: **Counter Fraud**

Date issued: **May 2017**

Rec.	Risk	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Operational	<p><i>Checklist 11. The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2016 to prevent potentially dishonest employees from being appointed.</i></p> <p>There is guidance that covers process but does not provide clear guidance on the importance of pre-employment checking.</p>	Guidance be strengthened in relation to the types of pre-employment checking that should be undertaken and this guidance should be integrated for both councils as opposed to the separate arrangements in place at present.	2	<i>A joint recruitment policy is in development and this recommendation will be considered as part of that process.</i>	30/09/17	Principal hr Advisor NPH