



Chiltern District Council

Internal Audit Progress Report

2017/18

Audit and Standards Committee – 17 January 2018

INTRODUCTION

1. This summary report provides the Audit and Standards Committee with an update on the progress of our work at Chiltern District Council as at 5 January 2018.

PROGRESS AGAINST THE 2017/18 ANNUAL PLAN

2. Our progress against the Annual Plan for 2017-18 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

5. The table below sets out details of audits finalised since our last report to the Audit and Standards Committee for 2017/18. 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*
Governance	Reasonable	3.7.17	9.10.17	11.10.17	-	1	1	-
Contracts and Procurement	Substantial	31.10.17	18.12.17	20.12.17	-	-	3	1
Emergency Planning	Substantial	13.9.17	19.9.17	21.9.17	-	1	1	-
Main Accounting	Substantial	7.11.17	13.11.17	15.11.17	-	-	1	-
Waste Services – Health and Safety	Limited	5.12.17	4.1.18	5.1.18	1	10	7	-
Commercial Rents/Debt Recovery	Substantial	12.8.17	18.10.17	20.10.17	-	-	-	1
HR – Harmonised Policies and Procedures	Substantial	19.6.17	20.9.17	22.9.17	-	-	1	-
HR – iTrent Payroll HR module	Substantial	22.6.17	20.9.17	22.9.17	-	-	-	-

CHANGES TO THE ANNUAL PLAN 2017/18

6. The following changes have been made to the audit plan for 2017/18
- Temporary Accommodation – an additional 6 days to allow for additional work to be undertaken for this audit.
 - Risk Management Assistance – an additional 5 days to allow risk workshops to take place during the year.
 - Waste – Health and Safety audit – an additional 15 day audit
 - Information Governance/Data Quality – 8 day audit deleted (audit completed in 2016/17)
 - Risk Management audit – 8 day audit deleted (risk management assistance provided throughout year)
 - Council Tax and NDR audit – an additional 3 days (audits undertaken as separate audits)
 - Waste – Health and Safety Follow up audit – an additional 4 day audit
 - Business Continuity audit – 7 day audit deleted (will now be done in Quarter 1 of 2018/19)
 - Absence Management audit – 8 day audit deleted (will now be done in Quarter 1 of 2018/19)

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 one Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous Progress Report. This is shown in Appendix B – Waste Services (Health and Safety) audit.

RISK MANAGEMENT

11. The Audit Director with TIAA and the Councils Audit, Fraud & Error Reduction Manager meet on a regular basis to discuss and action Risk Management matters 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 has been delivered on “Risk Management in a Changing Environment” for all middle managers.

DISCLAIMER

12. 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 2017/18

System	Planned Quarter	Days	Current Status	Comments
Governance – Gifts and Hospitality	1	8	Final report issued October 2017	
Disabled Facilities Grants	1	5	Final report issued July 2017	
Cemeteries	1	8	Audit has commenced	In Progress
HR - Harmonised Policies and Procedures	1	8	Final report issued September 2017	
HR - iTrent Payroll System (HR Module)	1	6	Final report issued September 2017	
Crematorium - Annual Internal Audit	1	5	Final report issued July 2017	
Expenses	1	8	Final report issued July 2017	
Ground Maintenance	1	8	Audit has commenced	In Progress
Risk Management	1	8	Cancelled	Audit cancelled as risk management assistance provided throughout year
Complaints and Compliments	2	6	Final report issued August 2017	
Temporary Accommodation	2	18	Final report issued August 2017	
HR - Absence Management	2	8	Cancelled	Audit cancelled. Will be done Q1 2018/19
Purchase Cards	2	8	Draft report issued January 2018	
HR - Recruitment	3	8	Draft report issued January 2018	
Main Accounting	3	7	Final report issued November 2017	
Payroll	3	12	Planned start date 08/01/18	
Accounts Receivable (Debtors)	3	9	Draft report issued December 2017	
Accounts Payable (Creditors)	3	9	Draft report issued December 2017	

System	Planned Quarter	Days	Current Status	Comments
Contracts and Procurement	3	10	Final report issued December 2017	
Information Governance/Data Quality	3	0(8)	Deleted	Deleted (previous audit completed in 2016/17)
Data Protection	3	8	In progress	
Business Continuity	3	0(7)	Cancelled	Audit cancelled. Will be done Q1 2018/19
Emergency Planning	3	6	Final report issued September 2017	
Benefits	3	13	In progress	
Council Tax Support	3	13	In progress	
Council Tax and NDR	3	20	Council Tax draft report issued Nov 17 NDR draft report issued Sept 17	
Cash and Bank	3	8	In progress	
Treasury Management	3	8	Planned start date 29/01/18	
ICT – Network Controls	2	7	Draft report issued November 2017	
ICT - Telecomms	3/4	7	In progress	
ICT – Mobile/Agile Working	4	7	In progress	
ICT – Information and Data Storage	2	3	In progress	
Waste Services (Chiltern, Wycombe and South Bucks)	3	11	Planned start date February 2018	
Waste Services (Health and Safety)	3	15	Final report issued January 2018	New audit
Waste Services (H & S) – Follow up	4	4	Planned start date February 2018	New audit
Car Parking	4	7	Planned start date February 2018	
Commercial Rents/Debt Recovery	4	8	Final Report issued October 2017	
Crematorium - New Administration System	4	5	Final report issued July 2017	

System	Planned Quarter	Days	Current Status	Comments
Follow up		10		
Risk Management Assistance	ongoing	15		

KEY:

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

Audits Finalised since last Audit Committee

Title of review: **Governance**

Date issued: **October 2017**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	<p>Review of the registers of the existing staff declarations indicated that these do not record:</p> <ul style="list-style-type: none"> • whether the gift/hospitality presents either no, potential, actual or perceived conflicts of interest; • the relationship of the person giving the gift to the authority employee; • the reason for the gift and hospitality; and • the department of the Council receiving the gift and hospitality. 	<p>The harmonised CDC/SBDC register of staff declarations of gifts and hospitality be reviewed to include the omissions identified in this report, with the objective of demonstrating transparency to all the Councils' stakeholders.</p>	2	Completed	04/07/17	HR Manager

Title of review: **Emergency Planning**

Date issued: **September 2017**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	Inspection of the combined strategic risk register found that the risk for a critical incident and the mitigating controls surrounding Emergency Planning are not included.	Combined Strategic Risk Register to be reviewed to recognise the potential incident triggers and Emergency Planning controls which the Councils have, and will, put in place.	2	Done.	19/09/17	Head of Healthy Communities

Title of review: **Waste Services – Health and Safety**

Date issued: **January 2018**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
15	Compliance	The Claylane site was cluttered and untidy. (Not Serco related.) Enforcement of strict site rules should be considered for occupants and the public.	The Serco Depot site in High Wycombe is in need of substantial housekeeping by the management company to ensure safety can be maintained.	1	<i>Serco have raised concerns at contract meetings regarding the Clay Lane depot. These have been raised with WDC and the Estates Department will be tasked with undertaking this work</i>	End March 2018	Neil Stannett Environmental Health Manager /RW Contract Manager

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	A waste management strategy was not clearly evidenced during the review. Supporting policies were provided, however none fully detailed the council's strategy thereby clearly setting out its management arrangements.	The waste management leads to draft a corporate waste strategy, setting out the overarching legal requirements, scope, resources and arrangements that are in place.	2	<i>Strategic aims were set out in the specification documents for each of the tendering processes. Staff resources for the client team were set out in the recent shared service review, October 2016, and contractor resources are set out in contract documents. The authorities are also signed up to the Buckinghamshire Municipal Waste Management Strategy. Overarching legal requirements are set out in the Service Plan. A corporate strategy can be drafted prior to tendering or contract extension. As such it is felt that the suggested strategy is not needed at this time and Management and Officer resources would be better spent on projects with a higher H&S impact.</i>	2019	SG Waste Services Manager

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	The Council had evidenced a contractor policy that was last updated in December 2014. Since then changes have occurred and needs to be included within the policy. The policy should also provide more details around monitoring and reference all appropriate documentation.	Review the Management of Contractors policy and update for recent changes to include the contractor management cycle, detail roles of responsible parties identified, reference contractor health and safety documents and explain in sufficient details the streams and resources for monitoring.	2	<i>Policy to be reviewed and updated as required.</i>	<i>Review by end quarter 1 2018/19</i>	<i>CM Head of Environment & Glynis Channell</i>
6	Compliance	Serco risk assessments revealed that not all controls were being noted, such as for example PPE. Risk assessments also did not have clear file names and were difficult to locate from the reference numbers without additional information.	Serco to provide a referencing index for its risk assessments for the contractor and ensure that risk assessments include all necessary controls.	2	<i>Referencing index to be created</i>	<i>End Jan 2018</i>	<i>RW Contract Manager</i>
8	Compliance	Currently there is a limited inspection and audit process in place. It is not targeted, strategic or coordinated to ensure the full range of risks and tasks are monitored. To achieve this the waste team need to undertake an audit needs analysis. (ANA) This should include triangulation of risks, incidents and complaints. The ANA should focus primarily on both quality and safety.	Prepare an audit needs analysis which will inform the annual audit/inspection plan.	2	<i>This had already been recognised by Managers and an annual H&S plan is to be developed to ensure that the full range of risks and tasks are monitored in a timely manner, together with the delivery of necessary training. Contract Monitoring Officers will be involved in this process.</i>	<i>An ANA to be prepared by end of Feb 2018 and an implementation plan in place by May 2018</i>	<i>RW & EC Contract Managers</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
9	Compliance	The team of inspectors currently undertakes random uncoordinated inspections. With the aid of an audit needs analysis a targeted annual audit and inspection plan can be drafted and monitored.	Prepare an annual audit inspection plan which will, once agreed with the Head of Environment, form the spine of auditing and inspections for the year.	2	<i>An inspection plan has already been introduced for the team of Contract Monitoring Officers, with weekly inspections now taking place with results recorded and communicated with contractors, and follow up actions noted.</i>	As above	As above
11	Compliance	The Serco site at London Road was well managed, clean and tidy. Pedestrian segregation improvements were observed and these appear to be ongoing. Clear pedestrian crossing markings and safety aids such as barriers and signage could further support safety efforts.	Site improvements to the London Road site to include consideration for pedestrian safety, public access through additional signage, lighting, and proactive CCTV monitoring as detailed within the report.	2	<i>Plans are currently being drawn up for completion of further site health and safety improvements including re-surfacing and relining of pedestrian walkways, and crossings.</i>	Completed 24 December 2017	RW Contract Manager
12	Compliance	A visit to the Biffa depot at Burnham was also undertaken. The only concern noted at the depot was the lack of segregation between the pedestrian walkway close to the office which was in very close proximity to the working vehicles. This should be reviewed.	Review the pedestrian and vehicle segregation across the Burnham Biffa site to ensure that working vehicles are separated from other traffic and pedestrians walking on site.	2	<i>The issue had already been raised by Biffa. A formal instruction to undertake the work was issued on 25/8/17 and is being arranged.</i>	End Jan 2018	EC Contract Manager

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
14	Compliance	The Serco Depot at the Claylane Booker site in High Wycombe was a large and complex site. A site risk assessment was not evidenced considering the multi-site approach which is in close proximity to Serco operations.	Undertake a risk assessment of the multi occupancy Serco Depot site in High Wycombe and its operations and carefully appraise the risks verses the benefits.	2	<i>Serco have raised concerns at contract meetings regarding the Clay Lane depot. These have been raised with WDC and the Estates Department will be tasked with undertaking this work</i>	<i>End January 2018</i>	<i>Neil Stannett Environmental Health Manager /RW Contract Manager</i>
16	Compliance	Serco demonstrated its willingness and commitment to site safety and as a high risk operational site occupant requires regular effective cooperation and support from the Council's management company. This appeared lacking and site meetings were not deemed regular or sufficient.	The management company to engage face to face with Serco and the Council at least monthly to ensure the site remains in a good orderly state.	2	<i>Serco have raised concerns at contract meetings regarding the Clay Lane depot. These have been raised with WDC and the Estates Department will be tasked with undertaking this work</i>	<i>End January 2018</i>	<i>Neil Stannett Environmental Health Manager /RW Contract Manager</i>
18	Compliance	The council evidenced that it is dynamic and forward thinking in utilising cost effective technology to support health and safety risk management. In this regards, all BIFFA vehicles are now equipped with 360 cameras. There are inherent risks operating heavy duty vehicles, which would be more effectively controlled utilising 360 cameras.	Develop a business case to further enhance safety and driver awareness by installing 360 cameras across all heavy duty vehicles in use by the council, applying a systematic cost effective approach.	2	<i>Agree that 360 degree cameras would be of benefit on all large vehicles. Business case to be submitted for consideration.</i>	<i>End March 2018</i>	<i>Sally Gordon – Head of Waste</i>