



Chiltern District Council

Internal Audit Progress Report

2017/18

Audit and Standards Committee – 8 March 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 16 February 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*
Purchase Cards	Reasonable				-	2	3	-
HR recruitment	Substantial				-	-	1	-
Payroll	Reasonable				-	-	3	1
Debtors	Substantial				-	-	1	2
Creditors	Substantial				-	-	-	1
Benefits and Council Tax Support	Substantial				-	-	1	-
Council Tax	Substantial				-	-	-	-
NDR	Substantial				-	-	-	-

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 not made any Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous Progress Report.

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	Draft report issued 8 February 2018	
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	Draft report issued 20 February 2018	
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	Final report issued January 2018	
HR - Recruitment	3	8	Final report issued January 2018	
Main Accounting	3	7	Final report issued November 2017	
Payroll	3	12	Final report issued February 2018	
Accounts Receivable (Debtors)	3	9	Final report issued February 2018	
Accounts Payable (Creditors)	3	9	Final report issued February 2018	

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	Final report issued February 2018	
Council Tax Support	3	13	Final report issued February 2018	
Council Tax and NDR	3	20	Council Tax Final report issued Dec 17 NDR Final report issued Sept 17	
Cash and Bank	3	8	Draft report issued 16 February 2018	
Treasury Management	3	8	Draft report issued 20 February 2018	
ICT – Network Controls	2	7	Draft report issued December 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	In progress	
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: **Purchase Cards**

Date issued: **January 2018**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	Sample testing of card usage highlighted one case where it was evident from the supporting documentation that the card was being used by a number of members of a team, rather than just the designated cardholder.	Action be taken to ensure that Purchasing Cards are used only by the designated cardholder.	2	A reminder has been sent to all P-Card holders that cards should not be shared.	<i>Immediate</i>	<i>Finance Manager</i>
5	Compliance	Sample testing highlighted a number of inconsistencies with VAT treatment, with VAT receipts not being submitted in all cases.	Full VAT receipts be retained and submitted with log forms in all cases to demonstrate appropriateness of expenditure and allow for VAT to be reclaimed wherever possible.	2	<i>A reminder has been sent to all P-card holders to obtain and include VAT receipts wherever possible.</i>	<i>Immediate</i>	<i>Finance Manager</i>