



## **Audit and Standards Committee**

**Thursday, 24 January 2019 at 6.30 pm**

**Large & Small Committee Room, King George V House, King George V  
Road, Amersham**

### **A G E N D A**

Item

1 Election of Chairman for this meeting only

2 Evacuation Procedures

3 Apologies for Absence

4 Minutes (*Pages 5 - 10*)

To approve the minutes of the Audit and Standards Committee held on 11  
October 2018.

5 Declarations of Interest

6 Review of Guidance on Dispensations (*Pages 11 - 12*)

*Appendix 1 (Pages 13 - 14)*

*Appendix 2 (Pages 15 - 16)*

7 Standards Work Programme (*Pages 17 - 18*)

8 Internal Audit Interim Progress Report 2018/19 (*Pages 19 - 26*)

- 9 Internal Audit Annual and Strategic Plan 2019-20 (*Pages 27 - 46*)
- 10 Internal Audit Comparison Report (*Pages 47 - 54*)
- 11 Fraud and Corruption Update (*Verbal Report*)
- 12 Audit Committee Work Programme (*Pages 55 - 56*)
- 13 Exclusion of the Public (if required)

To resolve that under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item(s) of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act.

**Note:** All reports will be updated orally at the meeting if appropriate and may be supplemented by additional reports at the Chairman's discretion.

**Membership: Audit and Standards Committee**

Councillors: J Gladwin (Chairman)

A Bacon

C Ford

C Jackson

R J Jones

V Martin

D Phillips

N Varley

C Wertheim

E Jones (Independent Person)

C Langley (Independent Person)

**Date of next meeting – Wednesday, 10 April 2019**

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**CHILTERN DISTRICT COUNCIL**

**MINUTES** of the Meeting of the  
**AUDIT AND STANDARDS COMMITTEE**  
held on **11 OCTOBER 2018**

**PRESENT:** Councillor J Gladwin - Chairman

Councillors: C Jackson  
R J Jones  
V Martin  
D Phillips  
N Varley  
C Wertheim

Independent Person E Jones

**APOLOGIES FOR ABSENCE** were received from Councillors A Bacon and C Ford

**21 MINUTES**

The Minutes of the meeting of the Audit and Standards Committee held on 16 July 2018 were approved by the Committee and signed by the Chairman as a correct record. Cllr Varley apologised for not sending apologies to the previous meeting of the Committee.

**22 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**23 ANNUAL REVIEW OF THE CODE OF CONDUCT AND COMPLAINTS PROCEDURE**

The Committee considered a report which considered whether the code of conduct and complaints procedures adopted by the Council in accordance with the Localism Act in 2011, remained fit for purpose.

The Committee was advised that the Code of Conduct was first adopted by the Council in July 2012 and amended in February 2018 to include clarification that members who declare a personal interest may still speak and vote on the item of business concerned.

The governance procedure for dealing with complaints was attached at appendix 2 on pages 27-61 of the reports pack. Members were advised that one complaint had been received since the introduction of the current procedure and there had been no reason to suggest that it was not fit for

purpose, therefore no further amendments were recommended to the procedure.

In response to a query from a member in respect of an issue which related to the conduct of Members of the Planning Committee, Members were advised to refer to the 'Code of Practice on Planning Matters'. Further to this, the Monitoring Officer recommended that members contact her directly should they have any queries which they wished to discuss or receive advice on.

### **RESOLVED**

**That the report be noted and no changes should be made to the Council's current code of conduct and complaints procedure.**

*Note 1: Cllr R Jones entered the meeting at 18.38 p.m.*

## **24 COMMITTEE ON STANDARDS IN PUBLIC LIFE ANNUAL REPORT**

The Committee considered the Committee for Standards in Public Life (CSPL) Annual Report for 2017-18 and it's Forward Plan for the coming year.

Members were advised that the CSPL was in the process of undertaking a review of Local Government ethical standards. The first phase of this review had been completed and the second phase which involved a programme of visits to Councils and discussions with Councillors was ongoing. The aim was for this report to be published in December 2018 and this would be brought to a future meeting of the Committee for Members information.

### **RESOLVED**

**That the report be noted.**

## **25 STANDARDS WORK PROGRAMME**

A report on standards training for new councillors would be brought to the January meeting of the Committee and Members were encouraged to provide comments to the Monitoring Officer on how this training can best be presented to Members as part of the induction programme in May 2019. The Chairman advised that he would be happy to circulate a communication to Members and feed comments back to the Monitoring Officer.

### **RESOLVED**

**That the Standards Work Programme of the Audit and Standards Committee be noted.**

## **26 FRAUD AND CORRUPTION ANNUAL REPORT**

The Committee considered a report which detailed the anti-fraud and error reduction activity undertaken in 2017/18 and the action plan for 2018/19.

Members were advised that for on-going benefit and reduction claims the Fraud and Error team targeted cases based on known risk factors or as a result of information received from third parties, including HMRC, DWP and the general public to ensure claims were accurate and errors identified at the earliest opportunity.

It was explained that DWP were now responsible for the investigation, sanction or prosecution of Housing Benefit and historic Council Tax Benefit frauds following cases being referred by the Council. 22 cases had been referred with 2 prosecutions made by the DWP.

Members' attention was drawn to the table as seen in para 4.5 of the report which noted the total overpayments identified in 2017/18 - £47,129 out of £83,330 had been recovered to date. DWP now provided referrals based on real time income details provided to HMRC and these figures could be viewed in para 4.6 of the report. The way in which data was presented by the DWP would be changing shortly and would be made available to the Council online which would allow the team to better target cases. The Committee asked that previous year's figures be included in future reports to allow for data comparison.

It was clarified that as part of the figures above whilst the number of cases for 2017/18 were significantly higher than the previous years the total sum was only £22k higher due to a higher number of cases with lower sums of overpayment. The Committee agreed that it would be useful to provide a breakdown of overpayments by amount for future reports to understand the spread of higher and lower overpayments.

A Member queried how the Council dealt with chasing overpayments from vulnerable residents and the Committee was advised that there was a Welfare Officer in the Fraud and Error team who assessed individual cases where a person was deemed vulnerable and a decision was then made on writing debts off as appropriate. The Committee requested that the number of write-offs also be reported in future reports.

The Committee congratulated the team for the overall overpayments level of 2.78% of expenditure compared to 6.4% nationally.

### **RESOLVED**

**That the report be noted.**

## **27 INTERIM PROGRESS REPORT**

The Committee received the Internal Audit progress report from TIAA which showed the progress of audits since the previous meeting. Of the five audits finalised so far for 2018/19 there had not been any priority 1 or 2 recommendations. It was explained that priority 3 recommendations were not deemed as significant issues which required specific reporting to the Committee.

The Committee was advised that the Procurement audit would review major contracts and the Project Management audit would review three major projects the Council was involved in.

The Committee asked that the finalised report on Property & Asset Management be presented to Members at the next meeting, even if there were no priority 1 or 2 recommendations. Further internal audit work would look at S106 contributions, their monitoring and collection, and Members requested an update on this also be brought to the Committee.

It was explained that a Cyber Security audit was undertaken annually by the Cabinet Office who issue a detailed and thorough report to the Council. The Committee asked that this annual report be presented to the Committee with the most recent report being presented at the next meeting.

### **RESOLVED**

**That the report be noted.**

## **28 COMPARISON OF ASSURANCE LEVELS**

The Committee considered a report which provided a comparison of assurance levels over time so that any trends or measures which may have impacted upon the control framework at the Council could be identified. Members were advised that this report would be reformatted to allow for easier reading and brought to the next meeting of the Committee.

### **RESOLVED**

**That the report be noted.**

## **29 AUDIT COMMITTEE WORK PROGRAMME**

The Audit Committee work programme was included in the reports pack. The Committee was advised that it was good practice for Ernst & Young to rotate their Audit Team covering the contract, therefore the next meeting would be the last that the current Associate Partner and Manager would attend whilst introducing their replacements.

### **RESOLVED**

**That the Audit Work Programme of the Audit and Standards Committee be noted.**

## **30 FREEDOM OF INFORMATION MANAGEMENT AND RIPA ANNUAL REPORT**

The Committee received a report which provided an update on public engagement with the Freedom of Information Act 2000, Environmental Information Regulations (GDPR), the Transparency Code of Practise, the INSPIRE Regulations, RIPA, and Protection of Freedoms Act 2012.

The service areas that received the most FOI requests continued to be Healthy Communities and Business Support. Business Support received a high number of commercial requests whilst Healthy Communities tended to receive requests from journalists gathering information on a national basis linked to housing and environmental health.

The Chairman identified that in comparison to previous years Legal and Democratic Services had seen an increase in requests for the first five months of the year. This would be queried with the Head of Legal and Democratic Services and the outcome fed back to the Chairman.

The Committee thanked officers for their work in ensuring the vast majority of Freedom of Information requests were responded to within 20 working days.

## **RESOLVED**

**That the report be noted.**

### **31 AOB**

The Chairman reported that he had attended a meeting of Audit Committee Chairmen from Councils of a similar size to Chiltern organised by Ernst & Young, and this had been a good opportunity to share information and best practice. Amongst issues discussed, Hart District Council had recently built a leisure centre and appointed an operator who guaranteed a certain level of return and suggested Chiltern speak with the Chief Officer to discuss further details. The Chairman would notify the meeting organisers that the Members of this Committee had not received an invite to the meeting to ensure that they have the opportunity to attend future meetings.

A Member raised the redevelopment of Chiltern Pools and queried the role of this Committee in the project. The Committee was keen to ensure that all the assumptions in the business case were thoroughly scrutinised. It was explained that Members would be given time to fully scrutinise the final business case which was due to be completed early Summer 2019. The final business case would be presented to both the Resources Overview and Services Overview Committees as well as being discussed at the regular meetings of the Leisure Needs Members Working Group, before going forward to Cabinet for any decisions.

**The meeting ended at 7.52 pm**



<b>SUBJECT:</b>	Review of Guidance on Dispensations
<b>REPORT OF:</b>	Monitoring Officer
<b>RESPONSIBLE OFFICER</b>	Joanna Swift
<b>REPORT AUTHOR</b>	Joanna Swift
<b>WARD/S AFFECTED</b>	None

### 1. Purpose of Report

This report considers whether the current procedures for granting dispensations to members remains fit for purpose.

### RECOMMENDATION

**The Committee is invited to note the information in this report and consider whether any changes should be made to the Council's current guidance.**

### 2. Reasons for Recommendations

It is good practise for the Council to review its adopted policies and procedure on a regular basis to ensure they remain relevant and effective.

### 3. Content of Report

- 3.1 Under section 33 of the Localism Act a dispensation may be granted to enable a member who has a disclosable pecuniary Interest (DPI) or a prejudicial interest in an item of Council business to participate in the following circumstances:-
- That so many members have a DPI that it would impede the transaction of business i.e. the meeting would be inquorate
  - That without a dispensation the political balance of the meeting would be so upset as to alter the outcome
  - That the Council considers a dispensation is in the interests of the persons living in the District
  - That without a dispensation no member of the Cabinet would be able to participate on the matter
  - That the Council considers that it is otherwise appropriate to grant a dispensation
- 3.2 As dispensations are usually needed quite speedily and between Committee/meeting cycles, the Council agreed in October 2012 to delegate authority to grant dispensations to the monitoring officer in consultation with the Chairman or Vice-Chairman (if appointed) of this Committee in consultation with the Independent Person. Criteria for the granting of dispensations, together with guidance for members and an application form were agreed by the then Standards Committee in October 2012 and last reviewed by this Committee in January 2017. These documents are appended to this report and are available on the intranet.

- 3.3 Members applied for dispensations en bloc in respect of the Council Tax setting in February 2016. This was done because the exemption contained in the previous statutory Code of Conduct for members when setting Council Tax was not replicated in the DPI Regulations there is a risk that members liable to pay CDC Council Tax could have a DPI. The number of members with a DPI means the Council meeting would be inquorate. Whilst the legal position is open to interpretation other authorities in the County and elsewhere have arranged for dispensations to be granted to their members. As failure to disclose a DPI is a criminal offence the monitoring officer advised that members liable to pay Chiltern DC Council Tax should apply for a dispensation. The 2016 dispensation covered the rest of the council term until 2019 and is not affected by the postponement of the local elections in May.
- 3.4 The procedure appears to work effectively in relation to the Council Tax setting dispensations. As there have been no changes to the relevant legislation since the current documentation was last reviewed the monitoring officer considers it remain fit for purpose.

#### 4. Consultation

Not applicable at this stage

#### 5. Options

The Committee has the option of proposing changes to the guidance and this would be the subject of wider consultation with members before formal consideration by Full Council.

#### 6. Corporate Implications

Financial - None  
 Legal – As set out in the report  
 Risks issues – None  
 Equalities - None

#### 7. Links to Council Policy Objectives

Whilst there is no direct link to the Council's main objectives the adoption and regular review of guidance on dispensations supports arrangements to ensure good governance of the Council.

#### 8. Next Steps

Consultation would be undertaken with the wider Council membership on any proposed changes.

<b>Background Papers:</b>	None except those referred to in the report
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**CHILTERN DISTRICT COUNCIL****Criteria for Granting Dispensations**

In determining whether to grant a request for a dispensation Section 33 of the Localism Act 2011 (the Act) has to be considered. Under Section 33(2) of the Act a Council may grant a dispensation to a member or co-opted member of an authority only if, after having had regard to all the relevant circumstances, it considers that:-

- (a) without the dispensation the number of persons prohibited from participating in any particular business would be so great a proportion of the Council as to impede the transaction of the business
- (b) without the dispensation the representation of different political groups on the Council would be so upset as to alter the likely outcome of any vote relating to the business
- (c) the granting of the dispensation is in the interests of persons living in the Council's area
- (d) without the dispensation each member of the Council's Executive would be otherwise prohibited from participating in the business to be transacted – or -
- (e) that it is otherwise appropriate to grant a dispensation.

Under Section 33(2)(e) it has to be considered whether it is appropriate to grant the dispensation – this will involve a need to balance the interest of the member seeking the dispensation against the potential effect on the outcome of the matter if the member is unable to speak and/or vote – and in doing so seek to maintain public confidence in the conduct of Council business as well as seeking to ensure that business can continue to be conducted efficiently and effectively.

Regard shall be had to the following:-

1. **Whether the nature of the Members interest is such that to allow them to participate would not damage public confidence in the conduct of the authority's business.** For example a dispensation would not normally be granted to a Member who has a prejudicial interest arising as a result of an effect on their personal financial position or that of a relative or close associate - but would be more likely to be granted where the prejudicial interest arose from the financial effect the decision might have on a public body of which he or she was a Member.
2. **Whether the interest is common to the Member and a significant proportion of the general public?** If this is the case, a dispensation is more likely to be granted.
3. **Is the participation of the Member in the business that the interest relates to justified by the Member's particular role or expertise?** To have the benefit of the Members expertise before making a decision may justify a dispensation being granted – even if limited to allow speaking only.
4. **Is the business that the interest relates to about a voluntary organisation or a public body which is to be considered by an Overview and Scrutiny Committee? And is the Member's interest not a financial one?** In such circumstances it is likely that a dispensation will be granted.
5. **Whether without the grant of the dispensation the business of the subject Council would be frustrated/halted.**



**CHILTERN DISTRICT COUNCIL****Guidance for Members seeking a Dispensation****1 When might it be appropriate to request a dispensation?**

- 1.1 The Localism Act 2011 and the Code of Conduct provides that if an elected or co-opted member has a Disclosable Pecuniary Interest (DPI) or a Prejudicial Interest in an item of Council business, they should not speak or vote on the matter and should leave the meeting whilst it is discussed – subject to the exemption re Prejudicial Interests at Paragraph 9 of the Code – see below.
- 1.2 Members of Chiltern District Council (CDC) can make representations at meetings where they would otherwise have a Prejudicial Interest where a member of the public has a similar right. However the member must leave the meeting before the vote is taken.
- 1.3 However the legislation/Code provides that even where members have a DPI or a Prejudicial interest they may, in certain circumstances, request a dispensation from the Council. This dispensation can be either just to speak or to vote at the meeting or to speak and to vote.

**2. What are the circumstances in which I ask for a dispensation?**

- 2.1 You can request a dispensation in the following circumstances:

Under Section 33(2) of the Act a Council may grant a dispensation to a member or co-opted member of an authority only if, after having had regard to all the relevant circumstances, it considers that:-

- (a) without the dispensation the number of persons prohibited from participating in any particular business would be so great a proportion of the Council as to impede the transaction of the business
  - (b) without the dispensation the representation of different political groups on the Council would be so upset as to alter the likely outcome of any vote relating to the business
  - (c) the granting of the dispensation is in the interests of persons living in the Council's area
  - (d) without the dispensation each member of the Councils Executive would be otherwise prohibited from participating in the business to be transacted – or –
  - (e) that it is otherwise appropriate to grant a dispensation.
- 2.2 Elected or co-opted members of a town or parish council can request a dispensation for their Council by making a written request to the Town/Parish Clerk.

**3. Does the request for a dispensation have to be granted?**

No. There is a discretion as to whether to grant the request. It can also

grant a partial dispensation to enable you to speak but not vote or a dispensation to enable you to speak and vote. The Audit and Standards Committee has adopted a set of criteria to assist it in deciding the circumstances in which a request for dispensation will be granted.

#### **4. Are there any circumstances when a dispensation will not be granted?**

Yes. In the case of elected members of CDC, a dispensation will not be given:

- to allow a member to vote in an Overview and Scrutiny Committee on any decision made by a body of which they were a member at the time the decision was taken;
- to allow a cabinet member with a DPI/Prejudicial Interest in an item of executive business to take an executive decision about it on their own.

#### **5. How do I make a request for a dispensation?**

- 5.1 A request must be made in writing by the member seeking dispensation to the monitoring officer. An individual request must be signed by the member seeking a dispensation. A dispensation for a town or parish councillor must be made to the town/parish clerk.
- 5.2 A proforma application form can be downloaded from the standards pages of the website.
- 5.3 Members should state the nature of the interest for which a dispensation is sought, the nature of the request (i.e. to enable you to speak only or to speak and vote) and the duration. A dispensation may be granted for a specific period i.e. only for one meeting or for a period up to 4 years.
- 5.4 You should also specify the reasons why you think the dispensation should be granted.

#### **6. How much notice is needed to consider my request?**

- 6.1 The Council has delegated the authority to consider/grant dispensations to the monitoring officer in consultation Chairman or Vice-Chairman (if appointed) of the Audit and Standards Committee and an Independent Person so that it can be dealt with more quickly.
- 6.2 However you should leave as much time as possible between requesting the dispensation and the meeting for which the dispensation is sought in order to allow time to determine the request.
- 6.3 It is therefore suggested that you submit your request a minimum of 10 working days prior to the meeting at which you wish to request that you be given a dispensation to speak and/or vote to ensure that your request can be considered.

**CHILTERN DISTRICT COUNCIL**

**AUDIT AND STANDARDS COMMITTEE**

**STANDARDS WORK PROGRAMME**

**2018/2019**

		2018			2019	
	Contact	16.07.18	11.10.18	24.01.19	10.04.19	
<b>16.07.18</b>						
<ul style="list-style-type: none"> <li>Complaints Monitoring Report 2017/18</li> <li>Review of the Protocol on the role of the Independent Person</li> </ul>	Joanna Swift Joanna Swift	X X				
<b>11.10.18</b>						
<ul style="list-style-type: none"> <li>Annual Review of the Code of Conduct and Complaints Procedure</li> <li>Committee on Standards in Public Life Annual Report</li> </ul>	Joanna Swift Joanna Swift		X X			
<b>24.01.19</b>						
<ul style="list-style-type: none"> <li>Review of Guidance on Dispensations</li> <li></li> </ul>	Joanna Swift			X		
<b>10.04.19</b>						
<ul style="list-style-type: none"> <li>Update on the Standards Framework</li> <li>Work programme for 2019/20</li> </ul>	Joanna Swift Joanna Swift				X X	

**Chiltern District Council**

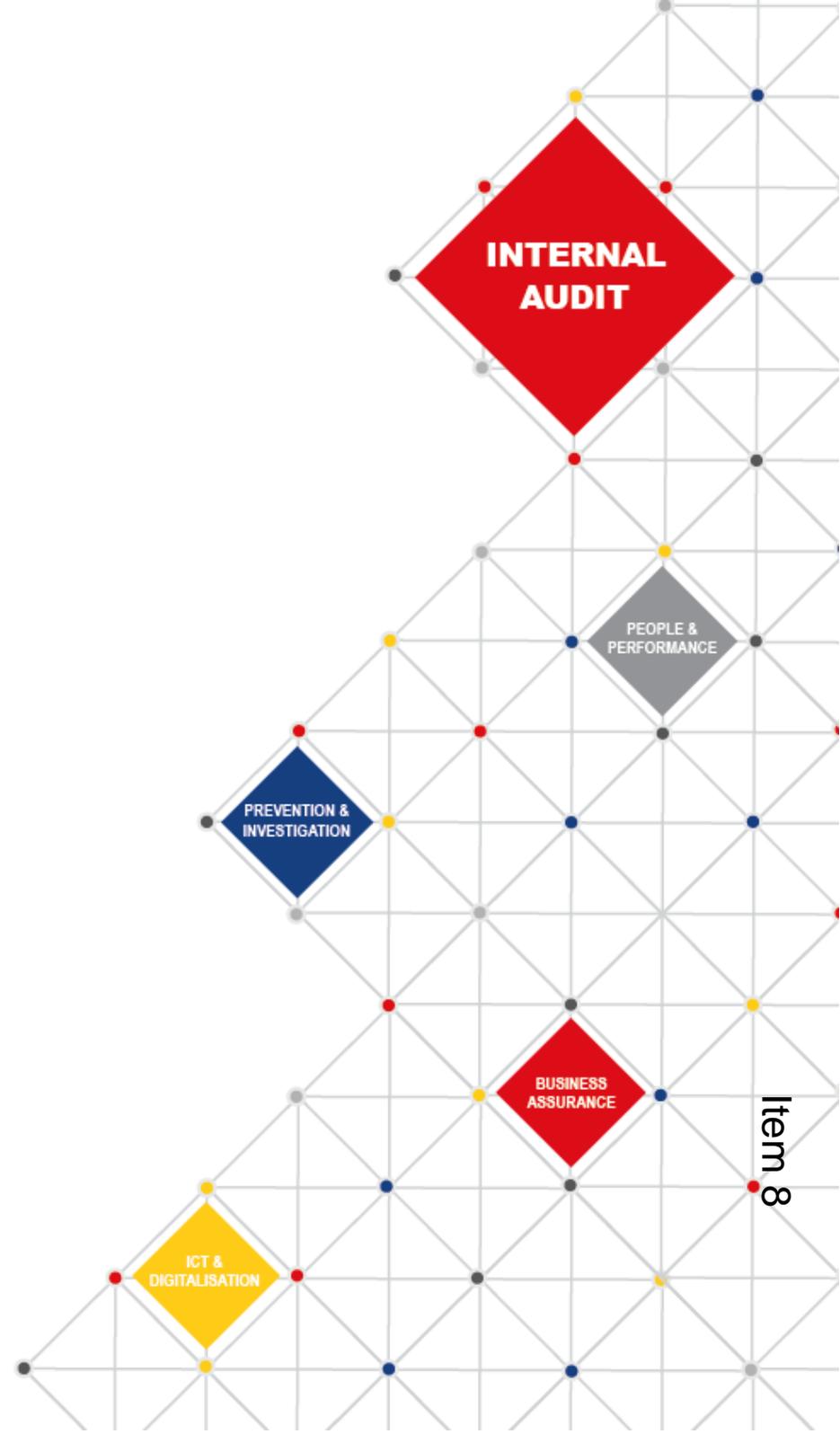
**Internal Audit Progress Report 2018/19**

**Audit and Standards Committee 24 January  
2019**

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**FINAL**

**2018/19**



**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 3 January 2019.

**PROGRESS AGAINST THE 2018/19 ANNUAL PLAN**

2. Our progress against the Annual Plan for 2018-19 is set out in Appendix A. The results of these reviews with recommendation priority 1 and 2 would be summarised at Appendix B the three audits that were finalised in the period had one priority 2 recommendation.

**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 sets out details of audits finalised since the previous meeting of the Audit and Standards Committee.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM*
Purchase Cards	Reasonable	04.09.18	24.09.18	26.09.18	-	1	3	-
HR – Absence Management	Substantial	04.07.18	18.09.18	20.09.18	-	-	-	-
Property and Asset Management	Substantial	10.07.18	12.10.18	15.10.18	-	-	1	-

\*Operational Effectiveness Matters (these are good practice suggestions that have arisen during the audit)

**CHANGES TO THE ANNUAL PLAN 2018/19**

6. The following changes have been made to the audit plan for 2018/19

Review	In strategic plan for 2018/19	Change made	Rationale for the change
HR Absence Management	Omitted in error	An addition to the plan	This audit was carried forward from 2017/18 and initially missed from the 2018/19 plan
ICT Members ICT Support	Yes	Delete	
ICT Cyber Security	Yes	Delete	Covered by the PSN review audit not required
ICT User Access to Business Systems	Yes	Delete	Covered by the PSN review audit not required
Data Protection	Yes	Delete	ICT GDPR audit being undertaken this year
Crematorium – additional audit	Yes	Delete	To be undertaken in 2019/20
Risk Management	Yes	Delete	This is covered by the ongoing Risk Management assistance
Chiltern Pools	Yes	Delete	Project not sufficiently advanced

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**FRAUDS/IRREGULARITIES**

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

**LIAISON**

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

We have regular client meetings with the Audit, Fraud and Error Reduction Manager and Head of Finance.

**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**

9. 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.

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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 Chiltern and South Bucks Councils, as well as data on the Councils intranet.

Appropriate training has been developed and has been delivered on “Risk Management in a Changing Environment” for all middle managers. Further training has been given during June and July 2018.

## **RESPONSIBILITY/DISCLAIMER**

10. 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 2018/19

System	Planned Quarter	Days	Current Status	Comments
Governance	3	8		
Risk Management	3	0(8)		Cancelled
Procurement	2	8	In progress	
Counter Fraud	1	8	In progress	
Data Protection	2	0(8)		Cancelled
Business Continuity	2	7	Final report issued 3 August 2018	
Purchase Cards	2	8	Final report issued 20 <sup>th</sup> September 2018	
Expenses	1	8	Final report issued 22 August 2018	
Project Management	2	8	In progress	
Main Accounting	3 or 4	7	Draft report issued 21 December 2018	
Payroll	3 or 4	15		Start date 21 January 2019
Accounts Receivable (Debtors)	3 or 4	8	In progress	
Accounts Payable (Creditors)	3 or 4	8	In progress	
Benefits	3 or 4	13		
Council Tax Support	3 or 4	13		
Council Tax and NDR	3 or 4	25		
Cash and Bank	3 or 4	7		Start date 7 January 2019
Budgetary Control	3 or 4	7	Draft report issued 20 December 2018	
ICT - Annual Network Audit	3 or 4	6		
ICT - GDPR	2	6		

System	Planned Quarter	Days	Current Status	Comments
ICT - Customer Experience	2	6		Cancelled
ICT – Members ICT Support		0(6)		
ICT – Cyber Security		0(6)		
ICT – User Access to Business Systems		0(8)		
Temporary Accommodation follow up	2	8	In progress	
Housing Section 106	2	8		Start date 18 February 2019
Disabilities Facilities Grant	1	5	Final report issued 27 June 2018	
Safeguarding	1	6	Final report issued 3 August 2018	
Chiltern Pools	2	0(8)		Cancelled
New Chiltern Car Park	3	8		
Health & Safety Contractor Arrangements	2	8	Draft report issued 15 October 2018	
Property & Asset Management	2	8	Draft report issued 10 <sup>th</sup> July 2018	
Planning Development & Enforcement	2	11		Start date 18 February 2019
Building Control	1	8	In progress	
HR - Absence Management	4	4	Final report issued 20.12.18	Additional audit carried forward from 2017/18
<b><u>Crematorium</u></b>				
Annual Internal Audit	1	6	Final report issued 26 June 2018	
Additional audit	4	0(6)		Cancelled

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KEY:

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

Item 8

## Audits Finalised since last Audit Committee

Title of review: **Purchase Cards**

Date issued: **20 September 2018**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	Testing was carried out to verify appropriate use of the cards, and the appropriateness of the items being purchased. In the majority of cases, it was confirmed that the cards were being used in an appropriate manner for relevant business expenditure in accordance with the individual's job role. However, in one case it was identified that the purchases made were for a mixture of business and personal expenditure. It is a strict requirement when signing the employee undertaking form that the card must only be used for business expenditure.	Action be taken to ensure that Purchasing Cards are used only for business expenditure.	2	<i>The cardholder who mistakenly used the purchase card for personal purchases has repaid the personal purchases made. The cardholder has also voluntarily returned his purchase card.</i>	Done	Capital & Treasury Manager

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## South Bucks District Council

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## Annual and Strategic Plan 2019/20

## Audit and Standards Committee - 17 January 2019

# Internal Audit Annual Plan

## INTRODUCTION

This Annual Plan is drawn up in accordance with the Terms of Reference of TIAA and the Internal Audit Strategic Plan.

## BACKGROUND

South Bucks and Chiltern Councils are local government districts within the County of Buckinghamshire.

## AUDIT STRATEGY METHODOLOGY

We adopt a risk based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, previous internal audit work for the Council, external audit recommendations together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. The Strategy will be based predominantly on our understanding of the inherent risks facing South Bucks and Chiltern Councils and those within the sector and has been developed with senior management and the Audit and Standards Committee.

The planned number of days for the proposed individual reviews is indicative only, and includes: research, preparation and issue of terms of reference, production and review of working papers and reports, management, and fieldwork.

## AUDIT COMMITTEE RESPONSIBILITY

It is the responsibility of the Audit and Standards Committee to determine that the number of audit days to be provided, the planned audit coverage is sufficient to meet the Committee's requirements and the areas selected for review are adequate to provide assurance against the key risks within the organisation.

## INTERNAL AUDIT ANNUAL PLAN

The Annual Plan (Annex A) sets out the reviews that will be carried out, the planned times and the scopes for each of these reviews. The rolling strategic plan is set out in Annex B. The rolling strategic plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Committee mid-way through the financial year or should a significant issue arise.

The planned time set out in the Annual Plan for the individual reviews includes: research, preparation and issue of terms of reference, production and review of working papers and reports and site work. The timings shown in the Annual Plan assume that the expected controls will be in place.

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of South Bucks and Chiltern Councils and additional time will be required to carry out such testing. The Council is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

## REPORTING

**Assignment Reports:** A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of the Public Sector Internal Audit Standards (PSIAS).

**Progress Reports:** Progress reports will be prepared for each Standards and Audit Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

**Annual Report:** An Annual Report will be prepared for each year in accordance with the requirements set out in the Public Sector Internal Audit Standards (PSIAS). The Annual Report will include our opinion of the overall adequacy and effectiveness of the Council's governance, risk management and operational control processes.

## LIAISON WITH THE EXTERNAL AUDITOR

We will liaise with the Council's External Auditor. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

**ASSURANCE MAPPING**

For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks will be provided. The assurance mapping process is set out in Annex C.

**AUDIT REMIT**

The Audit Remit (Annex D) formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within the Council and defines the scope of internal audit activities and ensures compliance with the PSIAS.

**CONFLICT OF INTEREST**

We are not aware of any conflicts of interest and should any arise we will manage them in line with PSIAS requirements, the Council's requirements and TIAA's internal policies.

**LIMITATIONS AND RESPONSIBILITY**

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been

designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

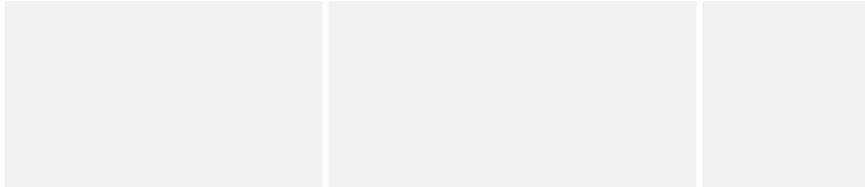
Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

**PERFORMANCE**

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Area	Performance Measure	Target
Achievement of the plan	Completion of Planned Audits.	100%
	Audits Completed in Time Allocation.	100%
Reports Issued	Draft report issued within 10 working days of exit meeting.	95%
	Final report issued within 10 working days of receipt of responses.	95%
Professional Standards	Compliance with Public Sector Internal Audit Standards.	100%



**KEY CONTACT INFORMATION**

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**RELEASE OF REPORT**

The table below sets out the history of this plan.

Date plan issued:	January 2019
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## Annual Plan – 2019/20

Quarter	Audit	Type	Days	Rationale
3	Governance	Assurance	8	<p><u>Rationale:</u> This is a high priority area and subject to an annual audit</p> <p><u>Scope:</u> To be agreed with Director of Resources for 2019/20 audit</p>
2	Complaints and Compliments	Assurance	6	<p><u>Rationale:</u> A periodic review to test the appropriateness and effectiveness of complaints and compliments arrangements at Chiltern and South Bucks Councils. .</p> <p><u>Scope:</u> The review will include:</p> <ul style="list-style-type: none"> <li>• assess the effectiveness of the controls.</li> <li>• challenge</li> </ul>
1	Performance Management/Efficient working/Due Diligence	Assurance	8	<p><u>Rationale:</u> This is an important area for the Council and is subject to periodic audit.</p> <p><u>Scope:</u> To be agreed with Director of Resources for 2019/20 audit.</p>
1	Contracts - Novation	Assurance	9	<p><u>Rationale:</u> With the new Buckinghamshire Council coming into being on 1 April 2020 the Councils contracts will need to be novated to the new authority</p> <p><u>Scope:</u> The focus of the review will be determined in discussions with the Director of Resources.</p>
3	Information Governance/Data Quality	Assurance	8	<p><u>Rationale:</u> With the new Buckinghamshire Council coming into being on 1 April 2020 the Councils data will need to be fit for purpose when transferred to the new authority.</p> <p><u>Scope:</u> The focus of the review will be determined in discussions with the Director of Resources.</p>
2	Subject Access Requests	Assurance	7	<p><u>Rationale:</u> This is a high risk area for the Council and needs to be well controlled prior to handover to the new Council.</p>

				<p><u>Scope:</u> The review will assess the adequacy and effectiveness of the internal controls in place at the Council for managing the subject access requests.</p>
	Emergency Planning	Assurance	8	<p><u>Rationale:</u> This is a <u>Scope:</u></p>
	Health and Safety – internal arrangements	Assurance	7	<p><u>Rationale:</u> This is a <u>Scope:</u></p>
1	Purchase Cards	Assurance	8	<p><u>Rationale:</u> This is a high profile expense and one that Members have asked for a regular audit to be undertaken. <u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place in the Councils for the distribution, monitoring and managing of the Councils Purchasing Cards. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Adequate and effective procedures are in place for the appropriate management of Purchasing Cards to include the authorisation of credit card expenditure,</li> <li>• Spending limits are proportionate and appropriate;</li> <li>• Purchases are in accordance with agreed procedures;</li> <li>• Purchases for officer (and Member) expenses are in accordance with approved expenses procedures</li> <li>• Credit card statements are reconciled and correctly allocated to budgets on a timely basis.</li> </ul> <p>As part of the audit an analysis will be made of the types of items being purchased using the purchase cards based on a sample of cards in use.</p>
1	Expenses	Assurance	8	<p><u>Rationale:</u> This is a high profile expense and one that Members have asked for a regular audit to be undertaken <u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place in the Councils for the managing and processing of mileage and expense claims. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Adequate and effective procedures are in place for the processing of expense claims;</li> <li>• The authorisation of expense claims is restricted to appropriate personnel;</li> <li>• Officer (and Member) expense claims are authorised and processed in accordance with approved procedures;</li> <li>• VAT is reclaimed where appropriate and all relevant receipts are</li> </ul>

				<p>retained to support claims made; and</p> <ul style="list-style-type: none"> <li>Expenses are correctly allocated to budgets on a timely basis.</li> </ul> <p>As part of the audit an analysis will be made of the types of items being reimbursed based on a sample of claims</p>
3/4	Main Accounting	Assurance	7	<p><u>Rationale:</u> This is the main financial ledger and an important system for the Councils which is audited annually.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Councils for the financial accounting system (Integra). The review will focus on the following areas:</p> <ul style="list-style-type: none"> <li>Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>Access to Integra is restricted to authorised personnel only and the system is appropriately backed up;</li> <li>Financial information is produced which meets all legal/reporting requirements on a timely basis;</li> <li>Journal entries are supported by adequate narrative, with appropriate separation of duties in place;</li> <li>New ledger codes/amendments are supported by appropriate authorisation;</li> <li>Suspense accounts are regularly reviewed and cleared; and</li> </ul> <p>Opening balances are brought forward promptly and accurately.</p>
3/4	Payroll	Assurance	11	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Payroll function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>Recommendations from the previous audit report have been implemented;</li> <li>Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>System access is restricted to authorised personnel only;</li> <li>Payroll data is supported by proper documentation, properly authorised, and subject to satisfactory segregation of duties; and</li> <li>Reasonableness checks and regular reconciliations are carried out.</li> </ul> <p>In addition, a full examination of the total data held will be reviewed using data analytics techniques.</p>

3/4	Accounts Receivable (Debtors)	Assurance	8	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Debtors function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Recommendations from the previous audit report have been implemented;</li> <li>• Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>• System access is restricted to authorised personnel only;</li> <li>• Invoices and credit notes are raised following appropriate authorisation, and are actioned promptly and accurately;</li> <li>• Regular reconciliations are carried out between the sales ledger module and the general ledger control account;</li> <li>• Regular reviews of outstanding debtors are undertaken using aged debtor listing, with arrears action carried out promptly in accordance with procedures; and</li> <li>• Write-offs are approved by senior officers in accordance with procedures</li> </ul>
3/4	Accounts Payable (Creditors)	Assurance	8	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Creditors function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Recommendations from the previous audit report have been implemented,</li> <li>• Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>• System access is restricted to authorised personnel only;</li> <li>• New supplier set up/amendments to supplier details are subject to satisfactory segregation of duties;</li> <li>• Payments are supported by proper documentation, properly authorised, correctly coded, and subject to satisfactory segregation of duties; and</li> <li>• Regular reconciliations are carried out between the purchase ledger module and the general ledger control account</li> </ul>
3/4	Benefits	Assurance	13	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved</p>

				<p>this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review and test the controls in place at the Council for the Housing Benefits function. The review will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Appropriate policies and procedures are in place for managing the Benefits process.</li> <li>• Access to the Benefits system is restricted and adequately controlled.</li> <li>• Standard variables/parameters are independently reviewed at the start of the year.</li> <li>• Benefits are properly due and correctly calculated, with appropriate sample checks carried out.</li> <li>• Payment runs are subject to independent review and authorisation prior to payment.</li> <li>• System performance is monitored and Benefits data regularly reconciled.</li> <li>• Overpayments are identified and promptly followed up.</li> <li>• Write-offs are approved by senior officers in accordance with authorised procedures</li> </ul>
3/4	Council Tax Support	Assurance	13	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review and test the controls in place at the Council for the Council Tax Support function. The review will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Appropriate policies and procedures are in place for managing the Council Tax Support process.</li> <li>• Access to the Council Tax Support system is restricted and adequately controlled.</li> <li>• Standard variables/parameters are independently reviewed at the start of the year.</li> <li>• Council Tax Support is properly due and correctly calculated, with appropriate sample checks carried out.</li> <li>• Payment runs are subject to independent review and authorisation prior to payment.</li> <li>• System performance is monitored and Council Tax Support data regularly reconciled.</li> <li>• Overpayments are identified and promptly followed up.</li> <li>• Write-offs are approved by senior officers in accordance with authorised procedures</li> </ul>
3/4	Council Tax and NDR	Assurance	25	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this</p>

				<p>is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review the adequacy and effectiveness of the controls in place at the Council for the management of the Business Rates and Council Tax functions. The audit will focus on the following:</p> <ul style="list-style-type: none"> <li>• There are up to date documented procedures for Business Rates/Council Tax;</li> <li>• System access is adequately controlled;</li> <li>• The correct charges have been applied;</li> <li>• Regular reconciliations are carried out with Valuation Office listings;</li> <li>• Discounts and exemptions are approved by authorised staff and supported by documentary evidence;</li> <li>• Refunds are appropriately approved and authorised prior to payment;</li> <li>• Arrears are promptly identified and pursued and any write offs are valid and authorised;</li> <li>• Suspense accounts are regularly cleared and any exception reports are regularly reviewed; and</li> <li>• Systems are adequately monitored and reconciled</li> </ul> <p>In addition, a full examination of the total data held will be reviewed using data analytics techniques</p>
3/4	Cash and Bank	Assurance	7	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Income (Cash &amp; Bank) function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Recommendations from the previous audit report have been implemented;</li> <li>• Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>• System access is restricted to authorised personnel only;</li> <li>• Adequate controls are in place to ensure amounts received are accurately and promptly banked;</li> <li>• Adequate security is in place to manage all cash received and banking arrangements;</li> <li>• Regular reconciliations are carried out between the cash receipting system, the general ledger and the Council's bank account; and</li> <li>• All items posted to suspense accounts are checked and regularly cleared.</li> </ul>

3/4	Treasury Management	Assurance	7	<p><u>Rationale:</u> This is a periodic audit to provide assurance over the treasury management process.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for the management of treasury management for the Council. The review will focus on the following areas:</p> <ul style="list-style-type: none"> <li>•</li> </ul>
2	ICT Audits – Annual Network Audit	Assurance	6	<p><u>Rationale</u> To provide ongoing assurance about the quality of controls that operate at the core of the network, including password strength and how users are provided with network accounts and how these are then monitored for changes (e.g. leavers and movers), in order to provide assurance that the PSN requirements are being met..</p> <p><u>Scope</u> A review of the operating controls over the network infrastructure, including :</p> <ul style="list-style-type: none"> <li>• Network security policy;</li> <li>• External penetration testing;</li> <li>• Firewall administration access rights;</li> <li>• Firewall password security settings;</li> <li>• Review of firewall rules;</li> <li>• Failover protection;</li> <li>• Patching of firewall appliances; and</li> <li>• Intrusion prevention</li> </ul>
2	ICT Audits – IT Strategy	Assurance	6	<p><u>Rationale</u> A review of the Councils ICT Strategy which is a periodic audit.</p> <p><u>Scope</u> The review will consider the policy and processes in place to determine the ICT Strategy for both Councils.</p>
2	ICT Audits – Information Management	Assurance	6	<p><u>Rationale</u> A review of the Councils ICT Information Management arrangements which is a periodic audit.</p>

				<p><u>Scope</u> The review will consider the policy and processes in place for the Information Management system</p>
2	Housing Homelessness and Temporary Accommodation	Assurance/follow up	8	<p><u>Rationale:</u> Following concerns at South Bucks Council a full internal audit was conducted into homelessness and temporary accommodation. This audit will follow up on the recommendations made last year</p> <p><u>Scope:</u> This will be a follow up on recommendations made last year into homelessness and temporary accommodation.</p>
1	Disabilities Facilities Grant	Assurance	5	<p><u>Rationale:</u> An annual audit which is a central government requirement</p> <p><u>Scope:</u> To examine all income and expenditure and to confirm money spent is in accordance with the Grant conditions</p>
2	Leisure Contract	Assurance	8	<p><u>Rationale:</u> This is final year for South Bucks and Chiltern Councils and their services will be transferred to the new Buckinghamshire Unitary Council from 1 April 2020</p> <p><u>Scope:</u> To review the current state of the Leisure contract.</p>
2	Waste Services	Assurance	11	<p><u>Rationale:</u> This is final year for South Bucks and Chiltern Councils and their services will be transferred to the new Buckinghamshire Unitary Council from 1 April 2020</p> <p><u>Scope:</u> To review the current state of the Waste Services Contract</p>
2	Car Parking	Assurance	7	<p><u>Rationale:</u> This is final year for South Bucks and Chiltern Councils and their services will be transferred to the new Buckinghamshire Unitary Council from 1 April 2020</p> <p><u>Scope:</u> To review the current state of the Car Parking service and income arrangements</p>
1	Commercial Rents/ Debt Recovery	Assurance	8	<p><u>Rationale:</u> This is final year for South Bucks and Chiltern Councils and their services will be transferred to the new Buckinghamshire Unitary Council from 1 April 2020</p>

				<u>Scope:</u> To review the current state of the Commercial Rents/Debt recovery arrangements
	HR - Equalities	Assurance	8	<u>Rationale:</u> This is final year for South Bucks and Chiltern Councils and their services will be transferred to the new Buckinghamshire Unitary Council from 1 April 2020 <u>Scope:</u> To review the current state of the HR – Equalities arrangements
<b><u>CREMATORIUM</u></b>				
1	Annual Internal Audit	Assurance	6	<u>Rationale:</u> As no external audit now takes place this is a detailed internal audit to give management confidence that the systems and procedures are working as expected. <u>Scope:</u> An internal audit that includes a review of all the Crematorium's financial transactions
1	Additional Audit for 2018/19	Assurance	6	<u>Rationale:</u> Due to system changes at the crematorium an additional audit has been requested for the financial year 2019/20 <u>Scope:</u> To be determined and agreed
<b><u>MANAGEMENT AND FOLLOW UP</u></b>				
1-4	Follow-up	Follow up	10	<u>Rationale:</u> This is an annual review of the recommendations made during the year to confirm that there has been progress to implement them. <u>Scope:</u> All recommendations made during the year are reviewed to confirm what progress has been to implement them as agreed in the action plan
1-4	Risk Management Assistance	Assistance	15	Time spent by Audit Director on providing ongoing assistance with Risk Management for the Councils
4	2018/19 Annual Report	Management	2	Preparing the Annual Assurance report
1-4	Management & Planning	Management	<u>22</u>	Time spent on managing the contract, liaison meetings, preparation for and attending Audit Committees and other management duties.
<b>Total days</b>			<b><u>310</u></b>	

## Rolling Strategic Plan

Review Area	Risk Ref	Type	Days Required		
			2017/18 actual	2018/19 actual	2019/20
<b>Corporate</b>					
Governance		Assurance	8	8	8
Risk Management		Assurance	-	-	-
Procurement		Assurance	-	8	-
Counter Fraud		Assurance	-	8	-
Complaints and Compliments		Assurance	6	-	6
Performance Management/Efficient Working		Assurance	-	-	8
Contracts		Assurance	10	-	9
Information Governance/Data Quality		Assurance	8	-	8
Freedom of Information		Assurance	-	-	-
Subject Access Requests		Assurance			8
Data Protection		Assurance	8	-	-
Business Continuity		Assurance	-	7	-
Emergency Planning		Assurance	6	-	8
Health and Safety – Internal Arrangements		Assurance	-	-	7
South Bucks – New Company		Assurance	-	-	-
Purchase Cards		Assurance	8	8	8
Expenses		Assurance	8	8	8
<b>Finance</b>					
Main Accounting		Assurance	7	7	7
Payroll		Assurance	12	11	11
Accounts Receivable (Debtors)		Assurance	9	8	8
Accounts Payable (Creditors)		Assurance	9	8	8
Benefits		Assurance	13	13	13

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Item 9

Council Tax Support	Assurance	13	13	13
Council Tax and NDR	Assurance	20	25	25
Cash and Bank	Assurance	8	7	7
Treasury Management	Assurance	8	7	7
Budgetary Control	Assurance	-	7	-
<b>ICT</b>				
ICT - Contingency	Assurance	24	24	
ICT – Annual Network Audit	Assurance			6
ICT – IT Strategy	Assurance			6
ICT – Information Management	Assurance			6
<b>Health and Housing</b>				
Housing Allocations and Homelessness/Temp Accommodation	Assurance	9	9	8
Housing Section 106	Assurance	-	8	-
Environmental Health	Assurance	-	-	-
Licensing	Assurance	-	-	-
Disabilities Facilities Grant	Assurance	5	5	5
<b>Community Services</b>				
Grants	Assurance	-	-	-
Leisure Contract	Assurance	-	-	8
Safeguarding	Assurance	-	8	-
<b>Environmental Services</b>				
Health and Safety – Contractor Arrangements	Assurance	-	8	-
Grounds Maintenance	Assurance	8	-	-
Waste services (Chiltern, Wycombe and South Bucks)	Assurance	11	-	11
Environmental Services Contracts	Assurance	-	-	-
Car Parking	Assurance	7	-	7
Property and Asset Management	Assurance	-	8	-
Cemeteries	Assurance	8	-	-

Commercial Rents/debt recovery		Assurance	8	-	8
<b>Sustainable Development</b>					
Planning Development and Enforcement		Assurance	-	11	-
Building Control			-	8	-
<b>Legal and Democratic Services</b>					
Land Charges		Assurance	-	8	-
Electoral Registration		Assurance	-	-	-
External Solicitors/Court Costs		Assurance	-	-	-
<b>Human Resources</b>					
Absence Management		Assurance	8	-	-
Recruitment		Assurance	8	-	-
Equalities		Assurance	-	-	8
Harmonised Policies and Procedures		Assurance	8	-	-
iTrent Payroll System (HR Module)		Assurance	6	-	-
Performance Monitoring		Assurance	-	-	-
<b>Other</b>					
Follow up			10	10	10
Risk Management Assistance			15	20	20
Annual Report			2	2	2
Audit Management			22	22	22
		<b>Sub total</b>	<b>320</b>	<b>304</b>	<b>304</b>
<b>Crematorium</b>					
Annual Internal Audit		Assurance	6	6	6
Additional audit		Assurance	-	-	6
		<b>Grand Total</b>	<b>326</b>	310	316

## Assurance Mapping

### Corporate assurance risks

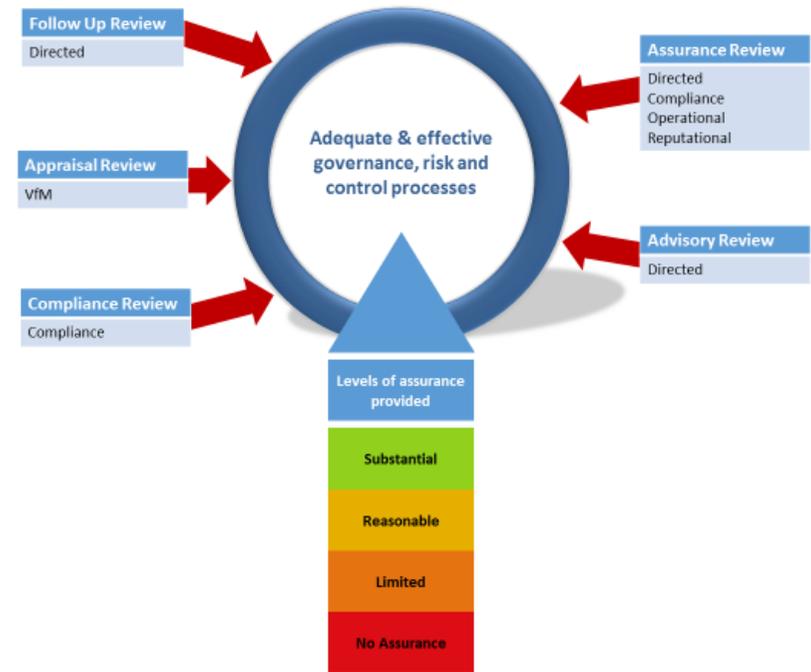
We consider four corporate assurance risks; directed; compliance; operational and reputational. The outcomes of our work on these corporate assurance risks informs both the individual assignment assurance assessment and also the annual assurance opinion statement. Detailed explanations of these assurance assessments are set out in full in each audit report.

### Assurance assessment gradings

We use four levels of assurance assessment: substantial; reasonable, limited and no. Detailed explanations of these assurance assessments are set out in full in each audit report.

### Types of audit review

The Annual Plan includes a range of types of audit review. The different types of review focus on one or more of the corporate assurance risks. This approach enables more in-depth work to be carried out in the individual assignments than would be possible if all four assurance risks were considered in every review. The suite of audit reviews and how they individually and collectively enable us to inform our overall opinion on the adequacy and effectiveness of the governance, risk and control arrangements is set out in the assurance mapping diagram.



## Audit Remit

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### Role

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of South Bucks and Chiltern Councils's framework of governance, risk management and control. TIAA is responsible for giving assurance to the Council's Standards and Audit Committee on the adequacy and effectiveness of the Council's risk management, control and governance processes.

### Scope

All South Bucks and Chiltern Councils's activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that the Council's management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions. However, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the Council, Standards and Audit Committee or the nominated officer (being the post responsible for the day to day liaison with TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

### Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS.

### Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of the Council and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data

for this purpose will be carried out in a manner prescribed by TIAA's Professional Standards, Information Security and Information Governance policies.

### Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems. However, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day to day administrative purposes only, TIAA reports to a nominated officer within the Council and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the Standards and Audit Committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with the Council's management.

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

### Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate authority, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2003.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the

irregularity unless commissioned to do so.



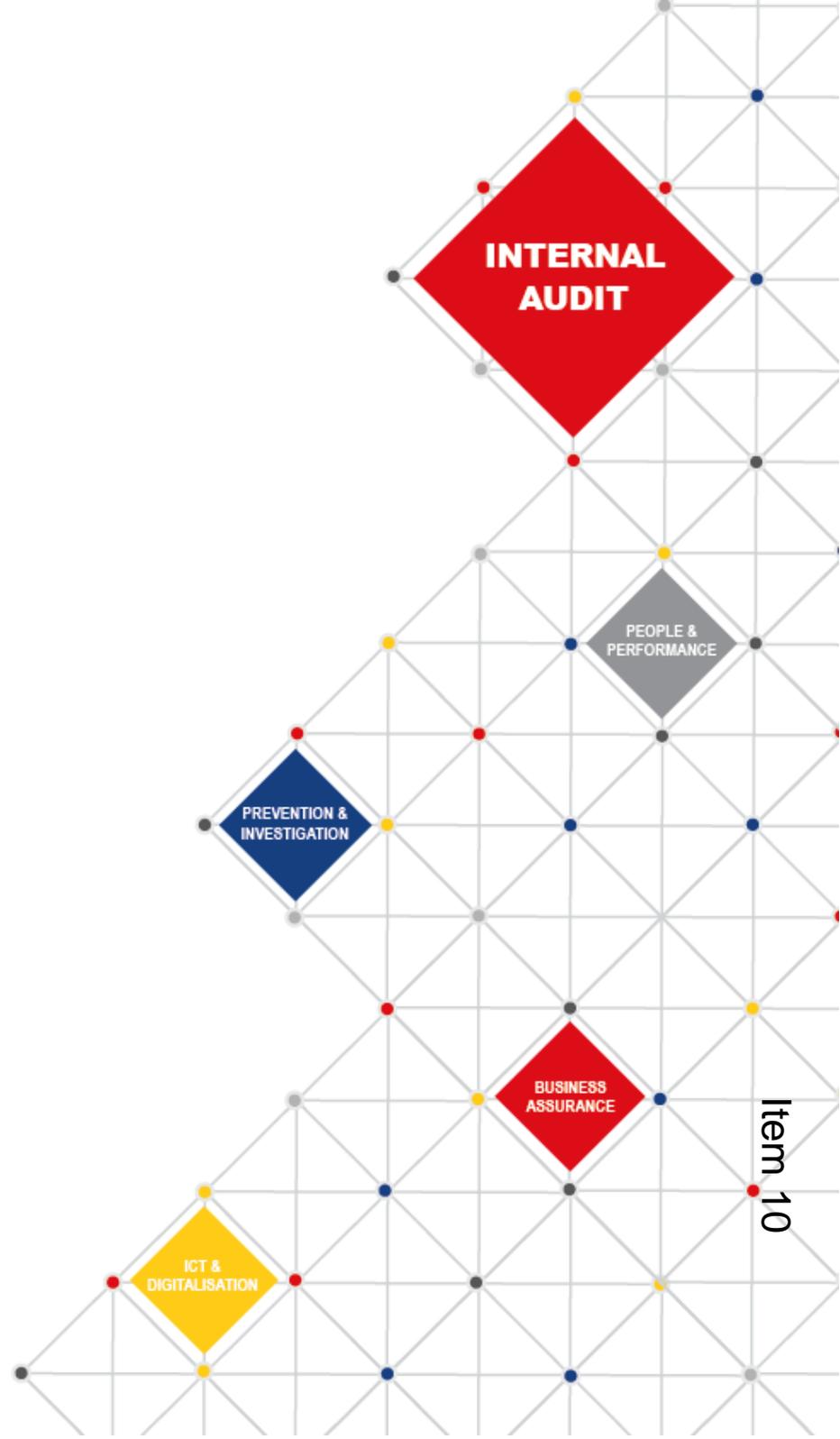
**Chiltern District Council**

**Internal Audit Comparison Report**

**Audit and Standards Committee 24 January 2019**

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**FINAL**



**INTRODUCTION**

- The following report provides a comparison of assurance levels over time so that the Audit and Standards Committee can see any trends arising. This is particularly important given the prolonged austerity measures which may have impacted upon the control framework at Chiltern DC.

**COMPARISON OF ASSURANCE LEVELS BETWEEN 2013/14 TO 2017/18**

- Summary of Assurance levels:**

	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Substantial</b>	9	9	13	18	16
<b>Reasonable</b>	14	10	11	8	7
<b>Limited</b>	1	-	-	-	1
<b>No Assurance</b>	-	-	-	-	-

- At this time there is no indication that the overall control framework at Chiltern has significantly reduced as a result of the joint working with South Bucks Council and the transformation arising from the many service reviews. Further trends will be identified at the end of 2018/19 financial year.
- The detail comparison of the assurance levels between 2013/14 to 2017/18 are shown in table 1 below.

**Table 1**

Audit Area	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Creditors	Reasonable	Substantial	Reasonable	Substantial	Substantial	
Main Accounting	Reasonable	Reasonable	Substantial	Substantial	Substantial	

Audit Area	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Treasury Management	Substantial	Substantial	Substantial	-	Substantial	For 2016/17 combined with Council Tax
NDR (CDC)	Substantial	Substantial	Reasonable	-	Substantial	
Council Tax (CDC)	Substantial	Substantial	Reasonable	-	Substantial	
Council Tax and NDR (CDC)	-	-	-	Substantial	-	
Payroll	Reasonable	Substantial	Substantial	Substantial	Reasonable	
Debtors	Limited	Reasonable	Reasonable	Reasonable	Substantial	
Housing Benefits and Council Tax (Benefits) Support	Reasonable	Substantial	Substantial	Substantial	Substantial	
Budgetary Control	Substantial	-	Substantial	Substantial	-	
Cash and Bank	Substantial	Reasonable	Substantial	Substantial	Substantial	
Governance – Gifts and Hospitality	-	-	-	-	Reasonable	
Governance - Corporate	-	Reasonable	Reasonable	Substantial	-	
Governance - Information	-	-	-	Substantial	-	

Audit Area	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Data Quality	Reasonable	-	-	-	-	From 2016/17 there has been ongoing risk management support by TIAA
Risk Management	Reasonable	-	Reasonable	-	-	
ICT – Mobile Computing/Working	-	-	-	Substantial	-	
ICT – Strategy, Policies and Procedures	-	Substantial	-	-	-	
ICT – Change Management	-	Substantial	-	-	-	
ICT – Information Risk Management	-	Reasonable	-	Reasonable	-	
ICT – Programme Management/ Project Control	-	Substantial	Substantial	-	-	
ICT – Data Protection	-	-	Reasonable	-	-	
ICT - Updata	-	-	Reasonable	-	-	
ICT – Access to the Internet	-	-	-	Substantial	-	
ICT – Network Convergence Project	-	-	-	Substantial	-	

Audit Area	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
ICT – Network Controls	-	-	-	-	Reasonable	Contracts and Procurement combined for 2017/18
Renovation/ Community Grants	-	-	Substantial	-	-	
Contracts	Reasonable	-	Reasonable	-	-	
Procurement	-	Reasonable	-	Reasonable	-	
Contracts and Procurement	-	-	-	-	Substantial	
Managing the Risk of Fraud	-	Reasonable	-	-	-	
Car Parking	Substantial	Substantial	Substantial	Substantial	Substantial	
HR - Recruitment	Substantial	-	-	-	Substantial	
HR – Absence Management	-	Substantial	-	-	-	
HR – Policies and Procedures	-	-	-	-	Substantial	
HR – iTrent Payroll System (HR Module)	-	-	-	-	Substantial	
Joint Working with SBDC	Substantial	Reasonable	Substantial	-	-	
Environmental Health	Reasonable	-	-	Substantial	-	

Audit Area	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Emergency Planning	Reasonable	-	-	-	Substantial	
Integra	Reasonable	-	-	-	-	
Cemeteries	Reasonable	-	-	-	Substantial	
Housing Section 106	Reasonable	-	Substantial	-	-	
Waste Collection	Reasonable	-	Substantial	-	Reasonable	
Waste Services – Health and Safety	-	-	-	-	Limited	
Licensing	-	Reasonable	-	Substantial	-	
Health and Safety – Contractor Arrangements	-	Reasonable	-	Reasonable	-	
Health and safety – Internal Arrangements	-	-	-	Reasonable	-	
Grounds Maintenance	-	Reasonable	-	-	Reasonable	
Building Control	-	-	Reasonable	-	-	
Electoral Registration	-	-	Substantial	-	-	

Audit Area	Assurance Level 2013/14	Assurance Level 2014/15	Assurance Level 2015/16	Assurance Level 2016/17	Assurance Level 2017/18	Comment
Freedom of Information	-	-	Reasonable	-	-	
Housing – Allocations/ Homelessness	-	-	Reasonable	-	-	
Housing – Temporary Accommodation	-	-	-	-	Reasonable	
Leisure	-	-	-	Substantial	-	
Asset Management	-	-	-	Reasonable	-	
Purchasing Cards	-	-	-	Reasonable	Reasonable	
Complaints and Compliments	-	-	-	-	Substantial	
Commercial Rents	-	-	-	-	Substantial	
Expenses	-	-	-	Reasonable	Substantial	

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**CDC AUDIT COMMITTEE WORK PROGRAMME**

Classification: OFFICIAL

Members are asked to consider whether there are any items they wish to add to, remove from, or move within, the proposed work programme.

<b>Topic</b>	<b>Frequency</b>	<b>Jan 19</b>	<b>Mar 19</b>	<b>Jul 19</b>	<b>Sep 19</b>	<b>Jan 20</b>
<b>Risk Management</b>						
Risk Management Update	Annual					
<b>Assurance Statements</b>						
Annual Governance Report	Annual					
Update on Governance / Internal Control Issues	As and when					
<b>Internal Audit</b>						
Audit Plan	Annual					
Interim Progress Reports	Each meeting					
Follow up of Internal Audit Recommendations Report	Annual					
Comparision of Assurance Levels	Annual					
Annual Internal Audit Report	Annual					
<b>Fraud &amp; Corruption</b>						
Fraud & Corruption Annual Report	Annual					
Fraud & Corruption Update (maybe verbal report)	Annual					
<b>External Audit</b>						
Annual Audit Plan	Annual					
Annual Assurance Letter from Committee	Annual					
External Audit Results Report	Annual					
Certification of Claims & Returns Annual Report	Annual					
Annual Audit Letter (Sent out by email to all Members)	-					
<b>Statement of Accounts</b>						
Approval of Accounts	Annual					
<b>Other</b>						
Contract & Financial Procedure Rules	As necessary					
Training	As necessary					
Work Programme	Each meeting					

Classification: OFFICIAL

