



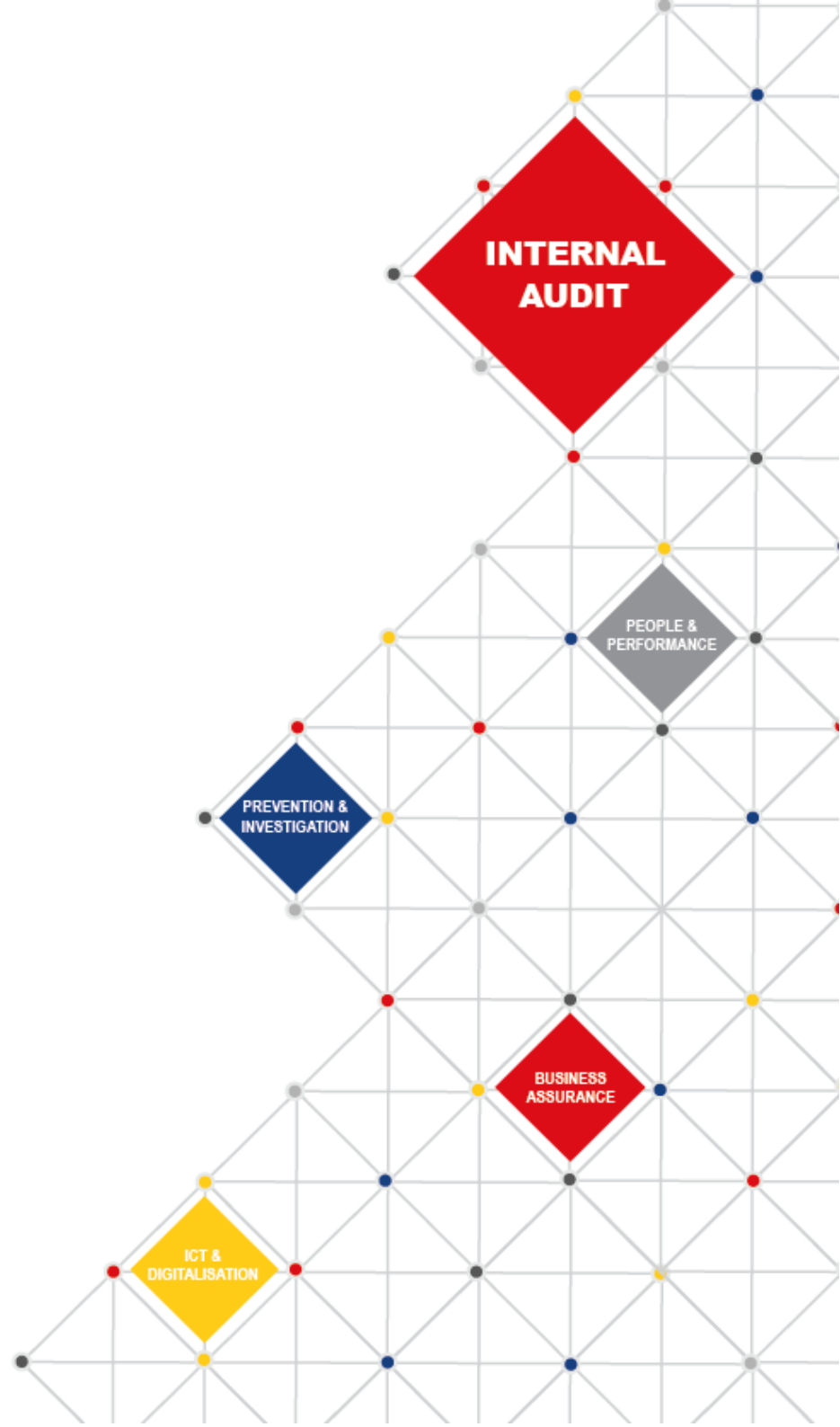
**Chiltern District Council**

**Internal Audit Progress Report 2018/19**

**Audit and Standards Committee 24 January  
2019**

**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

## 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.

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		
ICT – Members ICT Support		0(6)		Cancelled
ICT – Cyber Security		0(6)		Cancelled
ICT – User Access to Business Systems		0(8)		Cancelled
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

**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: **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