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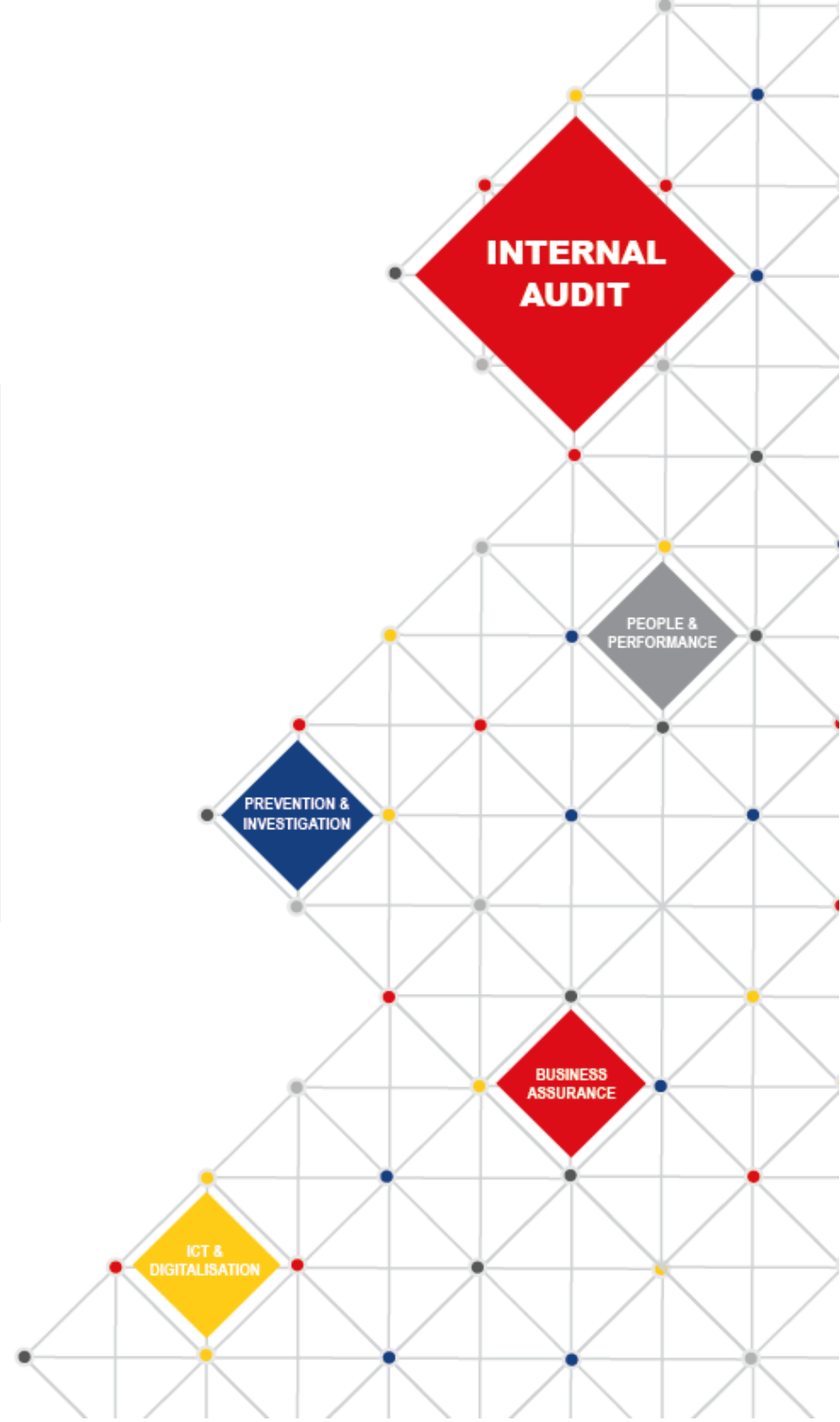
Chiltern District Council

Internal Audit Progress Report 2018/19

Audit and Standards Committee 10 April 2019

FINAL

INTERNAL AUDIT

PEOPLE & PERFORMANCE

PREVENTION & INVESTIGATION

BUSINESS ASSURANCE

ICT & DIGITALISATION

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 18 March 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 however the four audits that were finalised in the period none had any recommendation priority 1 or 2.

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*
Main Accounting	Substantial	21.12.18	24.12.18	8.01.19	-	-	1	1
Debtors	Substantial	23.01.19	23.01.19	25.01.19	-	-	2	-
Creditors	Substantial	16.01.19	17.01.19	21.01.19	-	-	1	-
Property and Asset Management	Substantial	10.07.18	12.10.18	15.10.18	-	-	1	-
Contractor Health and Safety	Advisory	29.10.18	29.01.19	13.02.19	-	5	3	-
Cash and Bank	Substantial	20.03.19	22.03.19	27.03.19	-	-	-	-

*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
Crematorium – additional audit	Yes	Delete	To be undertaken in 2019/20
Data protection	Yes	Delete	ICT GDPR audit being undertaken this year
Risk Management	Yes	Delete	This is covered by the ongoing Risk Management assistance
Chiltern Pools	Yes	Delete	Project not sufficiently advanced
Benefits	Yes	Deferred to Q1 19/20	Due to bringing the South Bucks Council Tax process back in house and the projected Unitary arrangements from April 2020 it has been agreed to delay this audit to 2019/20.
Council Tax Support	Yes	Deferred to Q1 19/20	Ditto
Council Tax and NDR	Yes	Deferred to Q1 19/20	Ditto

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 South Bucks and Chiltern 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.

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	Draft report issued 29 March 2019	
Risk Management	3	0(8)		**Cancelled**
Procurement	2	8	In progress	
Counter Fraud	1	8	Draft report issued 20 February 2019	
Data Protection	2	0(8)		**Cancelled**
Business Continuity	2	7	Final report issued 3 August 2018	
Purchase Cards	2	8	Final report issued 20th September 2018	
Expenses	1	8	Final report issued 22 August 2018	
Project Management	2	8	Draft report issued 29 March 2019	
Main Accounting	3 or 4	7	Final report issued 8 January 2019	
Payroll	3 or 4	15	Draft report issued 8 March 2019	
Accounts Receivable (Debtors)	3 or 4	8	Final report issued 25 January 2019	
Accounts Payable (Creditors)	3 or 4	8	Final report issued 21 January 2019	
Benefits	3 or 4	13	Audit deferred to Q1 2019/20	
Council Tax Support	3 or 4	13	Audit deferred to Q1 2019/20	
Council Tax and NDR	3 or 4	25	Audit deferred to Q1 2019/20	
Cash and Bank	3 or 4	7	Final report issued 23 March 2019	
Budgetary Control	3 or 4	7	Final report issued 4 March 2019	
ICT - Annual Network Audit	3 or 4	6	In progress	
ICT - GDPR	**2**	**6**	In progress	

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System	Planned Quarter	Days	Current Status	Comments
ICT - Customer Experience	**2**	**6**	In progress	
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	Draft report issued 27 March 2019	
Housing Section 106	2	8	In progress	
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	In progress	
Contractor's Health & Safety Arrangements	2	8	Final report issued 13 February 2019	
Property & Asset Management	2	8	Final report issued 15 October 2018	
Planning Development & Enforcement	2	11	In progress	
Building Control	1	8	In progress	
HR - Absence Management	4	8	Final report issued 20.12.18	Additional audit carried forward from 2017/18
Crematorium				
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

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Audits Finalised since last Audit Committee

Title of review: **Contractor's Health and Safety Arrangements**   Date issued: **13 February 2019**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	It was observed that the old version of the contractors' policy was still being made available on the intranet along with the newly revised series of forms. It was also noted that staff appear to still be referencing the old policy rather than the new one. In addition, although the new contractor set of forms were found in the contractor folder in the health and safety policies section along with the old procedure and policy, the old forms were still found in the intranet on the icon "forms and templates." This is likely to be very confusing for the managers as was evidenced during this review when testing compliance against a random set of purchase orders.	Replace the old contractor policy with the new version on the intranet and inform staff where it can be found. To compliment the revised policy, replace the old series of contractor forms with the revised series.	2	*We will continue to use the procedure written by CM for Environment as this was previously approved by TIAA* *The policy on the intranet is out of date and is not owned by Environment. It needs to be re-written in conjunction with other service areas and then approved by MT.*	*On-going* *April 2019*	*CM* *AC*

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	As the scope of the newly revised contractor policy incorporated best practice for local services to design their own specific local procedures, it would allow the different services to tailor their approach to the management of contractors to a degree whilst still working with the revised forms under the holistic policy. Environmental services evidenced a local procedure dated May 2017 and was found in the health and safety policy and performance folder under contractor policies. Due to the review of the contractor policy, a revised local procedure was produced in December 2017. However this procedure was not found on the intranet but rather only the older version.	Replace the old Environmental services contractor procedure found on the intranet with the revised version dated December 2017.	2	*Request intranet page owner to replace Environment procedure with the correct one (and delete old forms).*	*31/01/19*	*AC*
3	Directed	It could not be determined who is responsible for updating policies, procedures and forms on the intranet at the time. Through discussions with the leads it was felt that no one had responsibility for keeping track or updating policies on the intranet.	Review the internal ratification process to ensure the policies and procedures are relevant, up to date and that approved forms and documentation has gone through the established consultation and ratification process.	2	*Clarify who owns policy and agree who owns related procedures.*	*28/02/19*	*AC*

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Compliance	It was observed that documents filed as evidence were not always systematically filed. Some documents in addition were being misfiled or were found to be missing. A systematic organised structure, requiring all staff to follow the same filing principles for archiving contractor information, would be greatly beneficial to the service moving forward.	The Councils must ensure a consistent filing methodology for archiving its contract management documentation and review the viability of software to assist with this.	2	*The folders do need to be tidied up: some docs are mis-filed, not all data held are relevant to H&S, a few documents are missing. This exercise will be carried out by team managers.* *In future we need to check folders are being used correctly. Regular checks will be carried out by team managers.* *A cost/benefit exercise will be undertaken in order to evaluate software.*	*31/01/19* *On-going* *31/05/19*	*LN/KK* *LN/KK* *AC*
8	Compliance	Out of the six purchase orders reviewed, none of the six fully complied with the organisation policy, either due to documents being missing or in some cases where risk assessments and method statements did not fully describe the relevant risks and method for work. It is for this reason the form series was designed to ensure all necessary information is given and received.	Service managers must ensure that all relevant documentation is requested and sent or received in line with policy requirements. All relevant documentation received must be reviewed prior to work commencement and filed in accordance with the policy.	2	*RAMS must be relevant to the specific jobs and not just general risks. Documentation must be complete and correctly filed.* *Team managers will check this on a regular basis.*	*On-going*	*LN/KK*

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