



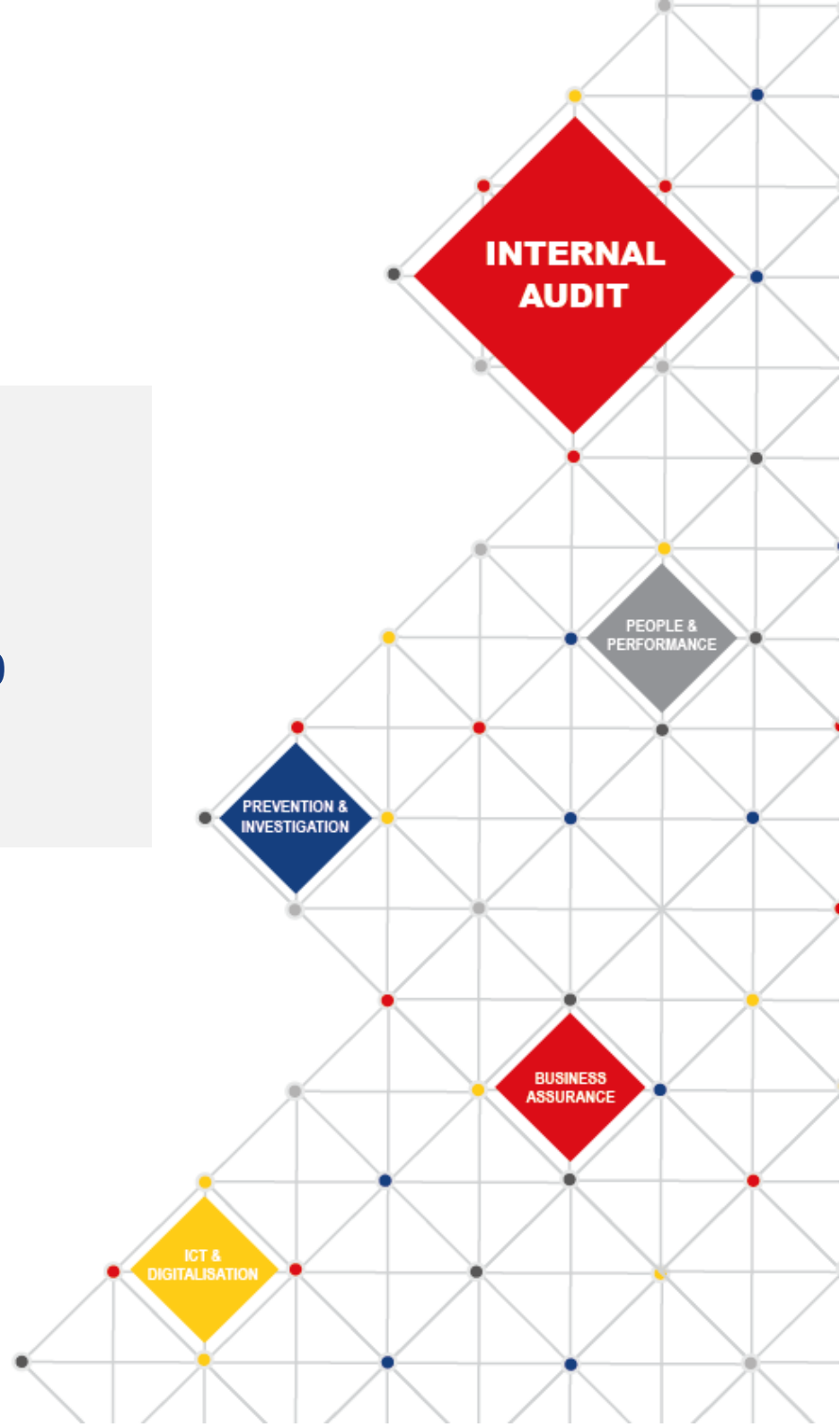
Chiltern District Council

Internal Audit Progress Report 2019/20

Audit and Standards Committee – 16 July 2019

FINAL

2019/20



INTRODUCTION

1. This summary report provides the Audit Committee with an update on the progress of our work at Chiltern and South Bucks District Council as at 7 June 2019.

PROGRESS AGAINST THE 2019/20 ANNUAL PLAN

2. Our progress against the Annual Plan for 2018 -19 is set out in Appendix A. Our progress against the Annual Plan for 2019 -20 is set out in Appendix B. The results of finalised audits with Priority 1 or 2 recommendations are shown at Appendix C.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

3. We have identified no 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

4. The table below sets out details of audits finalised since the previous meeting of the Audit and Standards Committee on 9 April 2019.

		Key Dates			Number of Recommendations			
Review	Evaluation	Draft issued	Responses Received	Final issued	1	2	3	OE
<u>2018/19 Audit reports</u>								
Building Control	Substantial	12.04.2019	16.04.2019	23.04.2019	-	-	-	-
Overtime Arrangements	Advisory	15.05.2019	23.05.2019	29.05.2019	-	-	4	-
Governance	Reasonable	31.03.2019	8.04.2019	11.04.2019	-	-	3	1
Payroll	Substantial	18.04.2019	29.04.2019	3.05.2019	-	-	1	-
Procurement	Reasonable	25.04.2019	30.05.2019	4.06.2019	-	2	2	-
Temporary Accommodation	Substantial	27.04.2019	1.05.2019	5.05.2019	-	-	1	-

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

Copies of the finalised reports (recommendations only) where priority one or two recommendations have been made are attached at Appendix C

CHANGES TO THE ANNUAL PLAN 2019/20

6. There are no changes proposed to the Annual Plan at this time.

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

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	Final report issued 11 April 2019	
Risk Management		0(8)		Cancelled
Procurement	2	8	Final report issued 4 June 2019	
Counter Fraud	1	8	Final report issued 20 May 2019	
Data Protection		0(8)		Cancelled
Business Continuity	2	7	Final report issued 3 August 2018	
Purchase Cards	2	8	Final report issued 20 th 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	Final report issued 3 May 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		13		Audit deferred to Q1 2019/20
Council Tax Support		13		Audit deferred to Q1 2019/20
Council Tax and NDR		25		Audit deferred to Q1 2019/20
Cash and Bank	3 or 4	7	Final report issued 27 March 2019	
Budgetary Control	3 or 4	7	Final report issued 4 March 2019	
ICT - Annual Network Audit	3 or 4	6	Draft report issued 8 April 2019	

System	Planned Quarter	Days	Current Status	Comments
ICT - GDPR	2	6	Draft report issued 3 May 2019	
ICT - Customer Experience	2	6	Draft report issued 7 June 2019	
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	Final report issued 5 May 2019	
Housing Section 106	2	8	Draft report issued 25 April 2019	
Disabilities Facilities Grant	1	5	Final report issued 27 June 2018	
Safeguarding	1	6	Final report issued 3 August 2018	
Chiltern Pools		0(8)		Cancelled
New Chiltern Car Park	3	8	Draft report issued 5 April 2019	
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	Draft report issued 25 April 2019	
Building Control	1	8	Final report issued 23 April 2019	
HR - Absence Management	4	8	Final report issued 20 December 2018	Additional audit carried forward from 2017/18
<u>Crematorium</u>				
Annual Internal Audit		6	Final report issued 26 June 2018	
Additional audit	4	0(6)		Cancelled

KEY:

	=	To be commenced
	=	Site work commenced

FINAL

	=	Draft report issued
	=	Final report issued

Progress against the Annual Plan for 2019/20

System	Planned Quarter	Days	Current Status	Comments
Governance	3	8		
Complaints and Compliments	2	6		
Performance Management/Efficient Working	1	8	In progress	
Contracts	1	9		
Information Governance/Data Quality	3	8		
Subject Access Requests	2	8		
Emergency Planning	2	8		
Health and Safety – Internal Arrangements	2	7		
Purchase Cards	1	8	In progress	
Expenses	1	8	In progress	
Main Accounting	3	7		
Payroll	3	11		
Accounts Receivable (Debtors)	3	8		
Accounts Payable (Creditors)	3	8		
Benefits	1	13	In progress	
Council Tax Support	1	13	In progress	
Council Tax and NDR	1	25	In progress	
Cash and Bank	3	7		

System	Planned Quarter	Days	Current Status	Comments
Treasury Management	3	7		
ICT – Annual Network Audit	2	6		
ICT – IT Strategy	2	6		
ICT – Information Management	2	6		
Housing Allocations and Homelessness/Temp Accommodation	2	8		
Disabilities Facilities Grant	1	5	Draft report issued 13 June 2019	
Leisure Contract	2	8		
Waste services (Chiltern, Wycombe and South Bucks)	2	11		
Car Parking	2	7		
Commercial Rents/debt recovery	1	8		
Equalities	3	8		
<u>Crematorium</u>				
Annual Internal Audit	1	6		
Additional audit	1	6		

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Recommendations – Priority 1 and 2 Only

Audit Report: Procurement
Report Issued: 4 June 2019

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	Testing highlighted inconsistencies in the approach where framework agreements were being used as the procurement method in relation to (i) evidencing whether alternative frameworks or other alternative procurement options have been considered, (ii) the use of frameworks which involve a direct award or necessitate using a sole provider for the services and whether this should be treated as a Procedure Rules exception, and (iii) the contract award evaluation and three stage award decision sign off process, particularly in cases where this involves a sole provider (unless these are to be treated as exceptions as referred to above).	Guidance be developed relating to the use of frameworks and the evidence to be maintained in these cases to ensure that all aspects of the Councils' Contracts Procedure Rules are adhered to.	2	Agreed. However unlikely to be a priority to address due to the move to Unitary.	N/A	

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	Across the sample tested, there were a mix of different types of documents evidencing the Councils' contractual commitments where contracts were procured via a framework (Delivery Agreements, Call-Off Contracts, Project Order forms, Work Orders). In accordance with the Contracts Procedure Rules, contracts with a total spend of more than £50,000 must be executed under the Councils' common seal. All of the 13 contracts reviewed which were awarded via frameworks were above this threshold; in 5 cases (relating to 2 projects) the contract documents had been executed by signature only.	Action be taken to ensure that contract documents entered into via frameworks are executed in accordance with internal Council requirements.	2	<i>Agreed. However unlikely to be a priority to address due to the move to Unitary.</i>	N/A	