



Internal Audit

FINAL

Chiltern District Council

Internal Audit Progress Report 2019/20

Audit and Standards Committee –

23 January 2020

FINAL

2019/20

January 2020

INTRODUCTION

1. This summary report provides the Audit Committee with an update on the progress of our work at Chiltern and South Bucks District Councils as at 12 December 2019.

PROGRESS AGAINST THE 2019/20 ANNUAL PLAN

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

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 16 October 2019.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
<u>2019/20 Audit Reports</u>								
Performance Management/Efficient Working	Substantial	24/09/19	15/10/19	16/10/19	-	-	1	-
Information Governance/ Data Quality	Reasonable	19/11/19	27/11/19	28/11/19	-	1	2	-
Expenses	Reasonable	14/10/19	18/10/19	21/10/19	-	-	3	-
Main Accounting	Substantial	21/11/19	04/12/19	06/12/19	-	-	-	1
Accounts Payable	Substantial	03/12/19	03/12/19	05/12/19	-	-	1	-
Accounts Receivable	Substantial	03/12/19	03/12/19	05/12/19	-	-	1	1

Housing Benefits & Council Tax Support	Substantial	23/09/19	26/09/19	01/10/19	-	-	1	-
Council Tax and NDR	Substantial	08/10/19	14/10/19	15/10/19	-	-	2	-
Crematorium – Annual Internal Audit	Reasonable	10/10/19	04/11/19	05/11/19	-	1	2	-

*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 B.

CHANGES TO THE ANNUAL PLAN 2019/20

6. The following changes have been made to the Annual Internal Audit Plan for 2019/20:
- 1) Delete Equalities – 8 days (Audit not a priority in 2019/20)
 - 2) Add Contractor Health and Safety audit – 8 days
 - 3) Delete Governance – 8 days (Audit not required as Council will not exist beyond 31 March 2020)
 - 4) Delete Crematorium – Additional Audit – 6 days

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

10. 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 is been delivered to all middle managers. The latest training has been given to managers during October 2019.

RESPONSIBILITY/DISCLAIMER

11. 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 2019/20

System	Planned Quarter	Days	Current Status	Comments
Governance	3	0(8)		Audit cancelled
Complaints and Compliments	2	6	Draft report issued 20 November 2019	
Performance Management/Efficient Working	1	8	Final report issued 16 October 2019	
Contracts - Novation	1	9		This will be a Quarter 4 audit
Information Governance/Data Quality	3	8	Final report issued 28 November 2019	
Subject Access Requests	2	8	Draft report issued 11 September 2019	
Emergency Planning	2	8	Draft report issued 24 October 2019	
Health and Safety – Internal Arrangements	2	7		This will be a Quarter 4 audit
Purchase Cards	1	8	Final report issued 18 September 2019	
Expenses	1	8	Final report issued 21 October 2019	
Main Accounting	3	7	Final report issued 6 December 2019	
Payroll	3	11	In progress	
Accounts Receivable (Debtors)	3	8	Final report issued 5 December 2019	
Accounts Payable (Creditors)	3	8	Final report issued 5 December 2019	
Benefits and Council Tax Support	1	13	CDC – final report issued 15 July 2019. SBDC–final report issued 1 October 2019	
Council Tax and NDR	1	25	CDC – final report issued 9 August 2019. SBDC – final report issued 15 October 2019	
Cash and Bank	3	7		Start date 19 December 2019

System	Planned Quarter	Days	Current Status	Comments
Treasury Management	3	7	In progress	
ICT – Annual Network Audit	2	6	Final report issued 9 July 2019	
ICT – Network Infrastructure	2	6	Final report issued 9 July 2019	
ICT – Information Management	2	6	Final report issued 30 August 2019	
Housing Allocations and Homelessness/Temp Accommodation	2	8	In progress	Draft report being prepared
Disabilities Facilities Grant	1	5	Final report issued 1 July 2019	
Leisure Contract	2	8	In progress	
Waste services (Chiltern, Wycombe and South Bucks)	2	11		This will be a Quarter 4 audit
Car Parking	2	7	Final report issued 10 September 2019	
Commercial Rents/debt recovery	1	8	In progress	
Equalities	3	0(8)		Audit Cancelled
Contractor Health & Safety audit	3	8	Draft report issued 19 November 2019	
Risk Management Assistance	1-4	15	All work complete for 2019 20	This provides risk management assistance to officers throughout the year including risk workshops
<u>Crematorium</u>				
Annual Internal Audit	1	6	Final report issued 5 November 2019	
Additional Audit	1	6		Audit Cancelled

KEY:

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

Recommendations – Priority 1 and 2 Only

Audit Report: Information Governance
Report Issued: 28 November 2019

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	A sample of three Asset Registers were reviewed. In two cases the Asset Registers had not been recently reviewed, and in the third case inaccuracies were noted for the data recorded on the register. In addition, it was noted that there were inconsistencies in the way that information was being captured. By way of example, in relation to specifying the Information Asset Owner, in some cases a particular job title was specified whereas in other cases a general department name was specified. In addition, when specifying the review date, in some cases this was recorded as the date of review for each individual information asset, and in some cases this was recorded as the last review date of the asset register as a whole.	Action be taken to ensure that all Asset Registers are reviewed / updated at the earliest opportunity, with further guidance provided where necessary to ensure these are being fully and accurately completed.	2	<p><i>All asset registers should be reviewed at least annually by their owners and also when any changes are made to that asset in how its processed/shared/stored etc are changed.</i></p> <p><i>Whilst business support can facilitate communications and provide advice and guidance where required it is the responsibility of the heads of service to ensure their areas are keeping their asset registers updated.</i></p>	<p><i>Reminder communication to be sent by/on behalf of SIRO by 6/12/2019</i></p> <p><i>Asset Registers to be updated by service areas by 31/01/2020</i></p>	<p>SIRO</p> <p>Heads of Service</p>

Audit Report: Crematorium
Report Issued: 5 November 2019

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Risk assessments are in place for both operational issues and health and safety risks. Risk assessments are due to be reviewed on an annual basis; it was advised that the most recent risk assessments had been carried out in 2018, and it was acknowledged that these required review, with further specific risk assessments required for the new Bierton Crematorium. In addition to the risk assessments, it was noted that a Health and Safety Manual for the Chilterns Crematorium and Grounds Maintenance had recently been reviewed in August 2019, however this also requires review to ensure that specific details relating to the Bierton Crematorium are also captured.	Risk assessments and the Health & Safety manual be reviewed and updated, particularly in relation to the new Bierton Crematorium.	2	<i>The risk assessments and health and safety manual have been reviewed. Some risks relating specifically to Bierton are already included but others are still to be added.</i>	31/12/2019	CGH