



Internal Audit

FINAL

Chiltern District Council

Internal Audit Progress Report 2019/20

Audit and Standards Committee –

12 March 2020

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2019/20

February 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 20 February 2020.

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.

		Key Dates			Number of Recommendations			
Review	Evaluation	Draft issued	Responses Received	Final issued	1	2	3	OE
<u>2019/20 Audit Reports</u>								
Complaints and Compliments	Reasonable	20/11/19	18/12/19	20/12/19	-	2	1	3
Emergency Planning	Substantial	24/11/19	13/12/19	17/12/19	-	-	-	-
Contractor Health and Safety	Reasonable	19/11/19	11/12/19	12/12/19	-	-	5	-
Payroll	Substantial	13/02/20		Still at draft	-	-	-	-
Cash and Bank	Substantial	19/02/20		Still at draft	-	-	-	-
Treasury Management	Substantial	19/02/20		Still at draft	-	-	-	1
Leisure contract	Substantial	19/02/20		Still at draft	-	-	-	-

Commercial Rents/Debt Recovery	Reasonable	19/02/20		Still at draft	-	-	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	Final report issued 20 December 2019	
Performance Management/Efficient Working	1	8	Final report issued 16 October 2019	
Contracts - Novation	1	9	In progress	
Information Governance/Data Quality	3	8	Final report issued 28 November 2019	
Subject Access Requests	2	8	Final report issued 15 October 2019	
Emergency Planning	2	8	Final report issued 17 December 2019	
Health and Safety – Internal Arrangements	2	7	In progress	
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	Draft report issued 13 February 2020	
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	Draft report issued 19 February 2019	

System	Planned Quarter	Days	Current Status	Comments
Treasury Management	3	7	Draft report issued 19 February 2020	
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	
Disabilities Facilities Grant	1	5	Final report issued 1 July 2019	
Leisure Contract	2	8	Draft report issued 19 February 2020	
Waste services (Chiltern, Wycombe and South Bucks)	2	11	In Progress	
Car Parking	2	7	Final report issued 10 September 2019	
Commercial Rents/debt recovery	1	8	Draft report issued 19 February 2020	
Equalities	3	0(8)		Audit Cancelled
Contractor Health & Safety audit	3	8	Final report issued 12 December 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	0(6)		Audit Cancelled

KEY:

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

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Appendix B

Recommendations – Priority 1 and 2 Only

Audit Report: Complaints and Compliments
Report Issued: 20 December 2019

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	Sample testing of 10 complaints highlighted three cases where the Stage 1 response had not been provided within the 10 day target timeframe. In one case the letter that was sent did include an apology for the delay, although it was noted that the complainant had not previously been advised that there would be a delay to the formal response. In another case it was noted that there had been various phone calls with the complainant, however a formal response was not sent until approximately seven weeks after the initial complaint. In the third case, the complainant chased this up after a month having not received a response, and at the time of the audit a response had still not been provided.	Officers be reminded of the importance of formally responding to complaints within the prescribed timeframes. Where these timeframes are unlikely to be met, complainants should be advised in advance of any delays.	2	<p><i>When complaints are forwarded to the relevant officer the text surrounding this will be improved to make it clear to the officer of the time frames – so the Service Level Agreement (SLA) we are operating under – and what processes that should be adhered to should there be a delay and the SLA not met.</i></p> <p><i>This understand can be included in any procedure notes that are issued to officers around complaints.</i></p>	31/12/19	Simon Vockins

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	Sample testing highlighted three stage 1 responses which did not include all elements of the standard wording relating to how the complainant could escalate the matter to a Stage 2 complaint if they were still unhappy with the response. For example, the name of the Head of Service was provided but no details of how to contact them. In a further case, the stage 2 response contained a reference to the ability to refer the matter further to the Local Government Ombudsman, but did not include details of how to do this in accordance with the standard template wording.	Officers be reminded of the need to include all relevant details in complaint responses as per the complaints template in order to ensure that complainants are provided with appropriate information as to how the complaint has been dealt with and their ability to escalate the matter further if they are still unsatisfied.	2	<p><i>These need to be checked when they are returned to ensure that all fields within the template are completed.</i></p> <p><i>Work can also be undertaken on the template to make sure officers are well aware of their obligation.</i></p>	31/12/19	Simon Vockins