



Follow Up Review of Internal Audit Recommendations

South Bucks District Council

FINAL



June 2014

2013/14

Follow Up Review of Internal Audit Recommendations

- EXECUTIVE SUMMARY -

INTRODUCTION

1. This follow up review by TIAA established the management action that has been taken in respect of the recommendations arising from the internal audit reviews listed below which were completed to final report stage as at 31 March 2014 at South Bucks District Council. The review was carried out in April and May 2014.

Figure 1 – Reviews followed up

Review	Year	Final Report issued
Budgetary Control	2013/14	04/10/2013
Cash, Bank & Treasury Management	2013/14	11/02/2014
Cemeteries	2013/14	28/06/2013
Council Tax/NDR (Compliance)	2013/14	19/11/2013
Council Tax Support	2013/14	28/03/2014
Counter-Fraud (Proactive)	2013/14	19/11/2013
Creditors	2013/14	07/01/2014
Data Security (IT)	2013/14	05/02/2014
Emergency Planning	2013/14	14/10/2013
Housing Benefits	2013/14	28/03/2014
Housing Grants	2013/14	18/06/2013
Joint Working	2013/14	19/11/2013
Main Accounting	2013/14	07/01/2014
Payroll	2013/14	20/02/2014
Planning – Customer Focus	2013/14	04/11/2013
Risk Management	2013/14	28/03/2014

Follow Up Review of Internal Audit Recommendations

KEY FINDINGS

2. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Figure 2 - Summary of the action taken on Recommendations made

Evaluation	Number of Recommendations
Implemented	23
In Process of Being Implemented	4
Revised Target Date	3
Considered but not Implemented	-
Not Applicable	12
Not Implemented	-

SCOPE AND LIMITATIONS OF THE REVIEW

3. The review considers the progress made in implementing the recommendations made in the previous internal audit reports and to establish the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.
4. The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.
5. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

RELEASE OF REPORT

6. The table below sets out the history of this report.

Date draft report issued:	20 th June 2014
Date management responses recd:	30 th June 2014
Date final report issued:	30 th June 2014

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- DETAILED REPORT -

FOLLOW UP

Management representations were obtained on the action taken to address the recommendations. Only limited testing has been carried out to confirm these management representations. The following matters were identified in considering the recommendations that have not been fully implemented:

Title of review:	Assurance Review of Council Tax Support
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Date issued:	28/03/14
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Rec	Original Finding	Original Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Current Status
1	A review of the Academy system confirmed that a cumulative balancing report (with a tolerance of zero) is run on a daily basis in order to identify any discrepancies between the Council Tax Support recorded on the Benefits application and that recorded on the Council Tax application. A review of a recent balancing report indicated an imbalance on 8 claims, totalling £333.45. It was noted that a recommendation had been made in the previous year's audit review due to the fact that there had been an imbalance on 9 claims, totalling £1147.27. As such, while there has been an improvement since the previous year, the recommendation has been restated here.	South Bucks to liaise with Northgate as to the council tax balancing to ensure that necessary action is taken to investigate and rectify the 8 claims identified.	3	Agreed. This matter will be raised again with Northgate to investigate the differences.	Immediate	Neil Berry Revenues and Benefits Client Manager	In process of being implemented. Confirmed by Revenues and Benefits Client Manager that this is currently being worked on by Northgate and evidence will be provided once the 8 claims have been rectified.

Follow Up Review of Internal Audit Recommendations

Title of review: **Assurance Review of Counter Fraud (Pro-active work)**

Date issued: **19/11/2013**

Rec	Original Finding	Original Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Current Status
2	The Finance Guidance Manual was due for review in August 2012 and that the specified procurement thresholds are outdated.	The Finance Guidance Manual be reviewed and updated where necessary.	3	Agreed. However this is not a priority task at present.	31/03/2014	Head of Finance	Revised implementation date (31/08/14). Confirmed by Head of Finance that this has not yet been implemented.

Follow Up Review of Internal Audit Recommendations

Title of review:	Assurance Review of Emergency Planning
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Date issued:	14/10/2013
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Rec.	Original Finding	Original Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)	Current Status
3	It was confirmed that the Emergency Planning Officer maintains an Emergency Volunteers Training and Development Plan spreadsheet, which lists all members of staff with specific Emergency Planning roles and records the training that has been attended by the volunteers in accordance with their roles. It was noted, however, that the latest entry included was 2011 and the majority of items related to 2008/9, despite the fact that a number of exercises took place during 2012 in preparation for the Olympic Games.	Training log for Emergency Planning volunteers to be reviewed and updated to ensure that all relevant volunteers are captured and that all volunteers have participated in relevant recent training sessions/exercises in accordance with their role.	3	<i>In combination with recommendation 3 the training log will be reviewed and updated with any additional formal or informal training achieved.</i>	30/04/2014	DG	<i>In process of being implemented.</i> <i>Confirmed by the Emergency Planning Officer that this is currently being reviewed with a view to delivering training in partnership with CDC.</i>
4	The Environmental Health Manager is also the Emergency Planning Officer. Discussions indicated that only a very small	Consideration to be given to redirecting current resources or allocating additional resources to create capacity for the Environmental Health Manager (or	3	<i>Consideration will be given to the level of resources as part of the service review commencing 01/04/14.</i>	From 01/04/2014	MH/DG	<i>Revised implementation date (30/09/14).</i> <i>Confirmed by the</i>

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Rec.	Original Finding	Original Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)	Current Status
	<p>amount of his time is able to be dedicated to the Emergency Planning function, given his other duties. It has been possible to delegate a number of duties to other officers throughout the Council, and it was evident that the fundamental areas (the Emergency Plan itself and actual exercises completed) were up to date. However, the lack of a training plan and the fact that training records and other reference materials are considerably out of date indicates a potential lack of available resources to focus on the Emergency Planning function.</p>	<p>another officer) to have a greater focus on Emergency Planning duties and to ensure that the Council is able to meet its legal obligations in the event of an emergency.</p>					<p><i>Emergency Planning Officer that the service review did not commence in April, and will now commence in September 2014.</i></p>

Follow Up Review of Internal Audit Recommendations

Title of review:	Assurance Review of Housing Benefits
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Date issued:	28/03/14
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Rec	Original Finding	Original Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Current Status
5	With respect to recovery through the sundry debtor process, in one case it was noted that no further action (e.g. reminder letters) had been taken since the issuing of an invoice in November 2013. It was indicated by the Northgate Shared Service Manager that Northgate have been experiencing some difficulties with the issuing of reminder notices, and the problem is currently being investigated.	South Bucks to liaise with Northgate as to the outstanding issues with raising reminder notices in order to ensure that the recovery of Housing Benefit overpayments is maximised through prompt and comprehensive recovery action.	2	Agreed. The matter will be raised as a priority with Northgate.	Immediate	Neil Berry Revenues and Benefits Client Manager	In process of being implemented. This has been raised with Northgate informally however will be raised formally in the Operations Board meeting on 19 th May 2014.

Follow Up Review of Internal Audit Recommendations

Title of review:	Assurance Review of the Payroll Arrangements
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Date issued:	20/02/2014
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Rec.	Original Finding	Original Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)	Current Status
6	A formal, signed contract was entered into between WDC and AVDC on 13 th February 2013. It was confirmed that the contract is considerably more detailed than the previous arrangements, and adequately sets out the responsibilities of both parties. It was noted, however, that the contract does not contain details as to the record retention arrangements in place between the two authorities, for example the current practice of maintaining personal files, but returning some documentation to WDC after a period of three months.	AVDC and WDC should ensure that the current practice for the record retention arrangements in place between the two authorities is adequately and formally recorded.	3	WDC: Agreed, timetable for action to be agreed with AVDC.	TBA	WDC Jamie Ford, Technician (Creditors & Payroll)	In process of being implemented. Confirmed by WDC that this issue has been raised with AVDC but a firm timetable for action has not yet been agreed.

Follow Up Review of Internal Audit Recommendations

Title of review:	Assurance Review of Planning – Customer Focus
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Date issued:	23/10/2013
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Rec.	Original Finding	Original Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)	Current Status
7	A review of the log for 2012/13 showed that 5 complaints had not been responded to within the 10 day timeframe, however the master checklist (which is used to produce the annual report presented to the Overview & Scrutiny Committee) showed that all complaints had been responded to within the 10 day timeframe.	Corporate master checklist for complaints to be reviewed and amended to ensure that it accurately reflects the information contained in the Planning department complaints log.	2	A review of the recording and reconciliation of the Corporate Complaint/compliment register to be carried out.	31/12/2013	Laura Campbell	Revised implementation date (31.03.15). Confirmed by the Head of Customer Services that the complaints process will be reviewed as part of the Customer Services strategy, which will be an outcome of the service review to be completed by the end of the 14/15 financial year.