

South Bucks Council

Internal Audit Progress Report

2014/15

Audit Committee: 15 January 2015



INTRODUCTION

1. This summary report provides the Audit Committee with an update on the progress of our work at South Bucks District Council as at 05 December 2014. The report is based on internal audit work carried out by TIAA and management representations that have been received during the period since 1 April 2014.

PROGRESS AGAINST THE 2014/15 ANNUAL PLAN

2. Our progress against the Annual Plan for 2014-15 is set out in Appendix A.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

3. 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 during the period being reported.

AUDITS CARRIED OUT SINCE THE 1 APRIL 2014

4. The table below sets out details of audits completed to final since our last report to the Audit Committee.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
Environmental Services (additional audit)	Limited	18/08/14	10/11/14	20/11/14	1	-	2	1

Licensing	Reasonable	15/09/14	27/10/14	31/10/14	-	2	1	2
Absence Management	Substantial	07/08/14	26/11/14	27/11/14	-	-	1	-
Farnham Park – Stock Control	Audit guidance given on controls			15/09/14				

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED RISKS

5. 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. The action plans and management responses to our audit work for priority 1 and 2 recommendations for the period to 5 December 2014 is shown in Appendix B.

CHANGES TO THE ANNUAL PLAN 2014/15

6. An audit from 2013/14 (**Environmental Services – 2013/14**) has had additional work undertaken at the request of the client in 2014/15.

FRAUDS/IRREGULARITIES

7. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

LIAISON WITH EXTERNAL AUDIT AND THE CLIENT

8. We continue to liaise with EY and have made available working paper files and the report on key financial systems. Regular meetings are held with the Audit Manager for the client.

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

9. We have made one Priority 1 recommendation in this period. (i.e. fundamental control issue on which action should be taken immediately).

Environmental Services – additional work audit. Recommendation:

“In all cases, appropriate insurance and health and safety documentation should be obtained to ensure that those undertaking work for the Council are sufficiently competent and to ensure that work is carried out in a safe and legally compliant manner. Where contractors are used on a regular basis, files should be reviewed annually to ensure that all documentation is up to date.”

Management agreed this recommendation and have instructed staff accordingly.

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 2014/15

System	Planned Quarter	Days	Current Status	Comments
Environmental Services – 2013/14 additional work	2014/15 Q1	4	Final Report issued November 2014	An additional audit for 2014/15
HR Issues arising from Service Reviews	1	5	Audit Postponed until Q4	Audit delayed until after joint working audit completed
Community Grants	1	5	Audit Postponed until Q4	
Absence Management	1	5	Final report issued November 2014	
Licensing	1	6	Final report issued October 2014	
Data Protection/FOI	2	5	Audit postponed until Q4	A new system is being installed to manage this area. An audit will be progressed once this is in place. Will now focus on FOI only.
Procurement	2	5	Audit fieldwork complete report being drafted	
Farnham Park – Stock Control	2	5	Audit Postponed until Q4	Audit guidance given on how to manage and control stock
Housing Grants(energy efficiency)	2	5	Audit Postponed until Q4	
Payroll	2	8	Audit fieldwork complete report being drafted	Audit for 14/15 will not include Wycombe and Aylesbury Vale Councils
Joint Working (with CDC)	2	7	Audit fieldwork complete report being drafted	
Main Accounting	3	5	Draft report issued December 2014	
Debtors	3	6	Audit fieldwork complete report being drafted	

System	Planned Quarter	Days	Current Status	Comments
Creditors (inc VAT)	3	6	Draft report issued December 2014	
Housing Benefits	3	6	Audit fieldwork commenced in December	
Council Tax Support	3	6	Audit fieldwork commenced in December	
Cash and Bank and Treasury Management	3	6	Audit fieldwork commenced in December	
Council Tax and NDR	3	12	Audit to commence in Q4	
ICT contingency time	3	15	Audits to commence in Q4	
Governance	4	5	Audit to commence in Q4	
Car Parking	4	6	Audit to commence in Q4	
Audit Follow up	4	4	Audit is undertaken in Q1 of 15/16	
Annual Audit Letter	4	1		
TOTAL		138		
Management time		15		
GRAND TOTAL		153		

KEY:

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

Classification:
OFFICIAL

tiaa

South Bucks District Council
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= Final report issued

Classification: OFFICIAL

AUDITS FINALISED SINCE LAST AUDIT COMMITTEE

Title of review:	Environmental Services (additional work)
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Date issued:	November 2014
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Rec.	Control	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	The Environmental Services team should comply with the Health and Safety policies and procedures.	In 5 cases, there was either no insurance documentation on file, or the documentation was out of date. In addition, in 7 cases, there were either no Health and Safety policies on file, or the documentation was over 5 years old. Failure to maintain up to date Health and Safety and insurance documentation from contractors poses a reputational, and potentially legal and financial, risk to the Council should incidents occur at Council sites where the contractor is at fault.	In all cases, appropriate insurance and health and safety documentation should be obtained to ensure that those undertaking work for the Council are sufficiently competent and to ensure that work is carried out in a safe and legally compliant manner. Where contractors are used on a regular basis, files should be reviewed annually to ensure that all documentation is up to date.	1	<i>Agreed there has been clear instruction to staff about this matter and this has been reinforced at a meeting</i>	<i>Implemented</i>	

Title of review:	Licensing
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Date issued:	October 2014
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	Sample testing indicated that in 3 cases there was no payment information recorded on Uniform, and in a number of other cases it was evident that the information was not complete (for example, details of deposit payments were not included). Discussions with the Licensing Manager and other Licensing Officers indicated that the main difficulty is that it is not possible to perform a reconciliation between the Uniform system and the finance system, and no information is provided by Finance to enable the Licensing team to review licensing payments received in order to update the Uniform system.	Finance to assess the options for producing payment reports for the Licensing team and/or carrying out training to enable the Licensing team to efficiently interrogate the financial records relating to licensing payments.	2	<p><i>Meeting arranged with Finance to progress this issue. First meeting took place 23 October.</i></p> <p><i>A potential solution is being investigated which would be to set up the finance system so that it automatically emails a notification to the licensing section when a payment has been made.</i></p>	01/04/15	Licensing Manager
3	Compliance	Discussions with the Licensing Manager indicated that a licensing enforcement policy for each of SBDC and CDC still needs to be developed, and at present there is no formal approach to managing the inspection process under the new shared service	Licensing enforcement policies to be developed, with procedures to be implemented for a risk based pro-active inspection regime to ensure compliance with licence conditions.	2	<i>A risk based compliance and enforcement plan is currently being developed which includes details of required regular inspections and will be flexible so that individuals/premises can be added and removed as the risk levels</i>	01/01/15	Licensing Manager

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
		arrangements. Inspections are currently undertaken on a reactive basis, following receipt of a complaint.			<i>change</i>		