

South Bucks District Council

Internal Audit Progress Report

2015/16

Audit Committee: 21 January 2016



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 4 January 2016. The report is based on internal audit work carried out by TIAA and management representations that have been received.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

2. We have not identified any emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the Council. The progress against the annual audit plan is shown at Appendix A. The action plans and management responses to our audit work for priority 1 and 2 recommendations for the period from 6 August 2015 to 4 January 2016 is shown in Appendix B.

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

3. The table below sets out details of audits finalised 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
Community Grants	Substantial	26/08/15	05/11/15	06/11/15	-	-	1	2
Housing – Allocations/Homelessness	Reasonable	26/08/15	20/10/15	21/10/15	-	3	1	1
Main Accounting	Substantial	28/10/15	08/11/15	09/11/15	-	1	1	1
Budgetary Control	Substantial	06/11/15	06/11/15	09/11/15	-	-	1	-
Building Control	Reasonable	25/11/15	27/11/15	01/12/15	-	2	3	-
Risk Management	Reasonable	19/11/15	23/11/15	24/11/15	-	1	2	-

CHANGES TO THE ANNUAL PLAN 2015/16

4. The following changes to the annual audit plan for 2015/16 have been made:
 - a) Disabled Facilities Grant – Additional Review
 - b) Defra Repair and Renew Grant (Flood Support Scheme) – Additional Review
 - c) Data Protection – Additional Review
 - d) The ICT audits have been cancelled due to the significant changes to the ICT at South Bucks and Chiltern and these have been replaced with the following two ICT audits:
 - i) Updata
 - ii) Transition Project Management

FRAUDS/IRREGULARITIES

7. There are no Frauds or Irregularities to report in this period

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 meeting are held with the Audit Manager for the client.

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

9. There are no Priority 1 recommendations to report at this time.

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 2015/16

System	Planned Quarter	Days	Current Status	Comments
Disabled Facilities Grant	-	2.5	Final report issued August 2015	Additional review
Defra Repair and Renew Grant	-	1	Final report issued July 2015	Additional Review
Main Accounting	3	3	Final report issued November 2015	
Payroll	3	7		Now a Q4 audit
Debtors	3	5	Fieldwork in Progress	
Creditors	3	5	Draft report issued December 2015	
Benefits	3	5	Fieldwork in progress	
Council Tax Support	3	5		Now a Q4 audit
Council Tax & NDR	3	9		Now a Q4 audit
Cash & Bank	3	4		Now a Q4 audit
Treasury Management	3	3		Now a Q4 audit
Budgetary Control	3	3	Final report issued November 2015	
ICT - Information Security Management in shared service environment	3	3		Cancelled - Due to significant changes to the provision of ICT at South Bucks the timing of these audits is currently under review
ICT - Regulatory compliance	3	3		Cancelled
ICT - Control Assurance of services provided remotely	3	3		Cancelled

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INTERNAL AUDIT

System	Planned Quarter	Days	Current Status	Comments
ICT - IT Management and operational structure	2	3		Cancelled
ICT - Service desk operation & management	3	3		Cancelled
ICT - Updata			Fieldwork in Progress	
ICT – Project Management review			Audit Planning Memorandum issued	
Planning Development (and enforcement)	1	6	Audit Planning Memorandum issued	Audit delayed due to the service review being undertaken this year
Housing - Allocations/Homelessness	2	3	Final report issued October 2015	
Housing – Section 106	2	4	Fieldwork in Progress	
Contracts	3	4	Fieldwork in Progress	
Car Parking	3	4		Requested as a March audit by the new Car Parking Manager
Health and Safety – Contractor arrangements	3	4	Audit Planning Memorandum issued	
Community Grants	1	3	Final report issued November 2015	
Electoral Registration	2	3	Audit Planning Memorandum issued	
Freedom of Information	1	3	Audit Planning Memorandum issued	
Governance	4	4		Planned start date January 2016
Risk Management	2	3	Final Report issued November 2015	
Joint Working Arrangements	2	6	Fieldwork in progress	
Counter Fraud	3	5		Now a Q4 Audit
Data Protection	-	5		A Q4 Audit
Audit follow up work		4		

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INTERNAL AUDIT

System	Planned Quarter	Days	Current Status	Comments
<u>Farnham Park Charitable Trust</u>				
Stock Control	2	6	Draft report being prepared	
Contingency Time	ongoing	4		Regular visits to the Park – annual report

KEY:

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

AUDITS FINALISED SINCE LAST AUDIT COMMITTEE

Title of review: Housing – Allocations/Homelessness

Date issued: October 2015

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Neither Council has an up to date housing strategy in place. Management are aware of this and have identified this as an area to be addressed on the Joint Business Plan.	A current housing strategy to be developed for both Councils and presented to Cabinet for approval.	2	<i>Work is being undertaken to develop updated Strategies for CDC and SBDC and these are timetabled for initial reports to CDC Cabinet on 1/12/15 and SBDC Cabinet on 9/2/16.</i>	01/04/2016	Housing Manager
3	Directed	Neither Council has an up to date homelessness strategy in place. Management are aware of this and have identified this as an area to be addressed on the Joint Business Plan.	A current homelessness strategy to be developed for both Councils and presented to Cabinet for approval.	2	<i>Work is being undertaken to develop updated Strategies for CDC and SBDC and these are timetabled for initial reports to CDC Cabinet on 1/12/15 and SBDC Cabinet on 9/2/16.</i>	01/04/2016	Housing Manager
4	Directed	Neither Council has undertaken a recent capacity review of temporary accommodation. Management are aware of this and have identified this as an area to be addressed on the Joint Business Plan.	A review of temporary accommodation capacity to be undertaken at the earliest opportunity.	2	<i>The day to day management of temporary accommodation to date has ensured that the Council has fulfilled its statutory duty to secure accommodation when required. The availability of temporary accommodation is monitored on a regular basis and arrangements have been put in place to secure additional units when required to</i>	01/04/2016	Housing Manager

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INTERNAL AUDIT

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
					<i>meet increased demand (e.g. Police Houses at Gerrards Cross, Paradigm properties at Springett Place in Amersham) As part of the Homelessness Strategy development (see 3 above) CDC and SBDC will be reviewing TA provision and developing an overarching TA policy (in line with the recommendation of the Judge in the case of Nzolameso v City of Westminster (2015))</i>		

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INTERNAL AUDIT

Title of review: **Main Accounting**

Date issued: **November 2015**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	A review of ten registered Integra users confirmed that all were currently employees. A review of Integra users with full access rights highlighted that there were two employees that did not require full access. It was advised by the Senior Accountant that an access review needs to be carried out.	A review exercise to be carried out on all finance users to ensure that system access is relevant and appropriate for the role of the employee.	2	<i>A review of Finance users will be carried out to ensure that access is appropriate.</i>	31/12/15	Senior Accountant – Systems & VAT

Title of review:	Building Control
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Date issued:	December 2015
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Uniform does not have an adequate set of mandatory fields in place, as currently for example the system would allow an officer to complete a whole application without having to confirm that payment has been received.	Appropriate mandatory fields in Uniform to be identified and enabled to ensure that applications can only be completed once all necessary checks have been undertaken.	2	<i>This is not a feature currently provided on Uniform. The procedure notes clearly indicate that the payment of the charges must be checked prior to the issuing of the completion certificate.</i>	N/A	
5	Compliance	There is no reconciliation between Uniform and Integra; without this there is a risk that not all income is recorded accurately and discrepancies may not be identified.	A periodic reconciliation between Integra and Uniform to be undertaken and subject to independent review.	2	<i>The two systems are not compatible, but they are checked. The customer details are provided by building control when requesting the invoices to be raised and the invoice numbers are placed on Uniform. Uniform is updated when the payment has been made.</i>	N/A	

Title of review:	Risk Management
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Date issued:	November 2015
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Reputational	There was no evidence to show that a summary of all complaints and compliments received was being reported on a regular basis to the Management Team. This report should draw attention to any corporate or repeated issue since the last report as this could highlight a potential risk or benefit to the Council which should receive further attention. There should also be a regular report to Members (say biannually).	A summary of all complaints and compliments received be reported to the Management Team on a regular (quarterly) basis alongside the regular performance reporting drawing attention to any corporate or repeated issue as this could highlight a potential risk or benefit to the Council which should receive further attention. A similar report also made to Members (biannually).	2	<i>A review of the complaints process across the two Councils is one of the early tasks for the new joint Customer Services Team. The intention will be to have a clear common process for both Councils and to be able to analyse compliments and complaints in an efficient way to inform the Customer Service Strategy that will be developed for the Councils.</i>	July 2016	Head of Customer Services