



**South Bucks District Council**

**Internal Audit Annual Plan 2016/17 and Five Year Audit Strategy**

**Audit Committee**

**17 March 2016**

## Internal Audit Annual Plan 2016/17 and Five Year Audit Strategy

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### INTRODUCTION

This Annual Plan is drawn up in accordance with the Terms of Reference of TIAA and the Internal Audit Strategic Plan. The audit days in the Annual Plan and Five Year Strategy refer to the joint working for both Councils unless otherwise indicated.

### AUDIT STRATEGY METHODOLOGY

We adopt a risk based approach to determining your audit needs each year which includes reviewing your risk register and risk management framework, and previous internal audit work, external audit recommendations together with key corporate documentation such as your business and corporate plan, standing orders, and financial regulations. The Strategy will be based predominantly on our understanding of the inherent risks facing Chiltern and South Bucks Councils and those within the sector and has been developed with senior management and Committee.

### AUDIT (AND STANDARDS) COMMITTEE RESPONSIBILITY

It is the responsibility of the Audit (and Standards) Committee to determine that the number of audit days to be provided is adequate; the planned audit coverage is sufficient to meet the Committee's requirements and the areas selected for review are appropriate to provide assurance against the key risks within the organisation.

### INTERNAL AUDIT ANNUAL PLAN

The Annual Plan (Annex A) sets out the reviews that will be carried out, the planned times and the scopes for each of these reviews. The rolling strategic plan is set out in Annex B. The rolling strategic plan will be subject to ongoing review and could change as the risks change for the organisation and will be formally reviewed with senior management and the Committee mid-way through the financial year or should a significant issue arise.

The planned time set out in the Annual Plan for the individual reviews includes: research, preparation and issue of terms of reference, production and review of working papers and reports and site work. The timings shown in the Annual Plan assume that the expected controls will be in place.

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of the Councils and additional time will be required to carry out such testing. Each Council is responsible for taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

### REPORTING

**Assignment Reports:** A separate report will be prepared for each review carried out. Each report will be prepared in accordance with the arrangements contained in the Terms of Reference agreed with TIAA and which accord with the requirements of the Public Sector Internal Audit Standards (PSIAS).

**Progress Reports:** Progress reports will be prepared for each Audit (and Standards) Committee meeting. Each report will detail progress achieved to date against the agreed annual plan.

**Annual Report:** An Annual Report will be prepared for each year in accordance with the requirements set out in the Public Sector Internal Audit Standards (PSIAS). The Annual Report will include our opinion of the overall adequacy and effectiveness of each Councils governance, risk management and operational control processes.

### SATISFACTION QUESTIONNAIRES

A satisfaction questionnaire will be issued with each final report to comply with our ISO requirements. An annual client satisfaction survey will also be

issued with the annual report with the feedback received from these survey(s) being used to develop staff and the service we provide.

### **LIAISON WITH THE EXTERNAL AUDITOR**

We will liaise with the External Auditor for Chiltern Council and South Bucks Council. Any matters in the areas included in the Annual Plan that are identified by the external auditor in their audit management letters will be included in the scope of the appropriate review.

### **BACKGROUND**

Chiltern and South Bucks Councils now have a joint Business Plan with three headline objectives:

- Delivering cost – effective, customer focused services.
- Working towards safe and healthier local communities.
- Striving to conserve the environment and promote sustainability.

South Bucks has a population of around 70,000 compared to Chiltern with a population of some 90,000.

### **ASSESSMENT OF THE KEY RISK CONTROL OBJECTIVES**

For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks will be provided. The assurance mapping process is set out in Annex C.

### **AUDIT REMIT**

The Audit Remit (Annex D) formally defines internal audit's purpose, authority and responsibility. It establishes internal audit's position within the Councils and defines the scope of internal audit activities and ensures compliance with the PSIAS.

### **CONFLICT OF INTEREST**

We are not aware of any conflicts of interest and should any arise we will manage them in line with PSIAS requirements, the Councils requirements and TIAA's internal policies.

### **LIMITATIONS AND RESPONSIBILITY**

Internal controls can only provide reasonable and not absolute assurance against misstatement or loss. The limitations on assurance include the possibility of one or more of the following situations, control activities being circumvented by the collusion of two or more persons, human error, or the overriding of controls by management. Additionally, no assurance can be provided that the internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks that may arise in future.

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.

Reliance will be 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.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that

exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

## PERFORMANCE

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan (Figure 1 below):

Figure 1 - Performance Targets

Area	Performance Measure	Target
Achievement of the plan	Completion of Planned Audits	100%
	Audits Completed in Time Allocation	100%
Reports Issued	Draft report issued within 10 working days of exit meeting	95%
	Final report issued within 10 working days of receipt of responses	95%
Professional Standards	Compliance with Public Sector Internal Audit Standards	100%

## KEY CONTACT INFORMATION

Area	Performance Measure
Name: Chris Harris Job Title: Director	Email address: <a href="mailto:chris.harris@tiaa.co.uk">chris.harris@tiaa.co.uk</a> Phone number: 07766 115439
Name: Jonathan Sims Job Title: Client Manager	Email address: <a href="mailto:jonathan.sims@tiaa.co.uk">jonathan.sims@tiaa.co.uk</a> Phone number: 07976 815945
Name: Claire Lavery Job Title: Principal Auditor	Email address: <a href="mailto:claire.lavery@tiaa.co.uk">claire.lavery@tiaa.co.uk</a> Phone number: 07580 971330
Name: Jannes van der Merwe Job Title: Senior Auditor	Email <a href="mailto:Jannes.vandermerwe@tiaa.co.uk">Jannes.vandermerwe@tiaa.co.uk</a> Phone number: 07815 834657
Name: Pedro Simmons Job Title: Auditor	Email: <a href="mailto:pedro.simmons@tiaa.co.uk">pedro.simmons@tiaa.co.uk</a> Phone number: 07580 164317

## RELEASE OF REPORT

The table below sets out the history of this plan.

Date plan issued:	10th March 2016
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## Annual Plan – 2016/17

Quarter	Audit	Type	Days	Rationale	Prog ref
	<b>CORPORATE AUDITS</b>				
3	Governance	Assurance	9	<p><u>Rationale:</u> Reputationally the identification and recording of Gifts and/or Hospitality is fundamental to the governance arrangements at the Councils.</p> <p><u>Scope:</u> The review will consider the following key areas:</p> <ul style="list-style-type: none"> <li>• The gifts and hospitality policy and procedures;</li> <li>• Implementation of the requirements of the Bribery Act 2010 into the Members Code of Conduct;</li> <li>• That Members are recording gifts and hospitality in accordance with Council Policy</li> </ul>	
3	Procurement	Assurance	8	<p><u>Rationale:</u> Procurement is a major spend for the Council and a regular audit is undertaken to confirm purchases are controlled and compliant with the Council's procedures.</p> <p><u>Scope:</u> The review will cover the corporate procurement arrangements: To include:</p> <ul style="list-style-type: none"> <li>• Standing orders for contracts which should clearly define procurement policy</li> <li>• That adequate procedures are in place to establish the need for purchases</li> <li>• Purchase Orders are placed with approved suppliers, wherever possible</li> <li>• That procedures are in place to ensure there is adequate contract management to monitor supplier performance.</li> </ul>	
4	Counter Fraud	Assurance	8	<p><u>Rationale:</u> This is an annual review to undertake pro active counter fraud work.</p> <p><u>Scope:</u> The scope of this audit will be determined in consultation with the Councils Counter Fraud Manager at the time of the review.</p>	

Quarter	Audit	Type	Days	Rationale	Prog ref
3/4	Complaints and Compliments	Assurance	6	<p><u>Rationale:</u> Following a governance audit in 2015/16 it was noted that following the many service reviews and staff changes the complaints and compliments procedure had fallen into disrepute. It has been agreed to review this aspect of the work again in 2016/17.</p> <p><u>Scope:</u> To review the following:</p> <ul style="list-style-type: none"> <li>• The policy and procedures for managing Complaints and Compliments.</li> <li>• The monitoring arrangements</li> <li>• The reporting arrangements to senior management and to Members.</li> <li>• The lessons learned and action plans arising from any complaints and compliments.</li> </ul>	
1	Performance Management/Efficient Working	Assurance	10	<p><u>Rationale:</u> Following the many Service reviews that have taken place and the significant staff changes as a result management have requested that we review the transformational changes and whether they are delivering efficient methods of working and how performance is being monitored and managed.</p> <p><u>Scope:</u> The review will include:</p> <ul style="list-style-type: none"> <li>• Selecting a number of service departments and through interview and examination consider how efficient service delivery is now compared with pre- service review;</li> <li>• Examine how performance is monitored and managed and whether the most efficient methods of working are being adopted.</li> </ul>	
1	Information Governance/Data Quality	Assurance	9	<p><u>Rationale:</u> Compliance with Information Governance legislation is fundamental to the Councils in how it protects data.</p> <p><u>Scope:</u> The review will cover the following key areas:</p> <ul style="list-style-type: none"> <li>• Management arrangements exist to ensure compliance with legislation. The information governance roles including the SIRO and Information Governance Officer have been clearly defined and an information governance group (or similar) monitors ongoing information governance issues;</li> </ul>	

Quarter	Audit	Type	Days	Rationale	Prog ref
				<ul style="list-style-type: none"> <li>• Policies and procedures are in place to govern the management of data and systems including a formally adopted information security and data quality policy;</li> <li>• Process controls exist to ensure that manual records are stored securely in structured filing systems and are available, if required;</li> <li>• Data sharing and third party data processing protocols are in place which ensures that responsibilities for data transferred to and from third parties are clearly defined.</li> </ul>	
<b>FINANCIAL AUDITS</b>					
3	Main Accounting	Assurance	8	<p><u>Rationale:</u> This is the main financial ledger and an important system for the Councils which is audited annually.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Councils for the financial accounting system (Integra). The review will focus on the following areas:</p> <ul style="list-style-type: none"> <li>• Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>• Access to Integra is restricted to authorised personnel only and the system is appropriately backed up;</li> <li>• Financial information is produced which meets all legal/reporting requirements on a timely basis;</li> <li>• Journal entries are supported by adequate narrative, with appropriate separation of duties in place;</li> <li>• New ledger codes/amendments are supported by appropriate authorisation;</li> <li>• Suspense accounts are regularly reviewed and cleared; and</li> <li>• Opening balances are brought forward promptly and accurately.</li> </ul>	
3	Payroll	Assurance	13	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Payroll function. The audit will focus on the following key</p>	

Quarter	Audit	Type	Days	Rationale	Prog ref
				<p>areas:</p> <ul style="list-style-type: none"> <li>• Recommendations from the previous audit report have been implemented;</li> <li>• Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>• System access is restricted to authorised personnel only;</li> <li>• Payroll data is supported by proper documentation, properly authorised, and subject to satisfactory segregation of duties; and</li> <li>• Reasonableness checks and regular reconciliations are carried out.</li> </ul>	
3	Debtors	Assurance	10	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Debtors function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Recommendations from the previous audit report have been implemented;</li> <li>• Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>• System access is restricted to authorised personnel only;</li> <li>• Invoices and credit notes are raised following appropriate authorisation, and are actioned promptly and accurately;</li> <li>• Regular reconciliations are carried out between the sales ledger module and the general ledger control account;</li> <li>• Regular reviews of outstanding debtors are undertaken using aged debtor listing, with arrears action carried out promptly in accordance with procedures; and</li> <li>• Write-offs are approved by senior officers in accordance with procedures</li> </ul>	
3	Creditors	Assurance	10	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Creditors function. The audit will focus on the following key areas:</p>	



Quarter	Audit	Type	Days	Rationale	Prog ref
				<ul style="list-style-type: none"> <li>Recommendations from the previous audit report have been implemented,</li> <li>Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>System access is restricted to authorised personnel only;</li> <li>New supplier set up/amendments to supplier details are subject to satisfactory segregation of duties;</li> <li>Payments are supported by proper documentation, properly authorised, correctly coded, and subject to satisfactory segregation of duties; and</li> <li>Regular reconciliations are carried out between the purchase ledger module and the general ledger control account.</li> </ul>	
3	Benefits	Assurance	10	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review and test the controls in place at the Council for the Housing Benefits function. The review will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>Appropriate policies and procedures are in place for managing the Benefits process.</li> <li>Access to the Benefits system is restricted and adequately controlled.</li> <li>Standard variables/parameters are independently reviewed at the start of the year.</li> <li>Benefits are properly due and correctly calculated, with appropriate sample checks carried out.</li> <li>Payment runs are subject to independent review and authorisation prior to payment.</li> <li>System performance is monitored and Benefits data regularly reconciled.</li> <li>Overpayments are identified and promptly followed up.</li> <li>Write-offs are approved by senior officers in accordance with authorised procedures</li> </ul>	

Quarter	Audit	Type	Days	Rationale	Prog ref
3	Council Tax Support	Assurance	10	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review and test the controls in place at the Council for the Council Tax Support function. The review will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Appropriate policies and procedures are in place for managing the Council Tax Support process.</li> <li>• Access to the Council Tax Support system is restricted and adequately controlled.</li> <li>• Standard variables/parameters are independently reviewed at the start of the year.</li> <li>• Council Tax Support is properly due and correctly calculated, with appropriate sample checks carried out.</li> <li>• Payment runs are subject to independent review and authorisation prior to payment.</li> <li>• System performance is monitored and Council Tax Support data regularly reconciled.</li> <li>• Overpayments are identified and promptly followed up.</li> <li>• Write-offs are approved by senior officers in accordance with authorised procedures</li> </ul>	
3	Council Tax and NDR	Assurance	20	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review the adequacy and effectiveness of the controls in place at the Council for the management of the Council Tax and Business Rates (Non – Domestic Rates (NDR)) function. The audit will focus on the following:</p> <ul style="list-style-type: none"> <li>• There are up to date documented procedures for Council Tax and NDR;</li> <li>• System access is adequately controlled;</li> <li>• The correct charges have been applied;</li> <li>• Regular reconciliations are carried out with Valuation Office listings;</li> <li>• Discounts and exemptions are approved by authorised staff and supported by documentary evidence;</li> </ul>	

Quarter	Audit	Type	Days	Rationale	Prog ref
				<ul style="list-style-type: none"> <li>• Refunds are appropriately approved and authorised prior to payment;</li> <li>• Arrears are promptly identified and pursued and any write offs are valid and authorised;</li> <li>• Suspense accounts are regularly cleared and any exception reports are regularly reviewed; and</li> <li>• Systems are adequately monitored and reconciled</li> </ul>	
3	Cash and Bank	Assurance	9	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Councils for managing the Income (Cash &amp; Bank) function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Recommendations from the previous audit report have been implemented;</li> <li>• Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>• System access is restricted to authorised personnel only;</li> <li>• Adequate controls are in place to ensure amounts received are accurately and promptly banked;</li> <li>• Adequate security is in place to manage all cash received and banking arrangements;</li> <li>• Regular reconciliations are carried out between the cash receipting system, the general ledger and the Councils bank accounts; and</li> <li>• All items posted to suspense accounts are checked and regularly cleared.</li> </ul>	
2	Budgetary Control	Assurance	8	<p><u>Rationale:</u> This is an important function for the Councils and which is audited bi-annually.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Councils for the management of the financial budgets for the Councils. The review will focus on the following areas:</p> <ul style="list-style-type: none"> <li>• Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>• Budgets are comprehensive, with realistic assumptions, and are</li> </ul>	

Quarter	Audit	Type	Days	Rationale	Prog ref
				<p>appropriately approved;</p> <ul style="list-style-type: none"> <li>• Budgets are loaded into the ledger completely and accurately;</li> <li>• Budgets are allocated to individuals at an appropriate level, with monitoring responsibilities clearly outlined;</li> <li>• Budget monitoring reports are provided on a timely basis;</li> <li>• Reasonable variance levels are set which trigger action and explanation; and</li> <li>• Budget virements are subject to appropriate authorisation.</li> </ul>	
<b>ICT AUDITS</b>					
2/3	Targeted Audits – To be agreed	Assurance	30	Due to the major changes which have occurred with ICT during 2015/16 the audit needs assessment has been delayed until the end of the financial year 2015/16. A full plan and strategy for ICT audits will be reported to the next Audit (and Standards) Committee.	
1	Controls over access to the internet	Assurance	6	<p><u>Rationale:</u> Following concerns regarding controls over access to inappropriate websites an audit of the improvements in security arrangements has been requested in 2016/17.</p> <p><u>Scope:</u> The audit will focus on the firewall and other security controls which have been put in place to prevent staff from accessing inappropriate web sites.</p>	
<b>HEALTH AND HOUSING</b>					
1	Environmental Health	Assurance	10	<p><u>Rationale:</u> This is a periodic audit which has not been undertaken for some time.</p> <p><u>Scope:</u> To ensure that:</p> <ul style="list-style-type: none"> <li>• there are up to date documented procedures accessible to all staff who need them,</li> <li>• the corporate retention policy is being adhered to,</li> <li>• to review the performance targets and how these are monitored and</li> </ul>	

Quarter	Audit	Type	Days	Rationale	Prog ref
				<p>reported,</p> <ul style="list-style-type: none"> <li>legislation and regulations are being complied with,</li> <li>insurances are up to date and sufficient</li> </ul>	
1	Licensing	Assurance	10	<p><u>Rationale:</u> This is a periodic audit which has not been undertaken for some time. <u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Councils for managing the administration of licenses. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>Policies and procedures;</li> <li>Compliance with legislative requirements;</li> <li>Issuing of licenses within required timescales;</li> <li>Receipt of monies for license fees;</li> <li>The maintenance of public registers; and</li> <li>Premises inspections.</li> </ul>	
1	Health and Safety – internal arrangements	Assurance	8	<p><u>Rationale:</u> This is a periodic audit that has not been undertaken for some time <u>Scope:</u> The review will include:</p> <ul style="list-style-type: none"> <li>Compliance with Health and Safety standards and Financial Regulations</li> <li>Compliance with policies and procedures for Health and Safety</li> <li>Examination of any health and safety notifications and how these were remedied</li> <li>The monitoring and reporting of all internal Health and safety incidents.</li> <li>Risk Management arrangements.</li> </ul>	
TBA	Disabled Facilities Grants	Regulatory	5	<p><u>Rationale:</u> An annual audit which is a central government requirement <u>Scope:</u> To examine all income and expenditure and to confirm money spent is in accordance with the Grant conditions</p>	

Quarter	Audit	Type	Days	Rationale	Prog ref
TBA	Housing DECC Grants – energy efficiency	Regulatory	10	<p><u>Rationale:</u> An annual audit which is a central government requirement</p> <p><u>Scope:</u> To examine all income and expenditure and to confirm money spent is in accordance with the Grant conditions</p>	
<b>COMMUNITY SERVICES</b>					
2	Leisure Contracts	Assurance	8	<p><u>Rationale:</u> An outsourced service that has not been audited for some time.</p> <p><u>Scope:</u> The review will include the following key areas:</p> <ul style="list-style-type: none"> <li>• Review of the current policies and procedures,</li> <li>• Testing key controls.</li> <li>• Key performance indicators/performance targets for the leisure contract are clearly laid down and incorporated into contract metrics.</li> <li>• Performance management and monitoring processes are in place and are robust enough to ensure compliance with performance standards.</li> <li>• Contract clauses, such as penalties and deductions, are outlined and enforced.</li> <li>• Payments are made accurately in line with contractual arrangements</li> <li>• Management information on contract performance is provided and regularly reviewed,</li> <li>• Adequate budget controls are in place.</li> </ul>	
<b>ENVIRONMENTAL SERVICES</b>					
2	Waste – Joint service Chiltern and Wycombe	Assurance	8	<p><u>Rationale:</u> This is a joint service with Wycombe and is audited periodically. The review is primarily around the contract monitoring and management arrangements as this service is run by a private contractor.</p> <p><u>Scope:</u> Examine and test the controls which manage the Waste Collection contract to</p>	

Quarter	Audit	Type	Days	Rationale	Prog ref
				<p>include review of:</p> <ul style="list-style-type: none"> <li>• Policy and procedures</li> <li>• Client Monitoring Framework</li> <li>• Payments</li> <li>• Works orders and variations</li> <li>• Performance management, penalties and complaints</li> <li>• Recharge and funding arrangements</li> <li>• Governance</li> <li>• Recycling arrangements/targets</li> </ul>	
4	Car Parking	Assurance	11	<p><u>Rationale:</u> Car Parking income is an important contribution to the Council's finances and periodic auditing confirms it is being properly accounted for.</p> <p><u>Scope:</u> The review will include the following key areas:</p> <ul style="list-style-type: none"> <li>• To assess the adequacy and effectiveness of the internal controls in place relating to the collection, recording and banking of all car parking income.</li> <li>• To include an assessment of the process for the recovery of income.</li> <li>• To ensure that income received is adequately protected from loss</li> </ul>	
1	Property and Asset Management	Assurance	8	<p><u>Rationale:</u> This is a periodic audit which has not been audited for some time.</p> <p><u>Scope:</u> The audit will review the following:</p> <ul style="list-style-type: none"> <li>• Policy, Procedures and Legislation;</li> <li>• Reviewing inspection regimes;</li> <li>• Reconciliation and access to the Property and Asset Management ledger; Revaluations and Impairments; Verification of assets; and</li> <li>• Disposal, Write offs and depreciation.</li> </ul>	

Quarter	Audit	Type	Days	Rationale	Prog ref
	<b>LEGAL AND DEMOGRAPHIC SERVICES</b>				
2	Individual Electoral Registration	Assurance	8	<p><u>Rationale:</u> There have been significant changes to the Electoral Registration process during 2015 and an audit in 16/17 would provide an independent review.</p> <p><u>Scope:</u> The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Compliance with statutory requirements</li> <li>• Completeness and accuracy of record keeping</li> <li>• Management and reporting on the system</li> </ul>	
	<b>HUMAN RESOURCES</b>				
1	Absence Management	Assurance	8	<p><u>Rationale:</u> This is a periodic audit that has not been undertaken for some time.</p> <p><u>Scope:</u> The audit will review the following key areas:</p> <ul style="list-style-type: none"> <li>• The Councils absence and sickness policy and procedures</li> <li>• Roles and responsibilities for managing absence</li> <li>• Monitoring and recording of absence</li> <li>• Reporting and follow up action</li> </ul>	



Quarter	Audit	Type	Days	Rationale	Prog ref
2	Recruitment	Assurance	8	<p><u>Rationale:</u> This is a periodic audit that has not been undertaken for some time.</p> <p><u>Scope:</u> The audit will cover the following key areas:</p> <ul style="list-style-type: none"> <li>• Policies and procedures</li> <li>• Approval processes</li> <li>• Selection processes</li> <li>• Advertising and openness</li> <li>• Shortlisting</li> <li>• Interview and selection</li> <li>• Pre employment checks</li> <li>• Employment contracts</li> <li>• Complaints</li> </ul>	
<b>FARNHAM PARK TRUST</b>					
1	Stores/shop	Assurance	5	<p><u>Rationale:</u> This is a high risk area for the Trust and is audited annually</p> <p><u>Scope:</u> A cradle to grave audit of stock identified, purchased, held and sold at the Trust (The South Buckinghamshire). This will include:</p> <ul style="list-style-type: none"> <li>• The effective identification and purchase of stock;</li> <li>• An adequate system of control of stock held pending sale</li> <li>• A sound system of sales including restocking</li> </ul>	
1	Bar	Assurance	5	<p><u>Rationale:</u> The Council have recently taken back in-house the running of the bar at the South Buckinghamshire and an early audit has been requested by management.</p> <p><u>Scope:</u> The audit will focus on the following key issues:</p> <ul style="list-style-type: none"> <li>• An understanding of the Licensing Act 2003</li> <li>• Policy and procedures for the bar to include type of stock to be sold and purchasing arrangements</li> <li>• Staff training and whether any hold a qualification recognised by the British Institute of Innkeepers</li> <li>• Security arrangements for bar stock and takings</li> </ul>	

Quarter	Audit	Type	Days	Rationale	Prog ref
				<ul style="list-style-type: none"> <li>• CCTV coverage and retention arrangements</li> <li>• Security of premises and lock up arrangements</li> <li>• Stock take arrangements</li> <li>• Banking arrangements</li> <li>• Pricing Policy</li> <li>• Member/Chief Officer approvals</li> </ul>	
-	Contingency		2	Time to be spent providing advice and assistance to the General Manager on matters relating to control and risk	
	<b>OTHER</b>				
-	Follow Up		10	An annual audit at the end of the financial year to review the implementation of all recommendations made in Internal Audit reports during the year.	
4	Annual Assurance Report		2	The Head of Audit Annual Assurance report to the Audit (and Standards) Committee.	
1-4	Audit Management		32	This time includes attendance at Audit Committee meetings and overall contract management.	
		<b>Total days</b>	<b>330</b>		
		<b>Total days Farnham Park</b>	<b>12</b>		

## Rolling Strategic Plan

Review Area	Risk Ref	Type	Days Required				
			2016/17	2017/18	2018/19	2019/20	2020/21
<b>Corporate</b>							
Governance			9	8	8	8	8
Risk Management			-	8	-	8	-
Procurement			8	-	8	-	8
Counter Fraud			8	8	8	8	8
Complaints and Compliments			6	-	-	-	6
Performance Management/Efficient Working			10	-	10	-	10
Contracts			-	-	10	-	-
Information Governance/Data Quality			9	8	8	8	8
Freedom of Information			-	8	-	8	-
Data Protection			-	8	-	8	-
Business Continuity			-	8	-	-	8
<b>Finance</b>							
Main Accounting			8	7	7	7	7
Payroll			13	12	12	12	12
Debtors			10	9	9	9	9
Creditors			10	9	9	9	9
Benefits			10	9	9	9	9
Council Tax Support			10	9	9	9	9
Council Tax and NDR			20	18	18	18	18
Cash and Bank			9	8	8	8	8

Review Area	Risk Ref	Type	Days Required				
			2016/17	2017/18	2018/19	2019/20	2020/21
Treasury Management			-	8	-	8	-
Budgetary Control			8	-	8	-	8
<b>ICT</b>							
Targeted Audits – To be agreed			30	30	30	30	30
Controls over access to the internet			6	-	-	-	-
<b>Health and Housing</b>							
Housing Allocations and Homelessness			-	9	-	9	-
Housing Section 106			-	10	-	9	-
Environmental Health			10	-	10	-	10
Licensing			10	-	10	-	10
Business Continuity			-	9	-	-	9
Emergency Planning			-	6	-	-	6
Health and Safety – internal arrangements			8	-	-	-	8
Disabled Facilities Grants			5	5	5	5	5
Housing DECC Grants – energy efficiency			10	10	10	10	10
<b>Community Services</b>							
Grants			-	8	-	8	-
Leisure Contracts			8	-	-	-	8
Safeguarding			-	-	8	-	-
<b>Environmental Services</b>							
Health and Safety – Contractor Arrangements			-	-	8	-	-
Grounds Maintenance			-	8	-	-	8
Waste – Joint service Chiltern and Wycombe			8	8	8	8	8
Waste – South Bucks			-	5	-	5	-

Review Area	Risk Ref	Type	Days Required				
			2016/17	2017/18	2018/19	2019/20	2020/21
Contracts – Environmental Services			-	12	-	11	-
Car Parking			11	10	10	9	9
Property and Asset Management			8	-	8	-	8
Cemeteries			-	-	8	-	-
<b>Sustainable Development</b>							
Planning Development and Enforcement			-	11	-	11	-
Building Control			-	-	-	8	-
<b>Legal and Demographic Services</b>							
Land Charges			-	-	8	-	-
Individual Electoral Registration			8	-	-	-	8
External Solicitors/Court Costs			-	-	-	-	-
<b>Human Resources</b>							
Absence Management			8	-	-	8	-
Recruitment			8	-	-	8	-
Equalities			-	-	8	-	-
Harmonised Policies and Procedure			-	8	-	8	-
iTrent Payroll System (HR Module)			-	6	-	6	-
<b>Farnham Park Trust</b>							
Stores/shop			5	5	5	5	5
Bar			5	5	5	5	5
Academy			5	-	5	-	5
Contingency			2	2	2	2	2

Review Area	Risk Ref	Type	Days Required				
			2016/17	2017/18	2018/19	2019/20	2020/21
Other							
Follow up			10	10	10	10	10
Annual Assurance Report			2	2	2	2	2
Audit Management			32	32	32	32	32
		<b>Total</b>	<b>330</b>	<b>344</b>	<b>316</b>	<b>334</b>	<b>326</b>
		<b>FARNHAM Park Total</b>	<b>17</b>	<b>12</b>	<b>17</b>	<b>12</b>	<b>17</b>

## Assurance Mapping

### Corporate assurance risks

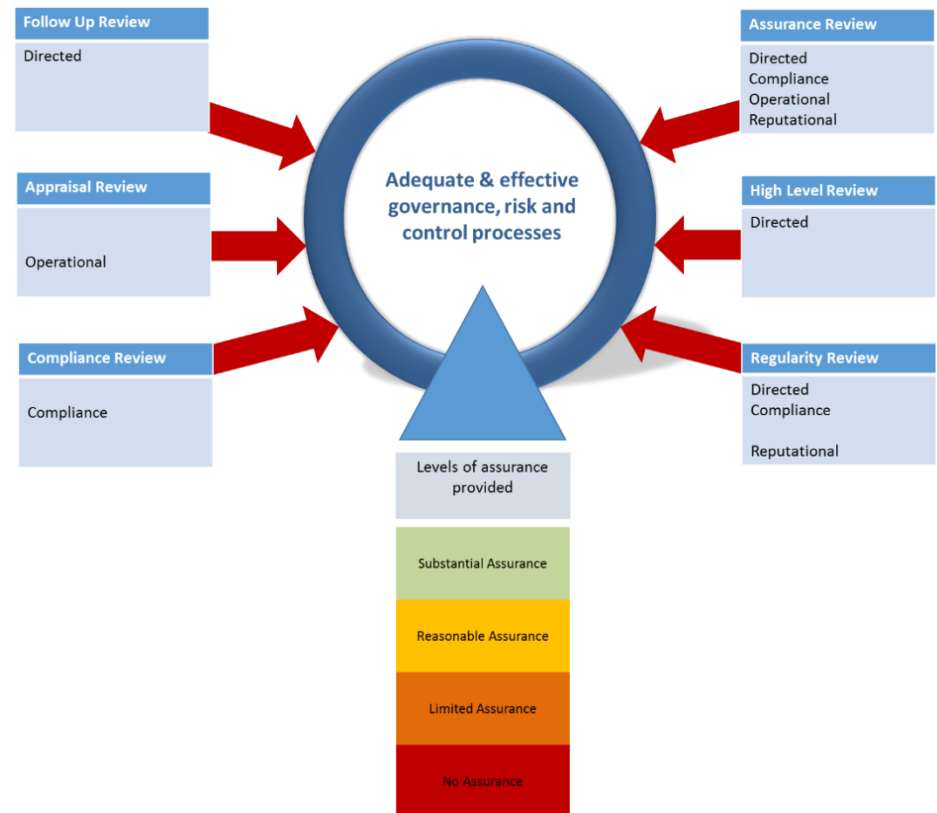
We consider four corporate assurance risks; directed; compliance; operational and reputational. The outcomes of our work on these corporate assurance risks informs both the individual assignment assurance assessment and also the annual assurance opinion statement. Detailed explanations of these assurance assessments are set out in full in each audit report.

### Assurance assessment gradings

We use four levels of assurance assessment: substantial; reasonable, limited and no. Detailed explanations of these assurance assessments are set out in full in each audit report.

### Types of audit review

The Annual Plan includes a range of types of audit review. The different types of review focus on one or more of the corporate assurance risks. This approach enables more in-depth work to be carried out in the individual assignments than would be possible if all four assurance risks were considered in every review. The suite of audit reviews and how they individually and collectively enable us to inform our overall opinion on the adequacy and effectiveness of the governance, risk and control arrangements is set out in the assurance mapping diagram.



## Audit Remit

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### Role

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of Chiltern District Council and South Bucks District Council framework of governance, risk management and control. TIAA is responsible for giving assurance to the Councils "Governing Body" (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the Councils risk management, control and governance processes.

### Scope

All of the Councils activities fall within the remit of TIAA. TIAA may consider the adequacy of controls necessary to secure propriety, economy, efficiency and effectiveness in all areas. It will seek to confirm that the Councils management has taken the necessary steps to achieve these objectives and manage the associated risks. It is not within the remit of TIAA to question the appropriateness of policy decisions. However, TIAA is required to examine the arrangements by which such decisions are made, monitored and reviewed.

TIAA may also conduct any special reviews requested by the Audit (and Standards) Committee or the nominated officer (being the post responsible for the day to day liaison with the TIAA), provided such reviews do not compromise the audit service's objectivity or independence, or the achievement of the approved audit plan.

### Standards and Approach

TIAA's work will be performed with due professional care, in accordance with the requirements of the PSIAS.

### Access

TIAA has unrestricted access to all documents, records, assets, personnel and

premises of the two Councils and is authorised to obtain such information and explanations as they consider necessary to form their opinion.

### Independence

TIAA has no executive role, nor does it have any responsibility for the development, implementation or operation of systems. However, it may provide independent and objective advice on risk management, control, governance processes and related matters, subject to resource constraints. For day to day administrative purposes only, TIAA reports to a nominated officer within the Councils and the reporting arrangements must take account of the nature of audit work undertaken. TIAA has a right of direct access to the chair of the audit committee and the responsible accounting officer (being the post charged with financial responsibility).

To preserve the objectivity and impartiality of TIAA's professional judgement, responsibility for implementing audit recommendations rests with the Councils management.

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to. The objective of any consultancy work is to add value and improve governance, risk management and control processes. Internal audit will never take or assume management responsibility.

### Irregularities, Including Fraud and Corruption

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2003.

TIAA will be informed when evidence of potential irregularity, including fraud,



Classification:  
OFFICIAL



corruption or any impropriety, is discovered so that TAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TAA is not to investigate the irregularity unless commissioned to do so.