

# South Bucks District Council

## Internal Audit Progress Report

2015/16

Audit Committee: 17 March 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 16 February 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 5 January 2016 to 16 February 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
Waste Collection	Substantial	02/02/2016	05/02/2016	05/02/2016	0	0	2	0
Creditors	Reasonable	21/12/2016	02/02/2016	03/02/2016	0	1	2	3
Joint Working Arrangements	Substantial	04/02/2016	11/02/2016	12/02/2016	0	0	0	0
Freedom of Information	Reasonable	25/11/2016	08/02/2016	16/02/2016	0	2	3	1

**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 meetings 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	Fieldwork in Progress	
Debtors	3	5	Fieldwork in Progress	
Creditors	3	5	Final report issued February 2016	
Benefits	3	5	Draft report issued February 2016	
Council Tax Support	3	5	Fieldwork in Progress	
Council Tax & NDR	3	9	Fieldwork in Progress	
Cash & Bank	3	4	Fieldwork in Progress	
Treasury Management	3	3	Fieldwork in Progress	
Budgetary Control	3	3	Final report issued November 2015	
ICT - Information Security Management in shared service environment	3	3	Cancelled	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	Cancelled
ICT - Control Assurance of services provided remotely	3	3	Cancelled	Cancelled
ICT - IT Management and operational	2	3	Cancelled	Cancelled

System	Planned Quarter	Days	Current Status	Comments
<b>structure</b>				
ICT - Service desk operation & management	3	3	Cancelled	Cancelled
ICT - Updata	4	3	Fieldwork in Progress	
ICT – Project Management review	4	4	Fieldwork in Progress	
ICT – Data Protection	4	3	Fieldwork in Progress	Additional Review
Planning Development (and enforcement)	1	6	Fieldwork in Progress	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	Fieldwork in Progress	
Health and Safety – Contractor arrangements	3	4	Fieldwork in Progress	
Community Grants	1	3	Final report issued November 2015	
Electoral Registration	2	3	Fieldwork in Progress	
Freedom of Information	1	3	Final report issued February 2016	
Governance	4	4	Fieldwork in Progress	
Risk Management	2	3	Final Report issued November 2015	
Joint Working Arrangements	2	6	Final Report issued February 2016	
Counter Fraud	3	5	Fieldwork in Progress	
Audit follow up work		4		Undertaken during Q1 of 2016/17
<b>Farnham Park Charitable Trust</b>				

System	Planned Quarter	Days	Current Status	Comments
Stock Control	2	6		
Contingency Time	ongoing	4	In Progress	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:	<b>Creditors</b>
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Date issued:	<b>February 2016</b>
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	From the sample, it was identified that the majority of procurement card holders selected for testing were not providing the Finance department supporting receipts of expenditure incurred. The Councils need to address this matter, as this has an underlying impact on the ability for the Finance Department to reclaim the VAT on these goods and services paid for with these procurement cards. Combined expenditure on cards ranges from £10,000 to £20,000 per month, therefore there is a cost saving incentive to ensure VAT receipts are obtained to ensure the VAT element can be reclaimed. Sample testing in one case highlighted the use of a credit card voucher to support expenditure they had incurred. Procurement card holders should be reminded that credit card vouchers are not a detailed receipt, as they only specify the amount incurred, and by providing these vouchers there is a control risk that purchases incurred cannot be verified as appropriate expenditure by the Finance Department.	Procurement card holders be reminded of the importance and need for providing VAT receipts to the Finance Department, and that credit card vouchers are not acceptable.	2	<i>New Procurement Card Guidance has been produced and all card holders have been informed of the guidance.</i>	<i>4<sup>th</sup> January 2016</i>	<i>Finance Manager</i>



Title of review:	<b>Freedom of Information</b>
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Date issued:	<b>February 2016</b>
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The overarching requirements for managing FOI requests are set out in legislation. With there now being a standard system and process being used at both Councils for managing and processing FOI requests, it would be best practice to implement a joint FOI policy.	A joint Freedom of Information policy to be produced and presented to Cabinet for approval.	2	<p><i>An FOI internal review process has been developed for consideration by IGG and approved by MT. The IG structure has been implemented across both councils.</i></p> <p><i>The Vuelio FOI process is published on the intranet for information. The IAAs have had attended IG workshops that cover the FOI processes and the information asset register, transparency, open data, privacy impact assessments, subject access requests, retention schedules, records management. These began in February 2015 on a monthly basis.</i></p>	25/10/15	CIO

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Compliance	For SBDC, a FOI report is prepared and presented annually to the 'Overview and Scrutiny Committee'. The report covers how many FOI requests have been received and the percentage of requests that were answered within the 20 working days target. Currently no such report is prepared by CDC; there is a need for a report to be prepared and presented to an appropriate committee so that management and Members receive assurance that FOI requests are actioned promptly and can take the appropriate action where FOI requests are not completed in a timely manner.	An annual FOI report for CDC to be prepared and presented to an appropriate committee.	2	<i>Report to go to CDC committee March 2016.</i>	31/03/16	CIO