

Declarations of Interest

Any Member attending the meeting is reminded of the requirement to declare if he/she has a personal interest in any item of business, as defined in the Code of Conduct. If that interest is a prejudicial interest as defined in the Code the Member should also withdraw from the meeting.

A G E N D A

	(Pages)
1. Apologies for absence	
2. Minutes	
To confirm the minutes of the meeting held on:	
17 March 2016	(5 - 6)
10 May 2016	(7 - 8)
3. External Audit and certification fees 16/17 letter	
To note the External Audit Fee Letter from Ernst and Young for 16/17.	(9 - 12)
4. Internal Audit Follow Up Report	
To consider the report of TIAA.	(13 - 34)
5. Internal Audit 15/16 Progress Report Quarter 4	
To consider report of TIAA.	(35 - 48)
6. Annual Assurance Report 15/16	
To consider report of TIAA.	(49 - 58)
7. Internal Audit 16/17 Progress Report	
To consider report of TIAA.	(59 - 68)
8. Annual Fraud Report	
To consider report of the Director of Resources.	(69 - 74)
9. Annual Governance Statement 15/16	
To consider the report of Director of Resources.	(75 - 100)
10. Proposed amendments to the Procedure Rules	
To consider report of Head of Finance.	(101 - 104)
11. Audit Committee Work Programme	
To receive the current work programme of the Audit Committee.	(105 - 106)
12. Standards Work Programme 16/17	
To receive the current Standards work programme.	(107 - 108)
13. Any Other Business	
To consider any other business which the Chairman decides is urgent.	()

The next meeting is due to take place on Thursday, 29 September 2016

This page is intentionally left blank

AUDIT COMMITTEE

Meeting - 17 March 2016

Present: Mr Bradford (Chairman)
Mr D Smith, Mr Hogan, Mr Hollis and Mr Sangster

Apologies for absence: Mrs Gibbs

47. MINUTES

The minutes of the meeting on the 21 January 2016 were agreed and signed by the Chairman.

48. UNDERSTANDING HOW THE AUDIT COMMITTEE GAINS ASSURANCE FROM MANAGEMENT

The Committee received a report which included, as an appendix, the response to the External Auditor's request for information as to how the Audit Committee gains assurance from management.

In response to a question from a Member, Ernst and Young explained that this was a standard letter sent each year to the Council as an annual assurance to sign off the Council's accounts, and that the response varied only marginally from year to year.

The Committee **AGREED** the proposed response to the External Auditor's letter.

49. INTERNAL AUDIT PROGRESS REPORT

The Committee received from TIAA the Internal Audit Progress Report 2015/2016.

TIAA reported that the Internal Audit programme is continuing at pace, with the draft Treasury Management report being finalised, and that the Farnham Park Charitable Trust work - looking at the control and operation - had been completed.

The Creditors audit on page 22 of the report highlighted certain issues about production of receipts to enable reclaiming of VAT. TIAA have been asked by the Chiltern Audit Committee, when they discussed this report, to undertake a further audit to also include how cards are issued, limits set, alongside management controls and reporting on usage. Members were happy to support this proposed additional audit and a report will be produced and brought to the next Committee.

50. INTERNAL AUDIT ANNUAL PLAN 2016/17 AND FIVE YEAR AUDIT STRATEGY

The Committee received from TIAA a report concerning the Internal Audit Plan 2016/17 and Five Year Audit Strategy.

The strategy follows consultation with officers, combined with the knowledge of SBDC that TIAA already have. In particular, page 43 was identified as the audit vision over a period of time reaching to 2020/2021, and details all areas of audit that are proposed to be undertaken.

TIAA highlighted two proposed changes: the Building Control Audit would now be carried out every 2 years, and the DECC audit would no longer be required after 2016/17

51. RISK MANAGEMENT UPDATE

The Committee received an update report concerning risk management across both South Bucks District Council and Chiltern District Council.

The report detailed to Members the harmonised approach implemented in 2015 to managing risk, alongside the current operational and strategic risks, taking into account joint working and common risks facing the authorities, with the framework set out in 2.3.

Members were informed that a consistent approach to Project Management would be key in mitigating risk; therefore there had been work on developing a joint Project Management methodology and training across the authorities.

After the ensuing discussion, the Committee noted the report.

52. AUDIT COMMITTEE WORK PROGRAMME

The Committee noted the Audit Committee Work Programme and were informed that the Ernst and Young Annual External Audit Plan had been received and would be circulated by email to Committee members.

53. DRAFT STANDARDS WORK PROGRAMME 2016/17

The PAG noted the Draft Standards Work programme 2016/17.

54. REVIEW OF GUIDANCE ON DISPENSATIONS

The Committee received a report considering whether the current procedures for granting dispensations to members remains fit for purpose.

It was discussed by the Committee that it was good practice to bring before the Committee how the dispensation process works, and was highlighted that this procedure is mainly used at Council Tax Setting. The opinion of the Monitoring Officer was that the current procedures work effectively.

The Committee noted the report, and did not believe that any changes should be made to the Council's current guidance.

55. UPDATE ON STANDARDS FRAMEWORK

The Committee received a report detailing the compliance with requirements of the standards framework following the local elections in May 2015.

The report detailed to Members the requirement process for disclosing pecuniary and non-pecuniary interests, and further explained that in terms of the new Council intake, declarations were made within the required time. Members were asked as per 3.3, for any feedback on the notification form or any additional guidance required in order to further clarify the process to Members.

It was further highlighted by the Officer present that within the coming year, work would be undertaken in order to make it easier for Members to manage their declarations through modern.gov.

After further discussion, the current position was noted by the Committee.

56. ANY OTHER BUSINESS

Members wished to clarify whether the Audit Committee would gain sight of the use of s106 funding. Officers clarified that this is discussed at the Healthy Communities PAG as it relates to the housing strategy, but that the funding is part of the authority's annual accounts, and would be highlighted to the Committee when they received the 2015/16 Accounts.

The meeting terminated at 6.51 pm

AUDIT COMMITTEE

Meeting - 10 May 2016

Present: Mr Bradford (Chairman)
Mr D Smith, Mrs Gibbs, Mr Hogan and Mr Hollis

Apologies for absence: Mr Sangster

1. **ELECTION OF CHAIRMAN**

It was moved, seconded and

RESOLVED that Councillor Bradford be elected Chairman of the Committee for 2016/17.

2. **ELECTION OF VICE CHAIRMAN**

It was moved, seconded and

RESOLVED that Councillor Smith be elected Vice-Chairman of the Committee for 2016/17.

The meeting terminated at 7.10 pm

This page is intentionally left blank



Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
RG1 1YE

Tel: + 44 118 928 1599
Fax: + 44 118 928 1101
ey.com

Bob Smith
Acting Chief Executive
South Bucks District Council
Capswood
Oxford Road
Denham
UB9 4LH

13 April 2016

Ref: South BucksDC/fee 16-17 letter

Direct line: 0118 928 1167

Email: ABritain@uk.ey.com

Dear Bob

Annual Audit and Certification Fees 2016/17

We are writing to confirm the audit and certification work that we propose to undertake for the 2016/17 financial year at South Bucks District Council.

Indicative audit fee

For the 2016/17 financial year Public Sector Audit Appointments Ltd (PSAA) has set the scale fee for each audited body, following consultation on its Work Programme and Scale of Fees.

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies.

The audit fee covers the:

- audit of the financial statements
- value for money conclusion, and
- Whole of Government Accounts.

For South Bucks District Council our indicative fee is set at the scale fee level. This indicative fee is based on certain assumptions, including:

- the overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;
- officers meet the agreed timetable of deliverables;
- internal controls for the key processes identified in our audit strategy operate effectively;
- we can rely on the work of internal audit as planned;
- our accounts opinion and value for money conclusion are unqualified;
- the Council provides appropriate quality of documentation;



- there is an effective control environment; and
- prompt responses are provided to our draft reports.

Meeting these assumptions will help to ensure the audit is delivered at the indicative audit fee set out in the table below.

As we have not yet completed the audit for 2015/16, our planning process for 2016/17 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

Certification fee

The PSAA has set an indicative certification fee for housing benefit subsidy claim certification work for each audited benefits authority. The indicative fee is based on actual 2014/15 benefit certification fees, and includes a 25 per cent reduction.

The indicative certification fee is based on the expectation that an audited body is able to provide the auditor with a complete and materially accurate housing benefit subsidy claim with supporting working papers, within an agreed timetable.

The fee for 2016/17 relates to work on the housing benefit subsidy claim for the year ended 31 March 2017. We have set it at the indicative fee level. We will update our risk assessment after we complete 2015/16 benefit certification work, and to reflect any further changes in the certification arrangements.

Summary of fees

	Indicative fee 2016/17 £	Planned fee 2015/16 £	Actual fee 2014/15 £
Total Code audit fee	42,399	42,399	56,532
Certification of housing benefit subsidy claim	20,895	19,280	27,860

Any additional work that we may agree to undertake (outside the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

Billing

The indicative audit fee will be billed in four quarterly instalments of £15,823.50.



Audit plan

We expect to issue our plan in early 2017. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Director of Resources and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Audit Committee.

Audit team

The key members of the audit team for the 2016/17 financial year are:

Andrew Brittain
Director

ABrittain@uk.ey.com

Tel: 0118 928 1167

Susan Gill
Manager

SGill4@uk.ey.com

Tel: 07779 575 702

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours sincerely

Andrew Brittain
Director
For and on behalf of Ernst & Young LLP

cc. Jim Burness, Director of Resources
Rodney Fincham, Head of Finance
Malcolm Bradford, Chairman of the Audit Committee



Chiltern and South Bucks District Councils

Follow-up Review of 2015/16 Internal Audit Reports

2015/16

FINAL

Classification: OFFICIAL-SENSITIVE

June 2016



Classification: OFFICIAL-SENSITIVE

Follow-up Review of 2015/16 Internal Audit Reports

Executive Summary

INTRODUCTION

1. This follow up review by TIAA established the management action that has been taken in respect of the priority 1, 2 and 3 recommendations arising from the internal audit reviews listed below at Chiltern and South Bucks District Councils, which were finalised during 2015/16 (cut-off date being 6 May 2016). The review was carried out in May 2016.

Figure 1 – Reviews followed up

Review	Year	Date of Final Report
Payroll	2014/15	7 April 2015
Housing Benefits/Council Tax Support (CDC only)	2014/15	7 April 2015
Crematorium – Project Governance (CDC only)	2014/15	8 April 2015
Treasury Management (CDC only)	2014/15	13 April 2015
Cash, Bank & Treasury Management (SBDC only)	2014/15	13 April 2015
Grounds Maintenance (CDC only)	2014/15	20 April 2015
Contractor Health & Safety (CDC only)	2014/15	20 April 2015

DRAFT

Corporate Governance	2014/15	1 May 2015
Car Parking	2014/15	8 May 2015
Cash & Bank (CDC only)	2014/15	11 May 2015
Shared Service Arrangements	2014/15	15 May 2015
Council Tax & NDR (CDC only)	2014/15	27 May 2015
Housing Benefits/Council Tax Support (SBDC only)	2014/15	27 May 2015
Interim Review of DECC Grant	2014/15	28 May 2015
Council Tax & NDR (SBDC only)	2014/15	24 July 2015
ICT Risk Management	2014/15	30 July 2015
ICT Change Management	2014/15	30 July 2015
Programme Management/Project Control	2014/15	30 July 2015
ICT Strategy	2014/15	30 July 2015
Procurement Anti-Fraud (CDC only)	2014/15	31 July 2015
Procurement	2014/15	3 August 2015

DRAFT

Housing Benefits/Council Tax Support (SBDC only)	2015/16	2 March 2016
Debtors	2015/16	9 March 2016
Golf Club – Stock Control (SBDC only)	2015/16	11 March 2016
Treasury Management	2015/16	21 March 2016
Housing Benefits/Council Tax Support (CDC only)	2015/16	29 March 2016
Electoral Registration	2015/16	5 April 2016
Contracts	2015/16	8 April 2016
Council Tax & NDR (SBDC only)	2015/16	12 April 2016
Council Tax & NDR (CDC only)	2015/16	18 April 2016
Car Parking	2015/16	6 May 2016

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

DRAFT

Evaluation	Number of Recommendations
Implemented	67
In Process of Being Implemented	9
Revised Target Date	2
Considered but not Implemented	1
Implementation Date not yet reached	17
Management progress updates not received	5
No Longer Applicable	5
Not Implemented	0

SCOPE AND LIMITATIONS OF THE REVIEW

- 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.
- At the time of completing this follow up review, management responses had not been fully received with respect to recommendations made in the following reviews: 14/15 Procurement (1 recommendation), 14/15 Procurement Anti-Fraud (1 recommendation), and 15/16 Freedom of Information (3

Classification:
OFFICIAL-
SENSITIVE



Chiltern and South Bucks District Councils

Follow-up Review of 2015/16 Internal Audit Reports

2015/16

recommendations). These recommendations, along with those that had not reached their implementation date at the time of this review, will continue to be monitored during 15/16 and reported upon as appropriate.

- 5. 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
- 6. 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

- 7. The table below sets out the history of this report.

Figure 3 - Report History

Date final report issued:	7 June 2016
---------------------------	-------------

DRAFT

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:

Review: 14/15 Procurement Anti-Fraud (CDC only)

From the review of the documentation and checks carried out the assessment is:			
Implemented	5	Implementation Date not yet reached	-
In Process of Being Implemented	1	Management progress updates not received	1
Revised Target Date	-	No Longer Applicable	-
Considered but not Implemented	-	Not Implemented	-

Recommendation:

Carry out a review of all active supplier accounts with a view to deleting/deactivating those that are no longer required.

Priority: 3

FINAL

Review: 14/15 Procurement

From the review of the documentation and checks carried out the assessment is:			
Implemented	5	Implementation Date not yet reached	-
In Process of Being Implemented	1	Management progress updates not received	1
Revised Target Date	-	No Longer Applicable	-
Considered but not Implemented	-	Not Implemented	-

Recommendation:	Priority: 3
Key Performance indicators to be monitored and reported annually to Members to ensure awareness of the Council's performance.	
Action taken: In process of being implemented.	
Audit Observation: Confirmed by the Principal Accountant that monitoring information is being collected monthly, however there are still a few gaps. In progress to get this information out of Integra for reporting.	

Review: 14/15 ICT Change Management

From the review of the documentation and checks carried out the assessment is:			
Implemented	1	Implementation Date not yet reached	-
In Process of Being Implemented	1	Management progress updates not received	-
Revised Target Date	-	No Longer Applicable	-
Considered but not Implemented	-	Not Implemented	-

Recommendation:	Priority: 3
Change Control procedures for Chiltern District Council be documented, and change authorisation formalised.	
Action taken: In process of being implemented.	
Audit Observation: Confirmed by the Head of Business Support that the project to implement a shared network has not completed yet. Additionally, the post that was created in the new shared service to address harmonisation of procedures is still vacant.	

Review: 14/15 ICT Risk Management

From the review of the documentation and checks carried out the assessment is:			
Implemented	2	Implementation Date not yet reached	-
In Process of Being Implemented	1	Management progress updates not received	-
Revised Target Date	-	No Longer Applicable	-
Considered but not Implemented	1	Not Implemented	-

Recommendation:

Priority: 3

The Council's "Joint Risk Management Strategy and Guidance" document be updated to describe the purpose and format of the three levels of risk register currently held, together with the responsibilities for maintaining them. In addition, ICT risks be more specifically highlighted in the document to increase awareness.

Action taken:

In process of being implemented.

Audit Observation:

Following the retirement of the Audit Manager, this action will be carried forward by the TIAA Audit Director in

FINAL

conjunction with the Fraud and Compliance Manager.

Review: 14/15 Cash, Bank & Treasury Management (SBDC)

From the review of the documentation and checks carried out the assessment is:			
Implemented	-	Implementation Date not yet reached	-
In Process of Being Implemented	-	Management progress updates not received	-
Revised Target Date	1	No Longer Applicable	-
Considered but not Implemented	-	Not Implemented	-

Recommendation:	Priority: 3
The Treasury Management Practices to be reviewed annually in accordance with the Council's policy.	
Action taken: Revised Target Date.	
Audit Observation: This was tested again as part of the 2015/16 review and the TMPs still required updating. A revised implementation date of 30/09/16 was provided as part of the management comments in the 2015/16 Treasury Management report and this will be followed up by internal audit during the 2016/17 review of this area.	

Review: 15/16 Building Control

From the review of the documentation and checks carried out the assessment is:			
Implemented	2	Implementation Date not yet reached	-
In Process of Being Implemented	1	Management progress updates not received	-
Revised Target Date	-	No Longer Applicable	2
Considered but not Implemented	-	Not Implemented	-

Recommendation:	Priority: 3
A formalised process to be drawn up for identification and allocation of payments for building control applications that are made direct into the Council's bank account.	
Action taken: In process of being implemented.	
Audit Observation: Confirmed by the Building Control Manager that the discussions are ongoing with Finance but nothing has been finalised yet.	

FINAL

Review: 15/16 Embedding Risk Management

From the review of the documentation and checks carried out the assessment is:			
Implemented	1	Implementation Date not yet reached	1
In Process of Being Implemented	1	Management progress updates not received	-
Revised Target Date	1	No Longer Applicable	-
Considered but not Implemented	-	Not Implemented	-

Recommendation:

Priority: 3

The checklist of Risk Management responsibilities for staff and Managers be made into a poster and distributed on notice boards around both South Bucks and Chiltern Councils offices. Also used in other communication routes with staff, e.g. electronic newsletters.

Action taken:

In process of being implemented.

Audit Observation:

Following the retirement of the Audit Manager, this action will be carried forward by the TIAA Audit Director in

FINAL

conjunction with the Fraud and Compliance Manager.

Recommendation:

Priority: 3

A training programme on Risk Management be developed as appropriate for staff who have risk management as one of the competencies in their roles.

Action taken:

Revised Target Date.

Audit Observation:

The original management comments stated that the review of the performance and development appraisal process will include this point about identifying risk management training needs. Based on the information from appraisal the training available on risk management will be reviewed. It was confirmed by the Principal Personnel Officer that the performance and development appraisal framework is scheduled for completion by the end of the year as part of the HR programme.

Review: 15/16 Housing Allocations and Homelessness

From the review of the documentation and checks carried out the assessment is:			
Implemented	1	Implementation Date not yet reached	-
In Process of Being Implemented	3	Management progress updates not received	-
Revised Target Date	-	No Longer Applicable	-
Considered but not Implemented	-	Not Implemented	-

Recommendation:	Priority: 2
A current housing strategy to be developed for both Councils and presented to Cabinet for approval.	
Action taken: In process of being implemented.	
Audit Observation: Confirmed by the Housing Manager that a CDC/SBDC joint Member Housing Strategy workshop was postponed from November 2015 and instead took place on 3/2/16. The workshop identified and discussed key themes and issues that are now being taken forward by offices to develop a joint Housing Strategy. Officers will be bringing forward a draft joint strategy proposal to Members in September/October 2016.	

FINAL

Recommendation:	Priority: 2
A current homelessness strategy to be developed for both Councils and presented to Cabinet for approval.	
Action taken:	In process of being implemented.
Audit Observation:	Confirmed by the Housing Manager that the CDC/SBDC joint Member Housing Strategy workshop (see above) included homelessness issues. The development of the joint housing strategy includes an up to date Homelessness Strategy for both districts.
Recommendation:	Priority: 2
A review of temporary accommodation capacity to be undertaken at the earliest opportunity.	
Action taken:	In process of being implemented.
Audit Observation:	Confirmed by the Housing Manager that officers have continued to review, monitor and manage temporary accommodation on a regular basis. This has included continuing to put additional capacity in place when opportunities arise (e.g. use of vacant student accommodation in Wycombe). The Housing Manager is drafting a formal statement of TA provision for the two districts (highlighting current provision, decision making process and future needs). This will feed into the development of the updated Homelessness Strategy (see above).

FINAL

This page is intentionally left blank

tiaa

South Bucks Council

Internal Audit Progress Report

2015/16

Audit Committee: 28 June 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 7 June 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 all recommendations for the period from 12 February 2016 to 7 June 2016 are 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	Draft issued	Key Dates			Number of Recommendations			
			Responses Received	Final issued	1	2	3	OE	
Joint Working Arrangements	Substantial	04/02/16	11/02/16	15/02/16	0	0	0	0	
Council Tax Support	Substantial	17/02/16	29/02/16	02/03/16	0	1	1	0	
Benefits	Substantial	17/02/16	29/02/16	02/03/16	0	1	1	0	
Cash and Bank	Substantial	18/02/16	18/05/16	19/05/16	0	0	0	0	
FARNHAM Park Charitable Trust-Stock Control	Reasonable	18/02/16	09/03/16	11/03/16	0	1	4	3	
Treasury Management	Substantial	04/03/16	16/03/16	21/03/16	0	0	1	0	
Contracts	Reasonable	18/03/16	07/04/16	08/04/16	0	2	2	1	

Review	Evaluation	Draft issued	Key Dates			Number of Recommendations			
			Responses Received	Final issued	1	2	3	OE	
Payroll	Substantial	22/03/16	16/05/16	18/05/16	0	0	3	0	
Council Tax & NDR	Reasonable	04/04/16	11/04/16	12/04/16	0	1	2	0	
Car Parking	Substantial	03/05/16	04/05/16	06/05/16	0	0	2	0	
Debtors	Reasonable	04/03/16	07/03/16	09/03/16	0	1	2	4	
Creditors	Reasonable	21/12/15	02/02/16	03/02/16	0	1	2	3	
Housing – Section 106	Substantial	14/04/16	25/05/16	27/05/16	0	0	1	2	
Electoral Registration	Substantial	04/04/16	04/04/16	05/04/16	0	0	0	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) Update
 - 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	4	7	Final Report issued May 2016	
Debtors	3	5	Final report issued: March 2016	
Creditors	3	5	Final report issued February 2016	
Benefits	3	5	Final report issued March 2016	
Council Tax Support	4	5	Final report issued March 2016	
Council Tax & NDR	4	9	Final report issued April 2016	
Cash & Bank	4	4	Final report issued May 2016	
Treasury Management	4	3	Final report issued March 2016	
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

System	Planned Quarter	Days	Current Status	Comments
ICT - Control Assurance of services provided remotely	3	3		Cancelled
ICT - IT Management and operational structure	2	3		Cancelled
ICT - Service desk operation & management	3	3		Cancelled
ICT - Updata			Draft report issued June 2016	Audit delayed due to various restructures - scheduled to be carried out in 2016/17
ICT - Project Management review				Cancelled
Planning Development (and enforcement)	1	6	Fieldwork in progress	Audit delayed due to the service review being undertaken this year - to be carried out in quarter one of 2016/17
Housing - Allocations/Homelessness	2	3	Final report issued October 2015	
Housing - Section 106	2	4	Final report issued May 2016	
Contracts	3	4	Final report issued April 2016	
Car Parking	3	4	Final report issued May 2016	
Health and Safety - Contractor arrangements	3	4	Draft report issued April 2016	Following discussions with the client additional work to be done in quarter 1 of 2016/17
Community Grants	1	3	Final report issued November 2015	
Electoral Registration	2	3	Final report issued April 2016	
Freedom of Information	1	3	Final report issued February 2016	
Governance	4	4	Draft report issued May 2016	
Risk Management	2	3	Final Report issued November 2015	
Joint Working Arrangements	2	6	Final report issued February 2016	

System	Planned Quarter	Days	Current Status	Comments
Counter Fraud	3	5	Complete	No report issued
Data Protection	-	5	Draft report issued June 2016	Audit delayed due to various restructures – scheduled to be carried out in Q1 2016/17
Audit follow up work		4	Complete	
<u>Farnham Park Charitable Trust</u>				
Stock Control	2	6	Final report issued March 2016	
Operational Advice and Assistance	ongoing	4	Complete	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:	Date issued:
Benefits and Council Tax Support	March 2016

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	A sample review was undertaken with respect to 20 housing benefit and council tax support claims. It was noted that in one case the claim had been re-assessed without using the most recent capital figures provided by the claimant, which had resulted in underpayments being made to the claimant. Once highlighted, this was rectified immediately at the time of the audit.	Staff to be reminded of the need to use the most up to date information provided by the claimant when re-assessing claims.	2	Agreed – All staff are aware of the importance of this. This case appears to be a one-off.	N/A	Revenues and Benefits Client Manager / Northgate Housing Benefit Manager

Title of review:	March 2016
Farnham Park – Stock Control	

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	There are no formal purchase orders prepared and purchases are generally ordered over the telephone.	Sequentially numbered standard purchase orders to be utilised for each order placed with an individual supplier. Purchase orders should be in sufficient detail to show the goods being ordered and the expected price, and should be authorised by the General Manager or the Head of Bar and Catering. In order to ensure segregation of duties as far as is possible, orders should not be placed by the same staff member who is checking and receiving delivery of the order.	2	<i>Orders will now be raised in Integra therefore generating sequential order numbers. These will be raised by the Catering Manager and authorised by the Golf Club General Manager. Integra orders will be supported by detailed order documents.</i>	30/06/16	Golf Club General Manager

Title of review: **Contracts** Date issued: **April 2016**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	The Transparency Code includes a mandatory requirement to publish details of all expenditure in excess of £500 on a quarterly basis, no later than one month after the quarter to which the data and information is applicable. It was noted that the CDC data was not up to date at the time of the audit (data for October – December 2015 had not been published). With respect to SBDC, it was confirmed that the most recent data had been published covering the period October - December 2015, however it was noted that the data for April - June 2015 was missing.	Action to be taken to ensure that all relevant expenditure data is published in a timely manner in accordance with the requirements of the Transparency Code.	2	We are now fully staffed and this will be completed within the deadlines going forward.	08/04/16	Finance Manager
4	Compliance	A review was carried out for 15 transactions from the 2015/16 financial year to verify whether appropriate details were recorded in the Contracts Register. For 10 of the 15 cases, no information was included in the Contracts Register. In two further cases, details were included in the register, however the correct legal name of the supplier had not been	Action to be taken to ensure all officers are aware of their responsibilities with respect to publishing relevant contract details, and to ensure that all relevant contracts are included on the Contracts Register in accordance with Transparency Code requirements.	2	Reminder has been sent to all staff to remind them to complete the contracts register for all contracts over £5,000. Training has been provided to all Budget Managers reinforcing this.	08/04/16	Principal Accountant (Revenue & Procurement)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
			used.				

Title of review:	April 2016
Council Tax & NDR	

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	<p>A review was conducted on a sample of 14 Council Tax and NDR write-offs from the current financial year. The following issues were noted:</p> <p>Six low value write-offs related to batches that had been authorised by the Revenues and Benefits Client Manager, contrary to the thresholds in the Council's Financial Procedure Rules;</p> <p>In four cases there had been no formal authorisation for the write-off;</p> <p>Formal write-off approval is not sought in cases involving bankruptcy / liquidation.</p>	<p>Action to be taken to ensure that all write-offs are authorised in accordance with the thresholds set out in the Financial Procedure Rules.</p>	2	<p>Agreed. The 4 unauthorised refunds had also been authorised by the Revenues and Benefits Client manager however these have now been authorised retrospectively by the Head of Customer Services.</p> <p>A new process will be put in place to ensure that all write-offs caused by Bankruptcy / Liquidation are also authorised.</p>	Immediate	Revenues and Benefits Client Manager

Title of review:	Debtors
Date issued:	March 2016

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	There are targets for both SBDC and CDC for the level of outstanding debtors more than 120 days overdue (SBDC: £50,000, CDC: £150,000). Reports to December 2015 indicated that the values over 120 days stood at £165,940 for SBDC and £270,228 for CDC. It was noted, however, that these figures may be considerably skewed due to high figures for unallocated credits (for December 2015 these totalled -£219,975 for SBDC and -£121,473 for CDC). Discussions with the Finance Manager indicated that this was a particular area focused on during 2015 to bring down the overall level of outstanding debtors, however it was acknowledged that this is still an issue.	Action to be taken to ensure that the levels of longer term outstanding debt are reduced for both authorities in line with internal targets, and for credits to be promptly allocated upon receipt wherever possible in order to allow for more accurate monitoring of aged debtors.	2	<i>The level of unallocated credits for SBDC is high due to the way that B & B debts are recorded. The high level of debt can be traced back to a small number of large outstanding debtors that are being individually managed each month. Debt levels and unallocated credits will continue to be closely monitored.</i>	31/03/17	Finance Manager

Title of review: **Creditors**

Date issued: **February 2016**

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	New Procurement Card Guidance has been produced and all card holders have been informed of the guidance.	4 th January 2016	Finance Manager

tiaa

South Bucks Council

Annual Assurance Report 2015/16

Audit Committee: 28 June 2016

June 2016

Classification:
OFFICIAL-
SENSITIVE

South Bucks Council
Annual Assurance Report



2015/16

Internal Audit Annual Report

INTRODUCTION

This is the 2015/16 Annual Report by TIAA on the internal control environment at South Bucks Council. The annual internal audit report summarises the outcomes of the reviews we have carried out on the organisation's framework of governance, risk management and control. This report is designed to assist the Council in making its annual statement on internal controls assurance.

HEAD OF INTERNAL AUDIT'S ANNUAL OPINION

I am satisfied that sufficient internal audit work has been undertaken to allow me to draw a positive conclusion as to the adequacy and effectiveness of South Bucks Council's risk management, control and governance processes. In my opinion, South Bucks Council has adequate and effective management, control and governance processes in place to manage the achievement of their objectives.

INTERNAL AUDIT PLANNED COVERAGE AND OUTPUT

The 2015/16 Annual Audit Plan approved by the Audit Committee for South Bucks Council was for 140 days of internal audit coverage in the year. During the year there were several changes to the Audit Plan and these changes were approved by the Audit Committee.

Of the original planned work five ICT audits were cancelled and replaced by three new ICT audits (one has been delayed to 2016/17). In addition two general audits have been delayed by the Council and will now be completed as part of the 2016/17 audit plan. All other work has been carried out as planned and the reports have been issued (Annex A).

There were two additional grant audits carried out which were in addition to the work set out in the original Annual Audit Plan.

OPERATIONAL ASSURANCE

TIAA carried out 23 reviews, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve South Bucks Council objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. Details of these are provided in Annex B and a summary is set out below.

Assurance Assessments	Number of Reviews
Substantial Assurance	13
Reasonable Assurance	10
Limited Assurance	0
No Assurance	0

The areas on which the assurance assessments have been provided can only provide reasonable and not absolute assurance against misstatement or loss and their effectiveness is reduced if the internal audit recommendations made during the year have not been fully implemented.

We made the following total number of recommendations on our audit work carried out in 2015/16.

Urgent	Important	Routine
0	18	32

Urgent	Important	Routine
0	1	2

Urgent	Important	Routine
0	1	0

Operational Effectiveness Opportunities: One of the roles of internal audit is to add value and during the financial year we provided advice on opportunities to enhance the operational effectiveness of the areas reviewed and the number of these opportunities is summarised below.

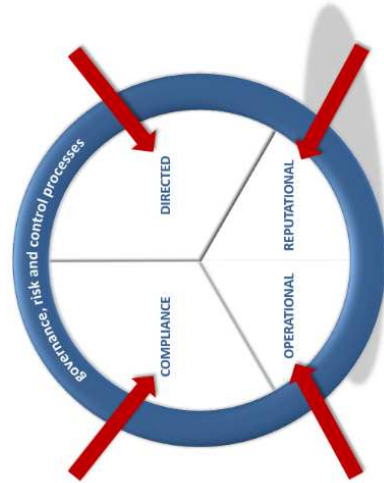
AUDIT SUMMARY

Control weaknesses: There were no areas reviewed by internal audit where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited' or 'no assurance'.

Direction of Travel: We have analysed our findings/recommendations by risk area and these are summarised below.

Urgent	Important	Routine
0	8	22

Urgent	Important	Routine
0	8	8



Operational
22

INDEPENDENCE AND OBJECTIVITY OF INTERNAL AUDIT

There were no limitations or restrictions placed on the internal audit service which impaired either the independence or objectivity of the service provided.

PERFORMANCE AND QUALITY ASSURANCE

The following Performance Targets were used to measure the performance of internal audit in delivering the Annual Plan.

Performance Measure	Target	Attained
Completion of Planned Audits	100%	90%
Audits Completed in Time Allocation	100%	85%
Final report issued within 10 working days of receipt of responses	95%	100%

Annexes

Annex A

Actual against planned Internal Audit Work 2015/16

System	Type	Planned Days	Actual Days	Comments
Disabled Facilities Grant	Grant	-	2.5	Additional audit
Defra Repair and Renew Grant	Grant	-	1	Additional audit
Main Accounting	Assurance	3	3	
Payroll	Assurance	7	7	
Debtors	Assurance	5	5	
Creditors	Assurance	5	5	
Benefits	Assurance	5	5	
Council Tax Support	Assurance	5	5	
Council Tax & NDR	Assurance	9	9	
Cash & Bank	Assurance	4	4	
Treasury Management	Assurance	3	3	
Budgetary Control	Assurance	3	3	
ICT - Information Security Management in shared service	Assurance	3	-	Audit Cancelled
ICT - Regulatory compliance	Assurance	3	-	Audit Cancelled
ICT - Control Assurance of services provided remotely	Assurance	3	-	Audit Cancelled

ICT - IT Management and operational structure	Assurance	3	-	Audit Cancelled
ICT - Service desk operation & management	Assurance	3	-	Audit Cancelled
ICT - Uputa	Assurance	-	3	Replacement ICT Audit Report delayed until 2016/17
ICT – Project Management review	Assurance	-	4	Replacement ICT Audit
ICT – Data Protection	Assurance	-	3	Replacement ICT Audit
Planning Development (and enforcement)	Assurance	6	6	Report delayed until 2016/17
Building Control	Assurance	3	3	
Housing - Allocations/Homelessness	Assurance	3	3	
Housing – Section 106	Assurance	4	4	
Contracts	Assurance	6	6	
Car Parking	Assurance	5	5	
Waste Collection	Assurance	5	5	
Health and Safety – Contractor arrangements	Assurance	4	4	Report delayed until 2016/17
Community Grants	Assurance	3	3	
Electoral Registration	Assurance	3	3	
Freedom of Information	Assurance	3	3	
Governance	Assurance	4	4	
Risk Management	Assurance	3	3	
Joint Working Arrangements	Assurance	6	6	
Counter Fraud	Operational	5	5	No report
Audit follow up work	Follow up	4	4	



Management of Contract		9	9		
Total Days		140	138.5		
Farnham Park Charitable Trust					
Stock Control		6	6		
Operational Advice and Assistance		4	4		
		150	148.5		

Assurance Assessments 2015/16

System	Substantial Assurance	Reasonable Assurance	Limited Assurance	No Assurance
Disabled Facilities Grant	N/A	N/A	N/A	N/A
Defra Repair and Renew Grant	N/A	N/A	N/A	N/A
Main Accounting	✓			
Payroll	✓			
Debtors		✓		
Creditors		✓		
Benefits and Council Tax Support	✓			
Council Tax & NDR		✓		
Cash & Bank	✓			
Treasury Management	✓			
Budgetary Control	✓			
ICT – Project Management review	✓			
ICT – Data Protection		✓		
Building Control		✓		
Housing - Allocations/Homelessness		✓		
Housing – Section 106	✓			
Contracts		✓		



South Bucks Council

Annual Assurance Report

2015/16

Car Parking	✓				
Waste Collection	✓				
Community Grants	✓				
Electoral Registration	✓				
Freedom of Information		✓			
Governance		✓			
Risk Management		✓			
Joint Working Arrangements	✓				
Counter Fraud	N/A	N/A	N/A	N/A	N/A

This page is intentionally left blank



South Bucks Council

**Internal Audit Progress Report
2016/17
Audit Committee – 28 June 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 7 June 2016.

PROGRESS AGAINST THE 2016/17 ANNUAL PLAN

2. Our progress against the Annual Plan for 2016-17 is set out in Appendix A.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

4. 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.

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

5. The table below sets out details of audits finalised since our last report to the Audit Committee.

Review	Evaluation	Draft issued	Key Dates			Number of Recommendations		
			Responses Received	Final issued	OE	1	2	3
Purchasing Cards	Reasonable	23 May 2016	9 June 2016	10 June 2016	3	2	3	3

CHANGES TO THE ANNUAL PLAN 2016/17

6. The following audits are additional to the annual plan:
 - Purchasing Cards

ICT AUDITS 2016/17

7. We have consulted with the Director of Resources and the Head of Business Support and it has been agreed that the ICT audit plan should be split into three key areas. Within those areas internal audit should focus on the immediate ICT issues and risks. The areas identified are:-

- Technical (ICT) activities;
- ICT Investments; and
- Information governance and management.

The auditable areas will also utilise the joint business strategy for ICT 'Joint Working' to inform the audit work to be undertaken and the timings. It was also agreed that other assurance sources would be taken into account when developing audit activity, such as PSN accreditation. This approach ensures that the ICT audit input works across both Councils and also focuses on both ICT activities and also the relevant business areas.

Using the above guidelines for 2016-17 the following ICT audit work will be undertaken.

Audit	Outline Scope	Days	Priority (indicative Timing)
1. Technical Areas (network infrastructure and associated activities including being fit for purpose and resilient)			
Network project implementation	A continuing review of the relevant stages of the shared network infrastructure implementation – including failover.	10	Q3
Controls over access to Internet	A review of the controls within firewalls to ensure that users cannot access inappropriate areas of the Internet.	6	Q2
2. ICT Investment / projects (including benefits achievement and determining whether the expected value is being realised in the business)			

Audit	Outline Scope	Days	Priority (indicative Timing)
Mobile / agile working	<p>Where applications have been identified and are being rolled out into the business as part of the transformation programme, verify that proper project and operational controls are in place during (and if applicable post) implementation to ensure that:-</p> <ul style="list-style-type: none"> • Progress is on track; • Devices are adequately managed and data is secure; and where possible • Determine whether benefits / value identified in business transformation plans are being captured and seen across the organisations. 	10	Q3
3. Information Governance and Management (including information risk management, data ownership and management, structures and use of information)			
Information risk management	A review of the data storage / structure mechanisms and the management of non-application / database specific data.	10	Q2
Total		36	

FRAUDS/IRREGULARITIES

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

LIAISON WITH EXTERNAL AUDIT

9. We liaise with EY and provide reports and working paper files, as required.

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

10. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous Progress Report.

DISCLAIMER

11. 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 2016/17

System	Planned Quarter	Days	Current Status	Comments
Performance Management/Efficient Working	1	10	Planned start 11 th July 2016	
Purchasing Cards	1	11	Final report issued June 2016	Additional Review
Annual Internal Audit	1	5	Planned start 1 st July 2016	
Property and Asset Management	1	8		
Bar	1	5	Planned start 29 th June 2016	
Academy	1	5		
Stores/Shop	1	5	Planned start 29 th June 2016	
Information Governance/Data Quality	1	9	Planned start 23 rd May 2016	
Health & Safety – internal arrangements	1	8	Planned start 25 th May 2016	
Licensing	1	10	Planned start 11 th May 2016	
Environmental Health	1	10	Planned start 27 th June 2016	
Absence Management	1	8		
Controls over access to the internet	1	6	Planned start 30 th June 2016	
Individual Electoral Registration	2	8		
Recruitment	2	8		
New Administration System	2	5		

System	Planned Quarter	Days	Current Status	Comments
Leisure Contracts	2	8		
Waste-Joint Service Chiltern and Wycombe	2	8		
Budgetary Control	2	8		
Targeted Audits – To be agreed	2/3	30		
Main Accounting	3	8		
Governance	3	9		
Procurement	3	8		
Debtors	3	10		
Council Tax and NDR	3	20		
Cash and Bank	3	9		
Benefits	3	10		
Council Tax Support	3	10		
Creditors	3	10		
Payroll	3	13		
Complaints and Compliments	3/4	6		
Follow up	4	10		
Car Parking	4	11		
Counter Fraud	4	8		
Disabled Facilities Grants	TBA	5	Planned Start 13 th June 2016	
Housing DECC Grants – energy efficiency	TBA	10		

KEY:

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

AUDITS FINALISED SINCE LAST AUDIT COMMITTEE

Title of review:	Date issued:
Purchasing Cards	June 2016

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	<p>A general review of cardholders highlighted:- There are three staff members that have credit cards who are not on the authorised signatory list.</p> <p>- A card is held by an officer that has left the Council but has returned as a Consultant. This staff member has been removed from the authorised signatory list, but has retained his card.</p> <p>- A card has been issued to a Northgate employee.</p> <p>- A card has been allocated to a SBDC Councillor.</p>	<p>Award of cards to non-authorised individuals to be reviewed, either with such cards being cancelled or authorised signatory limits amended, as appropriate.</p>	2	<p>Agreed</p> <p>The Consultants card has now been returned and cancelled.</p> <p>The card issued to the Northgate employee is specifically for the payment of Court Fees which now have to be paid prior to Summons being issued.</p> <p>The card issued to a SBDC Councillor had been returned. However Finance had not been notified. This card has now been cancelled.</p>	1 July 16	Finance Manager

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Compliance	VAT receipts are not submitted for all items of expenditure; without VAT receipts the Councils are not able to reclaim all of the VAT paid.	Cardholders to be reminded of the need to submit VAT receipts for all relevant items on the credit card statement.	2	Agreed. Compliance with submission of VAT receipts has improved throughout the 2015/16 financial year and we will continue to chase for these. In May 2016 all officers provided receipts when appropriate.	1 July 16	Finance Manager

SUBJECT:	<i>Annual Fraud Report</i>
REPORT OF:	<i>Director of Resources</i>
RESPONSIBLE OFFICER	<i>Nicola Ellis - Head of Customer Services</i>
REPORT AUTHOR	<i>Alistair Webb, 01494 732227, awebb@chiltern.gov.uk</i>
WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

This report is to advise the Audit Committee of the Anti- Fraud activity undertaken in 2015/16 and an action plan for 2016/17.

RECOMMENDATION

Members are asked to note and comment on the outcomes and future activity.

2. Reasons for Recommendations

The report is for information only and no action is required.

3. Report

3.1 This report details the anti-fraud activity completed during the 2015/16 financial year. It details the activity and outcomes where appropriate. Also an action plan for areas of work to be reviewed in the year 2016/17, with the intention of identifying risk areas and taking proactive work to prevent and deter fraud.

3.2 South Bucks District Council works in partnership with Chiltern District Council in relation to all anti-fraud activity. From 2nd May 2016 the fraud and error investigation team is part of the shared revenues service for both Chiltern District Council and South Bucks District Council.

3.3 The revenues fraud and error reduction team is responsible for carrying out anti-fraud activity in relation to Local Council Tax Support. It also provides assistance to Internal Audit, supplementing the resources for fraud and irregularity as well as carrying out a planned fraud review of high risk fraud areas.

Benefit Fraud

3.4 In 2015/16 a total of 10 cases of benefit fraud were referred to DWP's Single Fraud Investigation Service.

SFIS have 3 on-going cases. One completed case resulting in an administrative penalty to the value of £1,600. SFIS have not carried out any prosecutions

3.5 South Bucks completed 2 prosecutions in 2015/16. These related to benefit fraud cases where South Bucks council had already completed the investigation. With the introduction of DWP's Single Fraud Investigation Service from March

2015 the DWP intended taking control of all cases at whatever stage. This was not considered appropriate for the above cases as they were court ready and South Bucks had invested time and resources into the cases. After some discussions with DWP they accepted that legislation introducing SFIS clearly supported the council continuing with the cases.

3.6 Prosecution outcomes:

- One conviction after trial in Magistrates court relating to undeclared ownership of several properties. Sentenced to 6 Months custody (suspended for 12 months). Costs of £3000, overpayments of £21,098 Housing Benefit and £1860 Council Tax Benefit all recovered in full.
- One guilty plea at Magistrates court failure to declare overlapping benefit award from another authority, with previous convictions for similar offences sentenced to 6 month community order plus £1060 costs. Overpayments of £2,092 and Council Tax Benefit of £337 recovery in progress.

3.7 The table below demonstrates the levels of identified frauds 2014/15 and 15/16 for comparison.

2014/15		2015/16	
Overpayment Values	No of Cases	Overpayment Values	No of Cases
0-1k	3	0-1k	0
1k-5k	17	1k-5k	2
5k-10k	5	5k-10k	3
10k-15k	3	10k-15k	0
15k-20k	1	15k-20k	0
20k +	1	20k +	1

3.8 SFIS officers have no direct access to the housing benefit records at South Bucks and as part of the investigation process South Bucks is required to provide a single point of contact to access and provide all necessary housing benefit documents and act as the main liaison point throughout the investigation. This activity is likely to grow in the short term as SFIS are undertaking data matching exercises investigations into both fraud and error.

3.9 Although from 1st March 2015 the investigation of benefit fraud rests with DWP this does not include the prevention of fraud entering the scheme or the calculation and recovery of any overpayments, or recovery of administration penalties identified by fraud investigations.

3.10 To assist in fraud prevention South Bucks revenues service has introduced an IT system “Risk Based Verification” of all new applications to identify cases that require further checking of circumstances while allowing the more straightforward lower risk cases to be processed without the burden of

verification of all circumstances. South Bucks District Council is also proactive in identifying cases of potential fraud and error identified during the course of on-going accuracy checks and the targeting of reviews on known risk areas.

3.11 South Bucks District Council will continue to safeguard both the national and local schemes and investigate frauds against the local council tax scheme. In 2015/16 no cases of abuse against the local council tax reduction scheme were suitable for further sanction action. However we have identified and rectified council tax reduction award identified from our own actions or from information forwarded by SFIS.

3.12 South Bucks District Council takes part in a DWP incentive scheme FERIS (Fraud Error Reduction Scheme) designed to encourage LA's to identify fraud and error. If an LA exceeds a quarterly benefit reduction target this generates a financial reward.

The table below demonstrates results to date as identified by DWP.

Baseline figure = DWP'S estimate of expected reductions based on previous year's activity.

Actual reductions = the achieved reductions.

% of baseline achieved.

Lower threshold to achieve a reward = baseline + 10%.

	Q1	Q2	Q3	Q4 Awaiting DWP report
Baseline F & E Reduction	£28,765	£30,801	£24,220	
Actual F & E Reductions	£26,500	£31,400	£24,800	
% of baseline	92%	102.2%	102.5%	
Lower Threshold Baseline (+10% of baseline)	£31,600	£33,800	£26,600	

With a small case load and a well administered scheme there is limited scope for generating FERIS rewards. It is however good practice and prudent to take part in the scheme to identify and rectify fraud or errors at the earliest opportunity. DWP have acknowledged this and from April 2016 have rectified the scheme to provide more scope for reward payments.

3.12.1 South Bucks District Council continues to take part in the full bi-annual National Fraud initiative and the annual NFI data matching of Council Tax Single Persons Discount.

NFI Single Persons Discount results:

No of cases where discount withdrawn	Value of withdrawn discount
21	£11, 205

Corporate Fraud Activity

3.13 Fraud Manager assisted in a disciplinary investigation.

3.14 No whistleblowing issues reported.

3.15 Fraud manager has developed or assisted on corporate policies and procedures in particular:

- Staff Declaration
- Enforcement Policy
- Employees contracts
- Whistleblowing Policy
- Anti- Fraud, Corruption and Bribery Policy

4. Options.

4.1 The council has a duty to protect the local public purse and the fraud and error reduction team provide a resource for prevention, detection and recovery of fraud and irregularity.

5. Corporate Implications

5.1 The fraud and compliance team are an integral part of the Revenues service while providing a fraud investigation service across the council.

6. Links to Council Policy Objectives

6.1 This report links to the following objectives of the Council:

- Provide excellent service- ensuring correct benefit entitlement minimises losses to the Council;
- Safer and healthier communities - benefit fraud is a crime and the prevention and detection of fraud reduces crime in the community.

7. Next Steps

7.1 To consider and comment on the 2016/17 action plan.

Background Papers: None

Appendix

Corporate Fraud Audit Plan 2016/17

Area of work	Action to be taken	Timetable
Provide anti-fraud awareness training	Presentation to Staff/ Members	March 2017
Promote Joint Whistle Blowing Policy	Presentation to Staff/Members	March 2017
Joint Anti- Money Laundering Policy	Develop joint Policy	March 2017
Target benefit reviews to achieve FERIS rewards	Procedure on targeting cases	On-going

This page is intentionally left blank

SUBJECT:	Annual Governance Statement 2015/16
REPORT OF:	Director of Resources
RESPONSIBLE OFFICER	Rodney Fincham, Head of Finance
REPORT AUTHOR	Rodney Fincham, 01494 732260 rodney.fincham@southbucks.gov.uk
WARD/S AFFECTED	All

1. Purpose of Report

- 1.1 The purpose of this report is to provide Members with sufficient evidence so that they can:
- conduct the statutory review of the effectiveness of the Authority's Governance Framework / system of internal control, and
 - approve the statutory Annual Governance Statement for 2015/16.

RECOMMENDATION

Members are asked to:

- review the assurances provided,
- consider whether there are any other significant gaps in control / assurance; and then
- approve the Annual Governance Statement.

2. Background

- 2.1 Governance is defined as:

'Ensuring the organisation is doing the right things, in the right way, for the right people, in an open, honest, inclusive and timely manner' (CIPFA / SOLACE).

It comprises the systems and processes, and culture and values by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

- 2.2 **Internal control** is the name given to the policies, procedures, systems and review mechanisms that are put in place to ensure that the organisation is subject to adequate management to ensure that the organisation meets its objectives.
Internal audit is one element of internal control.

- 2.3 The Accounts and Audit Regulations 2015 require that the system of internal control is reviewed at least once a year and that a governance statement is produced and included in the annual Statement of Accounts. The actual requirement is as follows:

3. A relevant authority must ensure that it has a sound system of internal control which

(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;

(b) ensures that the financial and operational management of the authority is effective; and

(c) includes effective arrangements for the management of risk.

6.(1) A relevant authority must, each financial year

(a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and

(b) prepare an annual governance statement;

(2) If the relevant authority referred to in paragraph (1) is a Category 1 authority, following the review, it must

(a) consider the findings of the review required by paragraph (1)(a)

(i) by a committee; or

(ii) by members of the authority meeting as a whole; and

(b) approve the annual governance statement prepared in accordance with paragraph (1)(b) by resolution of

(i) a committee; or

(ii) members of the authority meeting as a whole.

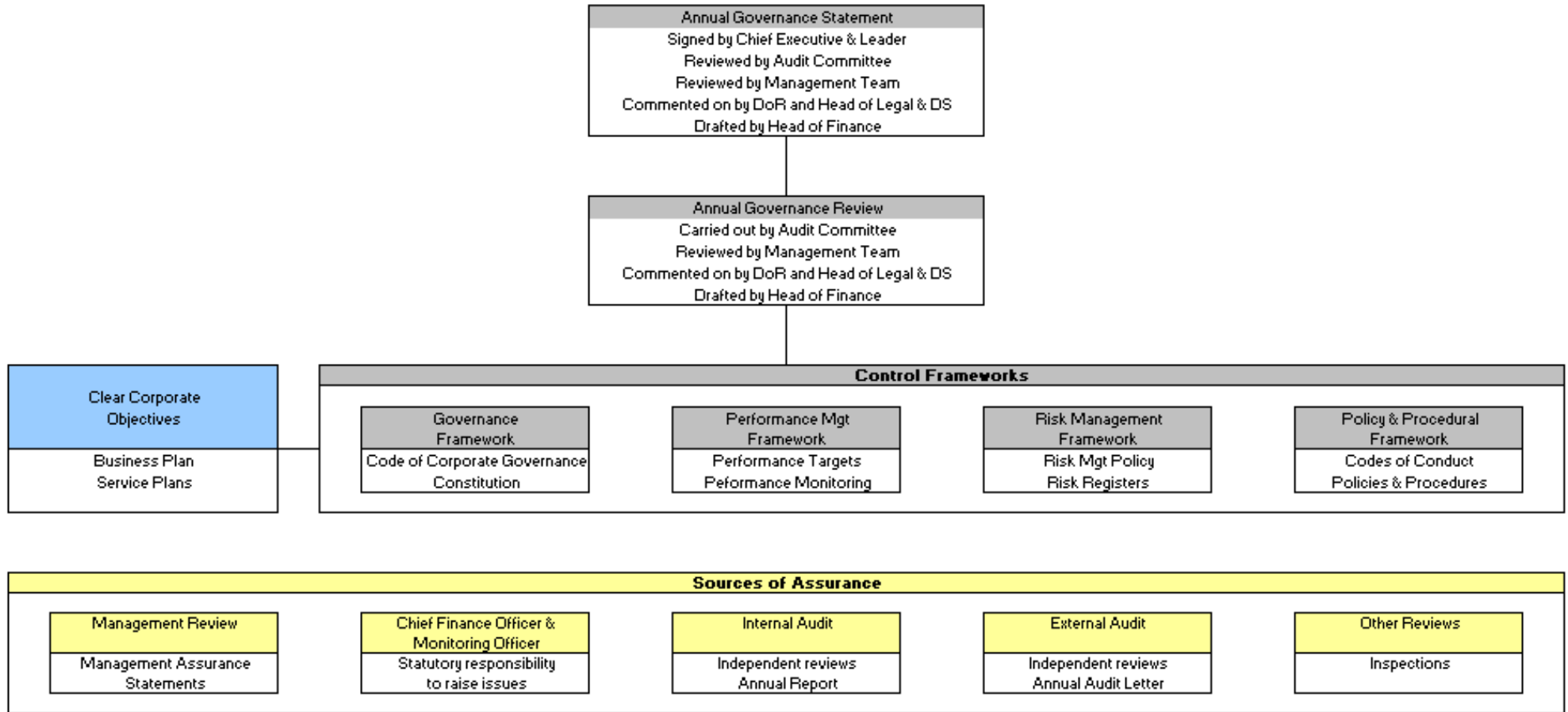
3. Responsibility for Undertaking the Review

- 3.1 The terms of reference for the Audit Committee encompass the responsibility, on behalf of the Authority, to conduct the review of internal control and be responsible for reviewing the Annual Governance Statement.

4. Overall Framework

- 4.1 The diagram overleaf summaries the Authority's Corporate Governance Assurance Framework.
- 4.2 Essentially for there to be good corporate governance there needs to be clear corporate objectives supported by four effective frameworks covering Governance, Performance Management, Risk Management and Policies & Procedures.
- 4.3 And in order to assess the arrangements it is helpful to draw on five sources of assurance namely – Management Review, Statutory Officer Review, Internal Audit, External Audit and Other Reviews.

Diagrammatic Representation of Corporate Governance Framework



5. Review of Governance Framework

5.1 CIPFA guidance recommends following 8 steps in order to carry out a review of Governance, as set out in the following table.

	Requirement	Comment
1a	Establish principal statutory obligations and organisational objectives.	This has been met by: <ul style="list-style-type: none"> Establishing the Council's aims and objectives Producing the Business Plan and Service plans Producing the other plans and strategies within the organisation. Further details with regard to meeting this requirement are included in Appendix 1a.
1b	Apply the 6 CIPFA / SOLACE core [Governance] principles.	See analysis in Appendix 1b. No significant issues identified.
2	Identify principal risks to achievement of objectives.	This has been met by the production of strategic and operational risk registers. Further details with regard to meeting this requirement are included in appendix 2.
3	Identify and evaluate key controls to manage principal risks.	This is met as the risk registers require risks to be assessed and mitigating controls identified. Further details with regard to meeting this requirement are included in Appendix 3. The latest internal audit of risk management resulted in a 'reasonable assurance' rating.
4	Obtain assurances on effectiveness of key controls.	This is met as it occurs throughout the year as part of the ongoing management of the organisation. However for the purpose of the annual review of internal control it is useful to summarise the key sources of assurance and this is done in section 6 of this report below.
5	Evaluate assurances and identify gaps in control / assurances.	See section 7 of this report below.
6	Draw up an action plan to address weaknesses and ensure continuous improvement of the system of Corporate Governance.	The actions to be taken to address the weaknesses identified are detailed in the Draft Annual Governance Statement.
7	Produce Annual Governance Statement.	Draft statement included as Appendix 4.
8	Report to Members.	This report meets this requirement.

6. Sources of Assurances

6.1 The following table summarises the five key sources of assurance, and the assurances obtained from these sources for 2015/16.

Source of Assurance	Comment from Guidance	Assurance Obtained
Management and Member Review	Managers should routinely monitor and review the internal controls as an integral part of the risk management process.	Officers are: guided by the Council's aims and objectives; operate within the Council's rules and regulations; produce service plans; maintain risk registers; and regularly report on progress to Senior Officers and Members. In addition for 2015/16 all Heads of Service were required to complete a Management Assurance Return to highlight any weaknesses in internal control.
The Role of the Chief Finance Officer and the Monitoring Officer	The statutory functions undertaken by these two officers provide a key source of assurance that the systems and procedures of internal control that are in operation are effective, efficient and are being complied with on a routine basis.	During the year no significant issues have been raised by either the Chief Finance Officer (Director of Resources) or the Monitoring Officer (Head of Legal & Democratic Services).
Internal Audit	The relevant body is likely to take assurance from the work of Internal Audit as the Code of Practice for Internal Audit in Local Government requires the Head of Internal Audit to include in the annual Internal Audit report an opinion on the overall adequacy and effectiveness of the authority's internal control environment. Therefore provided the body can satisfy itself that Internal Audit operates to the standards set out in the Code, the relevant body is justified in taking assurance from this opinion.	The 2015/16 Annual Internal Audit Report contains Internal Audit's Annual Opinion. This states that <i>'In my opinion, South Bucks Council has adequate and effective management, control and governance processes in place to manage the achievement of their objectives.'</i>
External Audit	External Audit are another potential source of assurance on the operation of internal controls although it should be noted that the audit reports / management letters will not cover the full range of activities and risks and that external auditors are not required to form an opinion on the effectiveness of the relevant body's corporate governance procedures or its risk and control procedures.	To date External Audit have not raised any significant issues of concern with Management.
Other Review Agencies and Inspectorates	The system of internal control covers the whole of the authority's operations. Aspects of these operations are subject to independent external review and these reports also provide the body with relevant assurance.	There have been no significant external reviews in the year.

7. Gaps in Control and Governance Assurances

- 7.1 Governance and control issues are detailed in section 6 of the Annual Governance Statement (Appendix 4).
- 7.2 It is suggested that there are no other significant issues to add but Members are requested to consider whether there are any other significant issues of concern and whether these issues need to be disclosed in the Annual Governance Statement.

8. Annual Governance Statement

- 8.1 A draft Annual Governance Statement is included as Appendix 4.
- 8.2 Members are asked to review the draft Annual Governance Statement and consider whether changes are needed.

9. Corporate Implications

- 9.1 There are no direct financial, legal or human resource implications from this report.

10. Links to Council Policy Objectives

- 10.1 This report relates to the Authority's Corporate Governance Framework which underpins the effective operation of all the Council's activities.

11. Next Step

- 11.1 The Statement will be reviewed by external audit as part of their audit review process.
- 11.2 The Acting Chief Executive and Leader will be required to sign off the Annual Governance Statement and this will be published in the Annual Statement of Accounts.

Background Papers:	None
---------------------------	------

Appendix 1a: Evidence to Support Meeting the Requirement to Establish Principal Statutory Obligations and Organisational Objectives (Step 1a)

Requirement A - There is a mechanism established to identify principal statutory obligations.		
Suggested measure	Evidence	
A1 - Responsibilities for statutory obligations are formally established.	The Authority's constitution sets out how the Council operates, how decisions are made, and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.	✓
A2 - Record held of statutory obligations.	Service plans detail key statutory obligations in the key service aims and action plan sections.	✓
A3 - Effective procedures to identify, evaluate, communicate, implement, comply with and monitor legislative change exist and are used.	Service managers keep up to date with legislative changes via their professional networks. The legal section also receives notification of changes in legislation including local government laws ie Lawtel updates, and subscription to planning and local government encyclopaedias. Where necessary managers write reports on substantive changes, and will update their procedures as required.	✓
A4 - Effective action is taken where areas of non-compliance are found in either mechanism or legislation.	If a non-compliance is found (eg during an audit) then the relevant service manager will update their procedures as required, and will report any substantive issues to the relevant member body.	✓

Requirement B – There is a mechanism in place to establish corporate objectives.		
Suggested measure	Evidence	
B1 - Consultation with stakeholders on priorities and objectives.	The Authority works within the Local Strategic Partnership framework and has consulted on its priorities. In addition for any major service changes (e.g. waste services, parking charges) the Authority has a well-established record of consultation.	✓
B2 - The authority's priorities and organisational objectives have been agreed (taking into account feedback from consultation).	A Business Plan was approved at Cabinet on 15 July 14. A refreshed Business Plan 2016 -2020 was approved by Cabinet on 20 April 2016.	✓
B3 - Priorities and objectives are aligned to principal statutory obligations and relate to available funding.	The Authority's priorities encompass the organisation's statutory obligations and the Business Plan is set based on an understanding of the available resources.	✓
B4 - Objectives are reflected in departmental plans and are clearly matched with associated budgets.	Individual service plans are produced for each service area in line with the actions agreed in the Business Plan, and the budget implications of the actions are considered as part of the budget setting process.	✓
B5 - The Authority's objectives are clearly communicated to staff and to all stakeholders, including partners.	The Authority's objectives are cascaded to all staff via team meetings and are published in the Business Plan. Key objectives for the year ahead are also mentioned as part of the annual staff briefings.	✓

Requirement C – Effective corporate governance arrangements are embedded within the Authority.		
Suggested measure	Evidence	
C1 - Code of corporate governance established.	The Authority adopted its code of corporate governance in 2007 – part of Constitution. The code is based on the CIPFA / SOLACE framework document for corporate governance in local authorities.	✓
C2 - Review and monitoring arrangements in place.	Officer and Member consideration of the Annual Governance Statement effectively covers this issue.	✓
C3 - Committee charged with Governance responsibilities.	The Audit Committee is charged with corporate governance responsibilities.	✓
C4 - Governance training provided to key officers and all members.	All staff have an induction which includes information about Governance eg the staff Code of Conduct etc. Training is provided as part of the induction process for Members following the Council elections.	✓
C5 - Staff, public and other stakeholder awareness of corporate governance.	The Statement of Corporate Governance is published in the Annual Statement of Accounts, which is available on the website. The Intranet also provides access for staff and Members to key policies and statements.	✓

Requirement D – Performance management arrangements are in place.		
Suggested measure	Evidence	
D1 - Comprehensive and effective performance management systems operate routinely.	There is a clearly defined performance management framework within the organisation.	✓
D2 - Key performance indicators are established and monitored.	Key performance indicators are established and reported to Cabinet and Overview & Scrutiny on a regular basis.	✓
D3 - The authority knows how well it is performing against its planned outcomes.	Performance against all performance indicators and key service objectives are reported to Cabinet on a regular basis.	✓
D4 - Knowledge of absolute and relative performances achieved is used to support decisions that drive improvements in outcomes.	When drawing up service plans previous and relative performance is considered.	✓
D5 - The authority continuously improves its performance management.	The Authority is continuing to develop and improve its performance driven culture. Steps are in hand to have a workforce strategy that is consistent across SBDC and CDC, This builds on the Harmonisation of T&C by putting in place joint HR policies and procedures, including a skills and competency framework linked to performance management.	Part

Appendix 1b: Evidence to Support Applying the 6 CIPFA / SOLACE Core [Governance] Principles (Step 1b)

<i>Principle 1: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.</i>		
The code should reflect the requirements for local authorities to	Evidence	
1A - Develop and promoting the authority's purpose and vision	The Chiltern and South Bucks Strategic Partnership works to agree a Community Vision and Plan for the area, which is set out in the Sustainable Community Strategy. On an annual basis the Council reviews and updates its Business Plan which contains its aims and objectives for the future. The Council's aims and objectives underpin its service planning. The Council uses the Sustainable Community Strategy and its Business Plan to promote within its communities via its communications what its vision and purpose is. The Council also uses the formal mechanisms of the Local Development Document Framework to set down its vision for the area.	✓
1B - Review on a regular basis the authority's vision for the local area and its implications for the authority's governance arrangements	Annual review and update of Business Plan with members. Periodic review of the Code of Corporate Governance.	✓
1C - Ensure partnerships are underpinned by a common vision of their work that is understood and agreed by all partners	Key strategic partnerships identified. Guidance produced for officers and members on partnership working to underpin the Council's Partnership Strategy.	✓
1D - Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance	Council Annual Report published. Annual Accounts and Statement of Assurance published.	✓
1E - Decide how the quality of service for users is measured and make sure that the information needed to review service quality effectively and regularly is available	Part of the service and financial planning process, incorporates information on service quality. This is drawn from various satisfaction surveys and customer consultations undertaken.	✓
1F - Put in place effective arrangements to identify and deal with failure in service delivery	Performance monitoring provides warning of any service delivery problems. This prompts management action. As performance information is seen by Members they are able to hold officers to account for improving performance. The Council has a published complaints procedure to enable individuals to draw to its attention issues of service failure or deficiency. The level of complaints is reported each year to the Overview & Scrutiny Committee.	✓
1G - Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions	The joint service reviews assess how to improve Cost, Quality and Resilience. O&S carry out ad hoc reviews of areas of activity.	✓

<i>Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles</i>		
The code should reflect the requirements for local authorities to	Evidence	
2A - Set out a clear statement of the respective roles and responsibilities of the executive and of executive members individually and the authority's approach to putting this into practice.	The Council's Constitution defines the roles and responsibilities of the Executive.	✓
2B - Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and senior officers	The Council's Constitution defines roles and responsibilities of Members and senior officers. Job descriptions also set out officer responsibilities.	✓
2C - Determine a scheme of delegation and reserve powers within the constitution including a formal schedule of those matters specifically reserved for collective decision of the authority taking account of the relevant legislation and ensure that it is monitored and updated when required.	The Council's Constitution defines matters reserved for Council or Cabinet, and delegations made to specific Members or senior officers.	✓
2D - Make a chief executive or equivalent responsible and accountable to the authority for all aspects of operational management	The Constitution defines the responsibilities of the Chief Executive.	✓
2E - Develop protocols to ensure that the leader and chief executive negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained	The Council's Constitution includes protocols on officer member relations including those of the Chief Executive.	✓
2F - Make a senior officer responsible to the authority for ensuring that appropriate advice is given on all financial matters for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control	The Constitution makes specific the requirement to designate a Chief Finance Officer for the authority. This is the Authority's s151 officer. The Chief Finance Officer is a member of the Management Team for the authority.	✓
2G - Make a senior officer responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with	The Constitution makes specific the requirement to designate a Monitoring Officer for the authority.	✓
2H - Develop protocols to ensure effective communications between members and officers in their respective roles	The Council's Constitution includes protocols on officer Member relations.	✓

The code should reflect the requirements for local authorities to	Evidence	
<p>2I - Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the process, including an effective remuneration panel</p>	<p>The Council has an Independent Members Allowances Panel that reports to the Council. The Constitution specifies the responsibility of the Head of Paid service for determining the officer structure and grading. The Authority has a formal pay structure in place underpinned by an accredited Hay job evaluation scheme. Joint management posts were externally evaluated using national pay scales. The Council publishes its Pay Policy in line with regulatory requirements.</p>	<p>✓</p>
<p>2J - Ensure that effective mechanisms exist to monitor service delivery</p>	<p>Performance management arrangements are in place whereby targets are set in advance, built into service plans, and monitored regularly during the year. Service delivery and performance is reported regularly to members during the year.</p>	<p>✓</p>
<p>2K - Ensure that the organisations vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other stakeholders, and that they are clearly articulated and disseminated.</p>	<p>The Chiltern and South Bucks Strategic Partnership agrees a Sustainable Community Strategy for the area. On an annual basis the Council reviews and updates its Business Plan which contains its aims and objectives for the future. The aims and priorities of the Business Plan are disseminated to residents and partners.</p>	<p>✓</p>
<p>2L - When working in partnership, ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority</p>	<p>Key strategic partnerships identified. Guidance produced on partnership working to underpin the Council's Partnership Strategy. All major partnerships have terms of reference.</p>	<p>✓</p>
<p>2M - When working in partnership - ensure that there is clarity about the legal status of the partnership - ensure that representation of organisations both understand and make clear to all other partners the extent of their authority to bind their organisations to partner decisions</p>	<p>Key strategic partnerships identified. Guidance produced for officers and members on partnership working to underpin the Council's Partnership Strategy. Roles and responsibilities of Members on partnerships, including Chiltern and South Bucks Strategic Partnership, clearly identified and included in South Bucks Partnership handbook.</p>	<p>✓</p>

<i>Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</i>		
The code should reflect the requirements for local authorities to	Evidence	
3A - Ensure that the authority's leadership sets a tone for the organisation by creating a climate of openness, support and respect.	The Council has adopted a local Code of Conduct for members under the Localism Act 2011 and all members have been briefed on the Code.	✓
3B - Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols	Expectations of standards of conduct and behaviour by staff are made clear through a range of policies that staff are made aware of as part of induction processes and which they have easy access to through the intranet. These include: <ul style="list-style-type: none"> • Employees Code of Conduct • Anti-Fraud, Bribery and Corruption Policy • Whistleblowing policy • Dignity at work policy • Protocols on officer and member relations. Performance appraisal processes exist to re-enforce how staff should act, and as a means to highlight and correct any deficiencies.	✓
3C - Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practise.	The Council has adopted a local Code of Conduct for Members under the Localism Act 2011 and all Members have been briefed on the Code, including the sections dealing with declaration of interests and the requirements in the Localism Act to declare pecuniary interests. Members complete annually Related Party Transaction forms. There is a public Register of Members' Disclosable Pecuniary Interests which is published on the Council's website and it is Members' responsibility to notify the monitoring officer within 28 days of any change. The local Code also requires members to register certain non-pecuniary interests, including the receipt of gifts and hospitality valued at over £50. This register is available for public inspection. Officers are required to complete gift and hospitality forms.	✓
3D - Develop and maintain shared values including leadership values for both the organisation and staff reflecting public expectations, and communicate these with members, staff, the community and partners.	The Member and Employee Codes of Conduct which are part of the Council's Constitution promote shared values. The Employee Code of Conduct is based on voluntary code for Local Government employees. The Council has agreed a set of values, which are the enduring principles, standards and beliefs held by Chiltern and South Bucks District Councils.	✓
3E - Put in place arrangements to ensure that systems and processes are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practise.	The Code of Conduct for Employees sets the requirement to act and behave in an ethical manner. A disciplinary procedure is in place to deal with breaches of the Code of Conduct.	✓

<p>The code should reflect the requirements for local authorities to</p>	<p>Evidence</p>	
<p>3F - Develop and maintain an effective approach to maintaining and promoting high standards of conduct.</p>	<p>The Audit Committee has responsibility for ensuring the Council complies with the duty under the Localism Act to maintain high standards of conduct and for dealing with any allegations that members may have breached the local Code.</p>	<p>✓</p>
<p>3G - Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority.</p>	<p>The Council has agreed a set of 'values' which are the enduring principles, standards and beliefs held by Chiltern and South Bucks District Councils.</p>	<p>✓</p>
<p>3H - In pursuing the vision of a partnership agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively.</p>	<p>Key strategic partnerships identified. Guidance produced for officers and members on partnership working to underpin the Council's Partnership Strategy. Officers and Members are guided by the Councils Values.</p>	<p>✓</p>

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk		
The code should reflect the requirements for local authorities to	Evidence	
4A - Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the authority's performance overall and that of any organisation for which it is responsible.	O&S Committee as established under the Constitution with terms of reference etc. The work undertaken by the O&S Committee.	✓
4B - Develop and maintain open and effective mechanisms for documenting and recording the criteria rationale and considerations on which decisions are based.	Constitution specifies how decisions are to be published. Report writing guidance sets down framework to enable reasonable decisions to be taken and evidenced. Constitution / guidance is updated periodically. Last updated Feb 15.	✓
4C - Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practise.	Members and Employees Codes of Conduct There is a public Register of Members' Personal Interests (including gifts) and it is Members' responsibility to update this within 28 days of any change.	✓
4D - Develop and maintain an effective audit committee which is independent of the executive and scrutiny functions or make other appropriate arrangements for the discharge of the functions of such a committee	Audit Committee established under Constitution with terms of reference. Workplan and agendas evidence effective coverage of risk and control issues.	✓
4E - Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints.	General Complaints Procedure and Member Complaint Procedure and forms on website Complaint forms also available from reception. Procedures / guidance is regularly updated.	✓
4F - Ensure that those making decisions whether for the authority or the partnership are provided with information that is fit for purpose – relevant, timely and give clear explanations of technical issues and their implications.	Report writing guidance for officers. Member induction for Committees and other decision making bodies. Training is also provided for Members and Officers as appropriate. The Data Quality Strategy sets out guidance and responsibilities. Strategies / guidance is regularly updated.	✓
4G - Ensure that proper professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately.	Report writing guidance. Attendance of professional officers at meeting to advise members. Decisions properly minuted and evidenced. Guidance is regularly updated.	✓
4H - Ensure that risk management is embedded into the culture of the Authority, with members and managers at all levels recognising that risk management is part of their jobs.	Risk management Policy and Strategy. Risk Management Guidance. Overview of key risks by senior management. Risk management is part of the competency requirement for senior managers. Strategies / guidance are regularly updated.	✓

The code should reflect the requirements for local authorities to	Evidence	
4I - Ensure that effective arrangements for whistle-blowing are in place to which officer, staff and all those contracting with or appointed by the authority have access.	Whistleblowing Policy for the Council. Policy is kept up to date.	✓
4J - Actively recognise the limits of lawful activity placed on them by, for example, the ultra vires doctrine but also strive to utilise their powers to the full benefit of their communities.	The Council has in place its Constitution, within which there is the requirement to have a Monitoring Officer.	✓
4K - Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on authorities by public law.	Role of Monitoring Officer. Report writing guidance emphasising need to seek legal advice on any new initiatives.	✓
4L - Observe all specific legislative requirements placed upon them, as well as the requirement of general law, and in particular to integrate the key principles of good administrative law, rationality, legality and natural justice, into their procedures and decision making processes.	The Council's Constitution which is regularly updated. Scheme of delegations, job specifications in place to ensure clear accountability of roles, and identification of competencies for roles.	✓

Principle 5: Developing the capacity and capability of members and officers to be effective		
The code should reflect the requirements for local authorities to	Evidence	
5A - Provide induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis	Induction programme for members, including training and briefing events. Formal induction process for all staff defined by HR. Training and development needs assessed as part of annual staff appraisal process.	✓
5B - Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the authority	Statutory officers have job descriptions and person specifications. Annual appraisal process identifies any training or development needs. Commitment to IIP accreditation.	✓
5C - Assess the skills required by members and officers and make a commitment to develop those skills to enable roles to be carried out effectively	Training and development plans at individual and corporate levels following annual performance appraisals.	✓
5D - Develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when outside expert advice is needed.	Member training and development requirement reviewed periodically. Members encouraged to access members support resources provided online by IDeA or other similar bodies. Member of South East Employers.	✓
5E - Ensure that effective arrangements are in place for reviewing the performance of the executive as a whole and of individual members and agreeing an action plan to address training and development needs.	Performance management system in place with regular public reporting of information, clearly assigned to specific Members and service areas. Overview & Scrutiny Committee review of Performance Management information. Overview & Scrutiny can call in executive decisions for review.	✓
5F - Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority.	Chiltern and South Bucks Strategic Partnership. Various user groups. Surveys of customers and users. Focus groups with venerable groups.	✓
5G - Ensure that career structures are in place for members and officers to encourage participation and development	Performance appraisal process. Commitment to IIP. Annual training and development plan. Training for succession planning in place in some areas eg Planning & green keepers.	✓

Principle 6: Engage with local people and other stakeholders to ensure robust public accountability		
The code should reflect the requirements for local authorities to	Evidence	
6A - Make clear to themselves, all staff and the community to whom they are accountable and for what	Sustainable Community Strategy for Chiltern and South Bucks Districts 2013-2026. Chiltern & South Bucks Joint Business Plan.	✓
6B - Consider those institutional stakeholders to whom the authority is accountable and assess the effectiveness of the relationships and any changes required.	The Council's Business Plan. SBDC is part of the Chiltern and South Bucks Strategic Partnership. Annual Report of the Council.	✓
6C - Produce an annual report on the activity of the scrutiny function.	Annual report produced on the activity of O&S Committee.	✓
6D - Ensure clear channels of communication are in place with all sections of the community and other stakeholders, and put in place monitoring arrangements and ensure that they operate effectively.	Communications & consultations policy.	✓
6E - Hold meetings in public unless there are good reasons for confidentiality	Statutory requirement – Local Gov Act 1972. The Constitution requires this. Codes of Conducts for officers and members.	✓
6F - Ensure that arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities for dealing with these competing demands.	Achieve by variety of means such as LSP, Area Committee, user group meetings. Communications & consultations policy. Focus groups with venerable groups.	✓
6G - Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users about, including a feedback mechanism for those consultees to demonstrate what has changed as a result.	Communications & consultations policy. On line consultation facility on website.	✓
6H - On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.	Council's Annual Report. Joint Strategic Partnership Annual Report.	✓
6I - Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so.	The Council's Constitution. Communications Guidance and Community Engagement Strategy.	✓
6J - Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making.	The Communications Policy. Operation of the Personnel Committee. Unison is recognised trade union under a collective agreement.	✓

Appendix 2: Evidence to Support Meeting the Requirement to Identify Principal Risks to Achievement of Objectives (Step 2)

<i>Requirement – The Authority has robust systems and processes in place for the identification and management of strategic and operational risk</i>		
Suggested measure	Evidence	
1 - There is a written strategy and policy in place for managing risk.	The Authority has a Risk Management Policy and Risk Management Strategy. Risk management.	✓
2 - The authority has implemented clear structures and processes for risk management, which are successfully implemented.	An annual report on Risk Management is considered by the Audit Committee each year. Strategic risks are identified by Senior Officers and considered by both Overview & Scrutiny and Cabinet. Key current operational risks are considered by Mgt Team / Heads of Service at their monthly meeting. Operational risks registers are maintained by each service and recorded on Covalent. The major budget / financial risks are identified as part of the annual budget setting process and included in the budget reports to Members.	✓
3 - The authority has developed a corporate approach to the identification and evaluation of risk, which is understood by all staff.	There is a standard approach to risk management throughout the organisation and guidance on this is available to staff and Members on the intranet.	✓
4 - The authority has well defined procedures for recording and reporting risk.	There is a standard approach to risk management throughout the organisation and guidance on this is available to staff and Members on the intranet.	✓
5 - The authority has well established and clear arrangements for financing risk.	Risk financing is of limited relevance to the Authority. However where appropriate insurance cover is obtained to mitigate risks.	✓
6 - The Authority has developed a programme of risk management training for relevant staff.	Staff induction includes appropriate risk awareness training. The Director of Resources holds risk review meetings with senior Managers, which include an element of support and coaching.	✓
7 - The corporate risk management board (or equivalent) adds value to the risk management process.	Key current operational risks are considered by Mgt Team / Heads of Service at their monthly meeting.	✓
8 - A Corporate risk officer has been appointed with the necessary skills to analyse issues and offer options and advice.	The Authority does not have an officer dedicated to risk management work. Instead risk management is championed by the Director of Resources and risk management work is picked up by other officers on an ad hoc basis.	✓
9 - Managers are accountable for managing their risks.	All risks are allocated to named officers and they are responsible for managing these.	✓

Suggested measure	Evidence	
10 - Risk management is embedded throughout the authority.	Risk management is considered to be reasonably well embedded. The latest internal audit of risk management resulted in a 'Reasonable Assurance' rating.	✓
11 - Risks in partnership working are fully considered.	Key risks related to significant partnerships or contracts are identified as part of the risk management process.	✓
12 - Where employed, risk management information systems meet users' needs.	The Covalent performance management system includes the risk registers and adequately meets the Council's current requirements.	✓

Appendix 3: Evidence to Support Meeting the Requirement to Identify and Evaluate Key Controls to Manage Principal risks (Step 3)

<i>Requirement – The Authority has a robust system of internal control which includes systems and procedures to mitigate principal risks</i>		
Suggested measure	Evidence	
1 - There are written financial regulations.	The Authority has formal written Financial Procedure Rules.	✓
2 - There are written contract standing orders.	The Authority has formal written Contract Procedure Rules.	✓
3 - There is a whistle blowing policy.	The Authority has a Whistle Blowing Charter.	✓
4 - There is a counter fraud and corruption policy.	The Authority has an Anti-Fraud, Bribery and Corruption Policy.	✓
5 - There are codes of conduct in place.	There is a Member code of conduct. There is an employee code of conduct. Articles are included in Grapevine to remind members and officers about these. Dignity at work policy.	✓
6 - A register of interests is maintained.	A register of interests is maintained and regularly updated.	✓
7 - Where a scheme of delegation has been drawn up, it has been approved and communicated to all relevant staff.	Delegated matters are detailed in the Constitution, which is widely available.	✓
8 - A corporate procurement policy has been drawn up, formally approved and communicated to all relevant staff.	A CDC / SBDC Joint Procurement Strategy was agreed in 2014. It is available to staff and members online on the SBDC website.	✓
9 - Business / service continuity plans have been drawn up for all critical service areas.	Further work is needed to ensure that there are robust service recovery plans for all areas, and that these reflect recently established joint teams and that these plans have been tested. (Issue for disclosure – Business Continuity Planning.)	Part
10 - The corporate / departmental risk registers include expected key controls to manage principal risks.	The annual service plans require internal controls to be listed for all risks.	✓
11 - Key risk indicators have been drawn up to track the movement of key risk and are regularly monitored.	Key risks are regularly monitored and reviewed but we do not set key risk indicators for all risks. Strategic risks are assessed pre and post mitigation actions and the post mitigation assessment acts as the target risk. However this is not considered to be a significant issue.	Part
12 - The authority's internal control framework is subject to regular independent assessment.	Internal Audit regularly reviews the internal control framework.	✓

Suggested measure	Evidence	
13 - A corporate Health & Safety Policy has been drawn up.	The Authority has a Health & Safety Policy, which is available on the intranet.	✓
14 - A corporate complaints policy / procedure has been drawn up.	The Authority has a general complaints Procedure as set out in its Customer Relations Procedure. There is also a Member complaint procedure and form on the website.	✓
The Council has policies and procedures in place to ensure compliance with data protection laws.	The Council has a Corporate Information Officer and complies with data protection rules.	✓
The Council has policies and procedures in place to maintain IT security.	The Council has an Information Security Policy along with various other supporting IT policies (eg username and password policy).	✓
The Council has policies and procedures in place to maintain good Information Asset management.	The Council has information asset management policies and procedures and these are being developed and reviewed.	Part

Appendix 4: Annual Governance Statement 2015/16

1) Scope of Responsibility

South Bucks District Council (SBDC) is responsible for ensuring that:

- its business is conducted in accordance with the law and proper standards;
- public money is safeguarded and properly accounted for; and
- public money is used economically, efficiently and effectively.

South Bucks District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, South Bucks District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

South Bucks District Council has approved and adopted a code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code can be obtained from the Director of Resources. This statement explains how South Bucks District Council has complied with the code and also meets the requirements of the Accounts and Audit Regulations in relation to the publication of an Annual Governance statement.

2) The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, value for money services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at South Bucks District Council for the year ended 31 March 2016 and up to the date of approval of the statement of accounts.

3) The Governance Framework

South Bucks has put in place appropriate management and reporting arrangements to enable it to satisfy itself that its approach to corporate governance is both adequate and effective in practice. Specifically it developed and adopted a Code of Corporate Governance and a risk management strategy and the Director of Resources has been given responsibility for:

- overseeing the implementation and monitoring of the operation of the Code and risk management strategy;
- reviewing the operation of the Code and risk management strategy in practice; and
- ensuring that there is an effective internal audit function.

Our internal auditors, have been given the responsibility to review independently the status of the Authority's internal control arrangements and report to the Audit Committee, to provide assurance on the adequacy and effectiveness of internal control.

The system of internal control is based on a framework of regular management information, financial and contract procedure rules, administrative procedures, management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council and is reviewed by internal and external audit. In particular the system includes:

- an overall Business Plan and individual Service plans;
- the appointment of a legal Monitoring Officer;
- codes of conduct and staff performance appraisals;
- information asset and data quality policies and procedures;
- setting targets to measure financial and other performance;
- a performance management framework with regular performance monitoring;
- comprehensive budgeting systems; and
- regular reviews of financial reports which indicate financial performance against the forecasts.

4) Role of the Chief Finance Officer

The Authority fully complies with the CIPFA statement on the Role of the Chief Financial Officer in Local Government, the key principles and requirements of which are summarised below.

The Chief Financial Officer:

- is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the Authority's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the Authority's financial strategy; and
- must lead the promotion and delivery by the whole Authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:

- must lead and direct a finance function that is resourced to be fit for purpose; and
- must be professionally qualified and suitably experienced.

5) Review of Effectiveness

South Bucks District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit’s annual report, and also by comments made by the external auditors and other review agencies and inspectorates. As part of the process of compiling the Annual Governance Statement, statements of assurance on the effectiveness of internal control are obtained from Heads of Service.

For 2015/16 this review has been undertaken by the Audit Committee and included carrying out:

- an assessment of the SBDC internal control framework against the CIPFA best practice checklist; and
- an assessment of the SBDC corporate governance framework against the CIPFA / SOLACE framework.

We have been advised on the implications of the results of the review of the effectiveness of the governance framework by the Audit Committee, and plans are in place to address weaknesses and ensure continuous improvement of the system is in place.

6) Significant Governance Issues

The following issues arose from a review of the assurance framework or from Internal Audit reports and follow-up work.

ISSUE	ACTION
<p>There is a need to review and update the Business Continuity Management processes and plans, recognising that South Bucks does not have a dedicated resource for Business Continuity.</p>	<p>We will continue to review during 2016/17 the existing Business Continuity plans, taking into account organisational changes and shared working with Chiltern District Council, and will continue to test the IT business continuity arrangements.</p> <p>We are currently updating the Business Impact Analysis and Service Continuity Plan for each service area.</p> <p>A Business Continuity Exercise is planned for September 2016.</p>

ISSUE	ACTION
<p>There is a need to review and keep up to date the Council's Information Management policies and procedures in the light of national issues raised by the Information Commissioner Office (ICO), Public Sector Network (PSN compliance), and as a result of joint working arrangements and other significant service changes.</p>	<p>We will continue to progress in a co-ordinated manner with Chiltern District Council work on Information Governance. This will be co-ordinated by the Information Governance Group.</p> <p>A joint assessment for compliance with PSN requirements will be undertaken by both Councils.</p> <p>Information governance specifically information security and file management will be taken into account in the changes that will be part of the next phase of joint working. Information Asset Registers will be updated to fully reflect changes from shared services.</p>
<p>The Environmental Services Internal Audit noted that the procedures regarding maintaining appropriate insurance and health & safety documentation for contractors need to be strengthened.</p>	<p>An action plan to address the issues raised has been agreed.</p>

This page is intentionally left blank

SUBJECT:	Proposed Amendment to the Financial Procedure Rules	
REPORT OF:	Head of Finance	Rodney Fincham
RESPONSIBLE OFFICER	Head of Finance	Rodney Fincham
REPORT AUTHOR	Head of Finance	Rodney Fincham 01494 732260 rfincham@chiltern.gov.uk
WARD/S AFFECTED	All	

1. Purpose of Report

- 1.1 To request that the Financial Procedure Rules relating to debt write offs are amended.

RECOMMENDATION TO CABINET

The Financial Procedure Rules are amended to allow the Parking Manager to approve the write off of irrecoverable penalty charge notices up to £150.

2. Reasons for Recommendations

- 2.1 It is administratively efficient, and appropriate for the Parking Manager to be able to approve the write off of irrecoverable penalty charge notices.

3. Background

- 3.1 The financial limits relating to the write off of irrecoverable debts in circumstances where recovery of the sum is unlikely to be achieved or where proceeding is inappropriate or unjustified are currently as follows.

Up to £1,000	The Head of Finance has the power to write of irrecoverable debt up to £1,000.
Up to £10,000	The Director of Resources has the power to write off irrecoverable debts up to the value of £10,000. The Head of Customer Services has the power to write off irrecoverable Council Tax debts, Non Domestic Rates debts and Housing Benefit / Council Tax Support Overpayments up to the value of £10,000.
Over £10,000	The Cabinet has the power to write off irrecoverable debts over £10,000.

- 3.2 On the parking account there are instances where debt is unrecoverable. This is mainly due to the following reasons:

- DVLA does not have a keeper on record for the date of event. This prevents a statutory notice from being served and the debt pursued. Alternatively, the information is not received from the DVLA within the statutory period to enable a statutory notice to be served. The statutory period is six months from the date of issue.
- The debtor has moved from the address the DVLA has on record for them and they are untraceable.
- The debt has been pursued through the Magistrates Court but the debtor has not paid the fine. The timeframe for repayment is set by the Magistrate and therefore this can vary case by case.

3.3 The following table shows the number and value of penalty charge notices written off in 2015/16.

Reason	Number of Cases	Value £
DVLA – No Address Trace	19	1,520
Procedural Error	2	160
Totals	21	1,680

4. Proposals

- 4.1 The Joint Parking Manager is responsible for the billing and recovery of penalty charge notices.
- 4.2 However at present they have to refer any irrecoverable debts to the Head of Finance for write off.
- 4.3 It is now proposed to allow the Parking Manager to approve these write offs.
- 4.4 Once approved the Parking Manager would still need to notify the Head of Finance of these writes offs, in order that the Head of Finance can maintain the register of all debts that have been written off.
- 4.5 With regard to the write off level, the maximum debt and thus the maximum write off amount per case at SBDC is £80. However the maximum debt / write off at CDC is £112. Hence the proposed write off level has been set at £150 to cover both authorities.

5. Options

Option	Advantages	Disadvantages
No change to rules	No need to amend Financial Procedure Rules	Write off process is not streamlined.
Amend write off rules	Write off process is streamlined.	Need to amend Financial Procedure Rules

Audit Committee

6. Corporate Implications

- 6.1 The write off of any debt represents the loss of potential income to the Council. However in some cases all recovery options have been pursued and there is no realistic hope of recovery.

7. Links to Council Policy Objectives

- 7.1 The collection of fees and charges is an essential part of providing cost effective services and the write off of uncollectable debt is part of good financial management.

8. Next Step

- 8.1 Any changes to the Financial Procedure Rules will require the agreement of Cabinet and then Council.
- 8.2 If changes are approved then the Financial Procedure Rules will be amended and officers of both Councils will be informed of the changes.

Background Papers:	None
---------------------------	------

This page is intentionally left blank

SBDC AUDIT COMMITTEE WORK PROGRAMME

Classification: OFFICIAL

Members are asked to consider whether there are any items they wish to add to, or move within, the proposed work programme

Topic	Frequency	Jun 16	Sept 16	Jan 17	Mar 17	Jun 17
Risk Management						
Risk Management Update	Annual					
Assurance Statements						
Annual Governance Report	Annual					
Standards of Conduct Report	As and when					
Update on Governance / Internal Control Issues	As and when					
Internal Audit						
Audit Plan	Annual					
Interim Progress Reports	Each meeting					
Follow up of Internal Audit Recommendations Report	Annual					
Comparison of Assurance Levels	Annual					
Annual Internal Audit Report	Annual					
Fraud & Corruption						
Fraud & Corruption Annual Report	Annual					
External Audit						
Annual Audit Plan	Annual					
Annual Assurance Letter from Committee	Annual					
External Audit Results Report	Annual					
Certification of Claims & Returns Report	Annual					
Annual Audit Letter (Sent out by email to all Members)	-					
Statement of Accounts						
Approval of Main Accounts	Annual					
Approval of Farnham Charitable Trust Accounts	Annual					
Other						
Contract & Financial Procedure Rules	As necessary					
Training	As necessary					
Work Programme	Each meeting					

Classification: OFFICIAL

This page is intentionally left blank

SOUTH BUCKS DISTRICT COUNCIL
STANDARDS WORK PROGRAMME
2016/2017

