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# South Bucks Council

## Internal Audit Progress Report

## 2016/17

## Audit Committee – 28 June 2016

**FINAL**

**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 | Key Dates | | | Number of Recommendations | | | |
|---|---|---|---|---|---|---|---|---|
| | | Draft issued | Responses Received | Final issued | 1 | 2 | 3 | OE |
| Purchasing Cards | Reasonable | 23 May 2016 | 9 June 2016 | 10 June 2016 | - | 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 | 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:-<br><br>• Progress is on track;<br><br>• Devices are adequately managed and data is secure; and where possible<br><br>• 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.
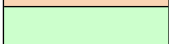
## DISCLAIMER

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.

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# Progress against the Annual Plan for 2016/17

| System | Planned Quarter | Days | Current Status | Comments |
|---|---|---|---|---|
| Performance Management/Efficient Working | 1 | 10 | Planned start 11th July 2016 | |
| Purchasing Cards | 1 | 11 | Final report issued June 2016 | Additional Review |
| Annual Internal Audit | 1 | 5 | Planned start 1st July 2016 | |
| Property and Asset Management | 1 | 8 | | |
| Bar | 1 | 5 | Planned start 29th June 2016 | |
| Academy | 1 | 5 | | |
| Stores/Shop | 1 | 5 | Planned start 29th June 2016 | |
| Information Governance/Data Quality | 1 | 9 | Planned start 23rd May 2016 | |
| Health & Safety – internal arrangements | 1 | 8 | Planned start 25th May 2016 | |
| Licensing | 1 | 10 | Planned start 11th May 2016 | |
| Environmental Health | 1 | 10 | Planned start 27th June 2016 | |
| Absence Management | 1 | 8 | | |
| Controls over access to the internet | 1 | 6 | Planned start 30th 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 13th June 2016 | |
| Housing DECC Grants – energy efficiency | TBA | 10 | | |

**KEY:**

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

**Appendix B**

## AUDITS FINALISED SINCE LAST AUDIT COMMITTEE

| Title of review: | **Purchasing Cards** | | Date issued: | **June 2016** |
|---|---|---|---|---|

| Rec. | Risk Area | Finding | Recommendation | Priority | Management Comments | Implementation Timetable (dd/mm/yy) | Responsible Officer (Job Title) |
|---|---|---|---|---|---|---|---|
| 1 | Compliance | A general review of cardholders highlighted:- There are three staff members that have credit cards who are not on the authorised signatory list.<br><br>- 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.<br><br>- A card has been issued to a Northgate employee.<br><br>- A card has been allocated to a SBDC Councillor. | Award of cards to non-authorised individuals to be reviewed, either with such cards being cancelled or authorised signatory limits amended, as appropriate. | 2 | *Agreed*<br><br>*The Consultants card has now been returned and cancelled.*<br><br>*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.*<br><br>*The card issued to a SBDC Councillor had been returned. However Finance had not been notified. This card has now been cancelled.* | *1July 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.* | *1July 16* | *Finance Manager* |