



## **Chiltern and South Bucks District Councils**

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**Audit Strategic Plan 2017/18 to 2019/20 and Annual Plan  
2017/18**

**Audit Committee – 16 March 2017 (South Bucks)**

## Internal Audit Annual Plan

### INTRODUCTION

This Annual Plan is drawn up in accordance with the Terms of Reference of TIAA and the Internal Audit Strategic Plan.

### AUDIT STRATEGY METHODOLOGY

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

### INTERNAL AUDIT ANNUAL PLAN

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

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

Substantive testing will only be carried out where a review assesses the internal controls to be providing 'limited' or 'no' assurance with the prior approval of the Director of Resources and additional time will be required to carry out such testing. Chiltern and South Bucks Councils are responsible for

taking appropriate action to establish whether any loss or impropriety has arisen as a result of the control weaknesses.

### AUDIT COMMITTEE RESPONSIBILITY

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

### REPORTING

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

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

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

### SATISFACTION QUESTIONNAIRES

A satisfaction questionnaire will be issued with each final report to comply with our ISO requirements. An annual client satisfaction survey will also be issued with the annual report with the feedback received from these survey(s) being used to develop staff and the service we provide.

## LIAISON WITH THE EXTERNAL AUDITOR AND OTHER ASSURANCE PROVIDERS

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

## BACKGROUND

Chiltern and South Bucks District Councils provide local government services to their respective districts. A regular internal audit of these services is required by the Accounts and Audit Regulations 2015

## ASSURANCE MAPPING

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

## AUDIT REMIT

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

## CONFLICT OF INTEREST

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

## PERFORMANCE

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Area	Performance Measure	Target
Achievement of the plan	Completion of planned audits.	100%
	Audits completed within time allocation.	100%
Reports Issued	Draft report issued within 10 working days of exit meeting.	95%
	Final report issued within 10 working days of receipt of responses.	95%
Professional Standards	Compliance with Public Sector Internal Audit Standards.	100%

## KEY CONTACT INFORMATION

Name	Contact Details
Name: Chris Harris Job Title: Audit Director	Email address: chris.harris@ttaa.co.uk Phone number: 07766115439
Name: Jonathan Sims Job Title: Client Manager	Email address: jonathan.sims@ttaa.co.uk Phone number: 07719298657
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## **LIMITATIONS AND RESPONSIBILITY**

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

The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

Reliance will be placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

The matters raised in the audit reports will be only those that come to the attention of the auditor during the course of the internal audit reviews and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. The audit reports are prepared solely for management's use and are not prepared for any other purpose.

## **RELEASE OF REPORT**

The table below sets out the history of this plan.

<b>Date plan issued:</b>	17 <sup>th</sup> February 2017
<b>Date final plan issued;</b>	24 <sup>th</sup> February 2017

## Rolling Strategic Plan

Review Area	Risk Ref	Type	Days Required			2020/21	2021/22
			2017/18	2018/19	2019/20		
<b>Corporate</b>							
Governance		Assurance	8	8	8	8	8
Risk Management		Assurance	8	-	8	-	8
Procurement		Assurance	-	8	-	-	-
Counter Fraud		Assurance	-	8	-	8	-
Complaints and Compliments		Assurance	6	-	6	-	6
Performance Management/Efficient Working		Assurance	-	8	-	8	-
Contracts		Assurance	10	-	9	-	8
Information Governance/Data Quality		Assurance	8	-	8	-	8
Freedom of Information		Assurance	-	8	-	-	8
Data Protection		Assurance	8	-	8	-	8
Business Continuity		Assurance	7	-	-	8	-
Emergency Planning		Assurance	6	-	-	6	-
Health and Safety – Internal Arrangements		Assurance	-	-	7	-	-
South Bucks – New Company		Assurance	-	8	8	8	8
Purchase Cards		Assurance	8	8	8	8	8
Expenses		Assurance	8	8	8	8	8
<b>Finance</b>							
Main Accounting		Assurance	7	7	7	7	7
Payroll		Assurance	12	11	11	11	11
Accounts Receivable (Debtors)		Assurance	9	8	8	8	8
Accounts Payable (Creditors)		Assurance	9	8	8	8	8
Benefits		Assurance	13	13	13	13	13
Council Tax Support		Assurance	13	13	13	13	13
Council Tax and NDR		Assurance	20	20	20	20	20

Cash and Bank		Assurance	8	7	7	7	7
Treasury Management		Assurance	8	7	7	7	7
Budgetary Control		Assurance	-	7	-	7	-
<b>ICT</b>							
Targeted Audits to be agreed and reported to the next Audit (and Standards) Committee		Assurance	24	24	24	24	24
<b>Health and Housing</b>							
Housing Allocations and Homelessness		Assurance	-	9	-	8	-
Temporary Accommodation		Assurance	9	-	8	-	8
Housing Section 106		Assurance	-	8	-	9	-
Environmental Health		Assurance	-	8	-	9	-
Licensing		Assurance	-	-	8	-	-
Disabilities Facilities Grant		Assurance	5	5	5	5	5
<b>Community Services</b>							
Grants		Assurance	-	8	-	8	-
Leisure Contract		Assurance	-	-	8	-	-
Safeguarding		Assurance	-	8	-	-	8
<b>Environmental Services</b>							
Health and Safety – Contractor Arrangements		Assurance	-	8	-	8	-
Grounds Maintenance		Assurance	8	-	-	7	-
Waste services (Chiltern, Wycombe and South Bucks)		Assurance	11	-	11	-	11
Environmental Services Contracts		Assurance	-	-	10	-	-
Car Parking		Assurance	7	-	7	-	7
Property and Asset Management		Assurance	-	8	-	8	-
Cemeteries		Assurance	8	-	-	7	-
Commercial Rents/debt recovery		Assurance	8	-	8	-	8
<b>Sustainable Development</b>							

Planning Development and Enforcement		Assurance	-	11	-	11	-
Building Control			-	8	-	-	8
<b>Legal and Democratic Services</b>							
Land Charges		Assurance	-	8	-	-	8
Electoral Registration		Assurance	-	-	-	8	-
External Solicitors/Court Costs		Assurance	-	-	6	-	-
<b>Human Resources</b>							
Absence Management		Assurance	8	-	8	-	8
Recruitment		Assurance	8	-	-	8	-
Equalities		Assurance	-	8	-	-	-
Harmonised Policies and Procedures		Assurance	8	-	-	7	-
iTrent Payroll System (HR Module)		Assurance	6	-	-	-	6
Performance Monitoring		Assurance	-	-	7	-	-
<b>Other</b>							
Follow up			10	10	10	10	10
Risk Management Assistance			10	10	10	10	10
Annual Report			2	2	2	2	2
Audit Management			22	22	22	22	22
		<b>Sub total</b>	<b>330</b>	<b>330</b>	<b>326</b>	334	317
<b>Farnham Park Trust</b>							
Stores/shop		Assurance	5	5	5	5	5
Bar		Assurance	5	5	5	5	5
Management Support		Assurance	2	2	2	2	2
		<b>Total</b>	<b>12</b>	12	12	12	12

## Annual Plan – 2017/18

Quarter	Audit	Risk Ref	Type	Days	Rationale
	<b>CORPORATE</b>				
1	Governance		Assurance	8	<p><u>Rationale:</u> Reputationally the identification and recording of Gifts and/or Hospitality is fundamental to the governance arrangements at the Councils.</p> <p><u>Scope:</u> The review will consider the following key areas:</p> <ul style="list-style-type: none"> <li>• The gifts and hospitality policy and procedures;</li> <li>• Implementation of the requirements of the Bribery Act 2010 into the Members Code of Conduct;</li> <li>• That Members are recording gifts and hospitality in accordance with Council Policy</li> </ul>
1	Risk Management		Assurance	8	<p><u>Rationale:</u> A periodic review to test the appropriateness and effectiveness of the risk management arrangements at Chiltern and South Bucks Councils. .</p> <p><u>Scope:</u> The review will include:</p> <ul style="list-style-type: none"> <li>• assess the effectiveness of the controls that mitigate the risk for a number of the key operational risks identified.</li> <li>• challenge the risk management process and how managers/risk owners use risk management for everyday decision making.</li> </ul>
2	Complaints and Compliments		Assurance	6	<p><u>Rationale:</u> Following a governance audit in 2015/16 it was noted that following the many service reviews and staff changes the complaints and compliments procedure had fallen into disrepute. It has been agreed to review this aspect of the work again in 2016/17.</p> <p><u>Scope:</u> To review the following:</p> <ul style="list-style-type: none"> <li>• The policy and procedures for managing Complaints and Compliments.</li> <li>• The monitoring arrangements</li> <li>• The reporting arrangements to senior management and to Members.</li> <li>• The lessons learned and action plans arising from any complaints and compliments.</li> </ul>



Quarter	Audit	Risk Ref	Type	Days	Rationale
	Contracts		Assurance	10	<p><b>Rationale:</b> The letting of Contracts is an important and high value part of an authorities activities and a periodic audit is required to confirm contracts have been let in accordance with approved policies and procedures.</p> <p><b>Scope:</b> The audit will cover the following key areas:</p> <ul style="list-style-type: none"> <li>To review a sample of contracts and confirm they have been set up/let in accordance with Council (and EU) regulations.</li> <li>To interview line managers responsible for the various properties owned and/or managed by the Council.</li> <li>To review the inspection process of properties owned and/or managed by the Council.</li> <li>To review Standing Orders and all procedures relating to works undertaken by contractors at Council managed properties.</li> </ul>
	Information Governance/Data Quality		Assurance	8	<p><b>Rationale:</b> Compliance with Information Governance legislation is fundamental to the Councils in how it protects data.</p> <p><b>Scope:</b> The review will cover the following key areas:</p> <ul style="list-style-type: none"> <li>Management arrangements exist to ensure compliance with legislation. The information governance roles including the SIRO and Information Governance Officer have been clearly defined and an information governance group (or similar) monitors ongoing information governance issues;</li> <li>Policies and procedures are in place to govern the management of data and systems including a formally adopted information security and data quality policy;</li> <li>Process controls exist to ensure that manual records are stored securely in structured filing systems and are available, if required;</li> <li>Data sharing and third party data processing protocols are in place which ensures that responsibilities for data transferred to and from third parties are clearly defined.</li> </ul>
	Data Protection		Assurance	8	<p><b>Rationale:</b> Data protection is a high risk area for the Councils and can create reputational as well as financial cost. A periodic audit is therefore undertaken to provide assurance that the Councils data protection arrangements are working well.</p> <p><b>Scope:</b> The audit will cover the following key areas:</p> <ul style="list-style-type: none"> <li>review the data protection arrangements to include the Council's policies and procedures</li> <li>assess the training and awareness of data protection relating to key staff</li> <li>review the security of personal data held by the Council</li> </ul>

Quarter	Audit	Risk Ref	Type	Days	Rationale
	Business Continuity		Assurance	7	<p><b>Rationale:</b> It is important for the Councils business to be able to continue in the event of a major incident. A periodic audit is therefore undertaken to provide assurance that business continuity plans are in existence and that they would provide business as usual if an incident occurred</p> <p><b>Scope:</b> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the business continuity planning process and ensuring that the Council is resilient to disruptive events that may impact upon the organisation. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Business Continuity risks are adequately addressed in Corporate and Operational Risk Registers;</li> <li>• Appropriate Corporate and Service Continuity Plans are in place, which are regularly reviewed and readily accessible;</li> <li>• Business Impact Assessments are completed on a regular basis;</li> <li>• Resources required to execute the Plans are adequate and available;</li> <li>• Adequate training is provided to officers to ensure they are fully aware and understand their responsibilities in the event of an incident occurring;</li> <li>• Business Continuity Plans are periodically tested to ensure their effectiveness, with lessons learned incorporated into the planning process.</li> </ul>
	Emergency Planning		Assurance	6	<p><b>Scope:</b> The following key areas will be reviewed:</p> <ul style="list-style-type: none"> <li>• The Councils have prepared an emergency plan which: (i) identifies the types of hazard which may affect the District; (ii) is regularly updated; (iii) specifies the method of raising the alarm; and (iv) has provision for coordinating emergency services.</li> <li>• Staff identified to manage the emergency plan have been adequately trained.</li> <li>• Emergency simulations should be held on a regular basis.</li> <li>• An appropriate Emergency Control Centre is available which is fit for purpose</li> <li>• Resources required to execute the plan are adequate and available.</li> </ul>
	Purchase Cards		Assurance	8	<p><b>Rationale:</b> This is a high profile expense and one that Members have asked for a regular audit to be undertaken.</p> <p><b>Scope:</b> To assess the adequacy and effectiveness of the internal controls in place in the Councils for the distribution, monitoring and managing of the Councils Purchasing Cards.</p> <p>The audit will focus on the following key areas:</p>

Quarter	Audit	Risk Ref	Type	Days	Rationale
					<ul style="list-style-type: none"> <li>Adequate and effective procedures are in place for the appropriate management of Purchasing Cards to include the authorisation of credit card expenditure,</li> <li>Spending limits are proportionate and appropriate;</li> <li>Purchases are in accordance with agreed procedures;</li> <li>Purchases for officer (and Member) expenses are in accordance with approved expenses procedures</li> <li>Credit card statements are reconciled and correctly allocated to budgets on a timely basis.</li> </ul> <p>As part of the audit an analysis will be made of the types of items being purchased using the purchase cards based on a sample of cards in use.</p>
	Expenses		Assurance	8	<p><u>Rationale:</u> This is a high profile expense and one that Members have asked for a regular audit to be undertaken</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place in the Councils for the managing and processing of mileage and expense claims. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>Adequate and effective procedures are in place for the processing of expense claims;</li> <li>The authorisation of expense claims is restricted to appropriate personnel;</li> <li>Officer (and Member) expense claims are authorised and processed in accordance with approved procedures;</li> <li>VAT is reclaimed where appropriate and all relevant receipts are retained to support claims made; and</li> <li>Expenses are correctly allocated to budgets on a timely basis.</li> </ul> <p>As part of the audit an analysis will be made of the types of items being reimbursed based on a sample of claims</p>
	<b>FINANCE</b>				
	Main Accounting		Assurance	7	<p><u>Rationale:</u> This is the main financial ledger and an important system for the Councils which is audited annually.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Councils for the financial accounting system (Integra). The review will focus on the following areas:</p>

Quarter	Audit	Risk Ref	Type	Days	Rationale
					<ul style="list-style-type: none"> <li>Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>Access to Integra is restricted to authorised personnel only and the system is appropriately backed up;</li> <li>Financial information is produced which meets all legal/reporting requirements on a timely basis;</li> <li>Journal entries are supported by adequate narrative, with appropriate separation of duties in place;</li> <li>New ledger codes/amendments are supported by appropriate authorisation;</li> <li>Suspense accounts are regularly reviewed and cleared; and</li> <li>Opening balances are brought forward promptly and accurately.</li> </ul>
	Payroll		Assurance	12	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Payroll function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>Recommendations from the previous audit report have been implemented;</li> <li>Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>System access is restricted to authorised personnel only;</li> <li>Payroll data is supported by proper documentation, properly authorised, and subject to satisfactory segregation of duties; and</li> <li>Reasonableness checks and regular reconciliations are carried out.</li> </ul>
	Accounts Receivable (Debtors)		Assurance	9	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Debtors function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>Recommendations from the previous audit report have been implemented;</li> <li>Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>System access is restricted to authorised personnel only;</li> </ul>

Quarter	Audit	Risk Ref	Type	Days	Rationale
					<ul style="list-style-type: none"> <li>Invoices and credit notes are raised following appropriate authorisation, and are actioned promptly and accurately;</li> <li>Regular reconciliations are carried out between the sales ledger module and the general ledger control account;</li> <li>Regular reviews of outstanding debtors are undertaken using aged debtor listing, with arrears action carried out promptly in accordance with procedures; and</li> <li>Write-offs are approved by senior officers in accordance with procedures</li> </ul>
	Accounts Payable (Creditors)		Assurance	9	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Council for managing the Creditors function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>Recommendations from the previous audit report have been implemented,</li> <li>Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>System access is restricted to authorised personnel only;</li> <li>New supplier set up/amendments to supplier details are subject to satisfactory segregation of duties;</li> <li>Payments are supported by proper documentation, properly authorised, correctly coded, and subject to satisfactory segregation of duties; and</li> <li>Regular reconciliations are carried out between the purchase ledger module and the general ledger control account.</li> </ul>
	Benefits		Assurance	13	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review and test the controls in place at the Council for the Housing Benefits function. The review will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>Appropriate policies and procedures are in place for managing the Benefits process.</li> <li>Access to the Benefits system is restricted and adequately controlled.</li> <li>Standard variables/parameters are independently reviewed at the start of the year.</li> <li>Benefits are properly due and correctly calculated, with appropriate sample checks carried out.</li> </ul>

Quarter	Audit	Risk Ref	Type	Days	Rationale
					<ul style="list-style-type: none"> <li>• Payment runs are subject to independent review and authorisation prior to payment.</li> <li>• System performance is monitored and Benefits data regularly reconciled.</li> <li>• Overpayments are identified and promptly followed up.</li> <li>• Write-offs are approved by senior officers in accordance with authorised procedures</li> </ul>
	Council Tax Support		Assurance	13	<p><u>Rationale:</u> Due to the high volume of transactions and the expenditure involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review and test the controls in place at the Council for the Council Tax Support function. The review will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Appropriate policies and procedures are in place for managing the Council Tax Support process.</li> <li>• Access to the Council Tax Support system is restricted and adequately controlled.</li> <li>• Standard variables/parameters are independently reviewed at the start of the year.</li> <li>• Council Tax Support is properly due and correctly calculated, with appropriate sample checks carried out.</li> <li>• Payment runs are subject to independent review and authorisation prior to payment.</li> <li>• System performance is monitored and Council Tax Support data regularly reconciled.</li> <li>• Overpayments are identified and promptly followed up.</li> <li>• Write-offs are approved by senior officers in accordance with authorised procedures</li> </ul>
	Council Tax and NDR		Assurance	20	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To review the adequacy and effectiveness of the controls in place at the Council for the management of the Council Tax and Business Rates (Non – Domestic Rates (NDR)) function. The audit will focus on the following:</p> <ul style="list-style-type: none"> <li>• There are up to date documented procedures for Council Tax and NDR;</li> <li>• System access is adequately controlled;</li> <li>• The correct charges have been applied;</li> <li>• Regular reconciliations are carried out with Valuation Office listings;</li> <li>• Discounts and exemptions are approved by authorised staff and</li> </ul>

Quarter	Audit	Risk Ref	Type	Days	Rationale
					supported by documentary evidence; <ul style="list-style-type: none"> <li>• Refunds are appropriately approved and authorised prior to payment;</li> <li>• Arrears are promptly identified and pursued and any write offs are valid and authorised;</li> <li>• Suspense accounts are regularly cleared and any exception reports are regularly reviewed; and</li> <li>• Systems are adequately monitored and reconciled</li> </ul>
	Cash and Bank		Assurance	8	<p><u>Rationale:</u> Due to the high volume of transactions and the income involved this is a high risk area and subject to an annual audit</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Councils for managing the Income (Cash &amp; Bank) function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Recommendations from the previous audit report have been implemented;</li> <li>• Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>• System access is restricted to authorised personnel only;</li> <li>• Adequate controls are in place to ensure amounts received are accurately and promptly banked;</li> <li>• Adequate security is in place to manage all cash received and banking arrangements;</li> <li>• Regular reconciliations are carried out between the cash receipting system, the general ledger and the Councils bank accounts; and</li> <li>• All items posted to suspense accounts are checked and regularly cleared.</li> </ul>
	Treasury Management		Assurance	8	<p><u>Rationale:</u> This is an important area for the Councils and one that Members have expressed that an annual audit should be undertaken.</p> <p><u>Scope:</u> To assess the adequacy and effectiveness of the internal controls in place at the Councils for managing the Treasury Management function. The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Adequate policies and procedures are in place and accessible to all relevant staff;</li> <li>• System access is restricted to authorised personnel only and adequate security is in place to manage all treasury management arrangements;</li> <li>• Appropriate controls are in place for identifying surplus funds available for investment and selecting appropriate investments in accordance with the</li> </ul>

Quarter	Audit	Risk Ref	Type	Days	Rationale
					<p>Council's treasury management strategy;</p> <ul style="list-style-type: none"> <li>• Payments of interest and/or principal are appropriately monitored, correctly received and accurately recorded on the Council's finance system;</li> <li>• Regular reconciliations are undertaken for all treasury management transactions; and</li> <li>• Regular monitoring reports are produced for Senior Management and Members in relation to treasury management transactions.</li> </ul>
	<b>ICT</b>				
	Targeted Audits to be agreed and reported to the next Audit (and Standards) Committee		Assurance	24	A full plan for ICT audits will be reported to the next Audit (and Standards) Committee.
	<b>Health and Housing</b>				
	Temporary Accommodation		Assurance	9	<p><u>Rationale:</u></p> <p><u>Scope:</u></p>
	Disabilities Facilities Grants		Assurance	5	<p><u>Rationale:</u> An annual audit which is a central government requirement</p> <p><u>Scope:</u> To examine all income and expenditure and to confirm money spent is in accordance with the Grant conditions</p>
	<b>Environmental Services</b>				
	Ground Maintenance		Assurance	8	<p><u>Rationale:</u> This is a periodic audit to give assurance over how the Councils manage their Ground Maintenance contractor</p> <p><u>Scope:</u> To review the control systems in place to manage the grounds maintenance contract. (This is a joint contract with South Bucks, Chiltern and Wycombe Councils)</p> <p>In particular to review:</p>



Quarter	Audit	Risk Ref	Type	Days	Rationale
					<ul style="list-style-type: none"> <li>Contract payments to the contractor</li> <li>Control of variations to the contract</li> <li>Complaints</li> <li>Arrangements to renew or extend the existing contract</li> <li>Monitoring of the contract</li> <li>Compliance with the contract conditions and specification</li> </ul>
	Waste Services (Chiltern, Wycombe and South Bucks)		Assurance	11	<p><u>Rationale:</u> This is a joint service with Wycombe and is audited periodically. The review is primarily around the contract monitoring and management arrangements as this service is run by a private contractor.</p> <p><u>Scope:</u> Examine and test the controls which manage the Waste Collection contract to include review of:</p> <ul style="list-style-type: none"> <li>Policy and procedures</li> <li>Client Monitoring Framework</li> <li>Payments</li> <li>Works orders and variations</li> <li>Performance management, penalties and complaints</li> <li>Recharge and funding arrangements</li> <li>Governance</li> <li>Recycling arrangements/targets</li> </ul>
	Car Parking		Assurance	7	<p><u>Rationale:</u> Car Parking income is an important contribution to the Council's finances and periodic auditing confirms it is being properly accounted for.</p> <p><u>Scope:</u> The review will include the following key areas:</p> <ul style="list-style-type: none"> <li>To assess the adequacy and effectiveness of the internal controls in place relating to the collection, recording and banking of all car parking income.</li> <li>To include an assessment of the process for the recovery of income.</li> <li>To ensure that income received is adequately protected from loss</li> </ul>
	Cemeteries			8	<p><u>Rationale:</u> This is a periodic audit to test the systems at the cemeteries and to give assurance that all processes are working as required.</p> <p><u>Scope:</u> The audit will consider and review the following key areas:</p>

Quarter	Audit	Risk Ref	Type	Days	Rationale
					<ul style="list-style-type: none"> <li>the Councils policy and procedures with regard to the cemeteries</li> <li>the cemetery records and procedures for their maintenance and storage</li> <li>the cemetery health and safety issues</li> <li>the staffing levels at the cemeteries are adequate</li> <li>income is correctly accounted for</li> </ul>
	Commercial Rents/Debt Recovery		Assurance	8	<p><b>Rationale:</b> Commercial Rents are becoming a major income stream for Council's and an annual audit is required to provide assurance that all rents are collected in accordance with the rental/lease agreement</p> <p><b>Scope:</b> The review will consider the following key areas:</p> <ul style="list-style-type: none"> <li>The current portfolio of commercially rented properties and how these are managed/verified are accurate within the management system.</li> <li>To establish and confirm that all commercial rents are appropriately recorded with trigger dates for rent reviews in place.</li> <li>To establish that the database of commercial properties is accurate and up to date.</li> <li>To sample test a number of commercial properties to confirm that rents are paid in accordance with their agreement</li> </ul>
	<b>Human Resources</b>				
	Absence Management		Assurance	8	<p><b>Rationale:</b> This is a periodic audit that has not been undertaken for some time.</p> <p><b>Scope:</b> The audit will review the following key areas:</p> <ul style="list-style-type: none"> <li>The Councils absence and sickness policy and procedures</li> <li>Roles and responsibilities for managing absence</li> <li>Monitoring and recording of absence</li> <li>Reporting and follow up action</li> </ul>
	Recruitment		Assurance	8	<p><b>Rationale:</b> This is a periodic audit that has not been undertaken for some time.</p> <p><b>Scope:</b> The audit will cover the following key areas:</p> <ul style="list-style-type: none"> <li>Policies and procedures</li> <li>Approval processes</li> <li>Selection processes</li> <li>Advertising and openness</li> </ul>

Quarter	Audit	Risk Ref	Type	Days	Rationale
					<ul style="list-style-type: none"> <li>• Shortlisting</li> <li>• Interview and selection</li> <li>• Pre-employment checks</li> <li>• Employment contracts</li> <li>• Complaints</li> </ul>
	Harmonised Policies and Procedures		Assurance	8	<p><b>Rationale:</b> With Chiltern and South Bucks having a single work stream for all services it is important that the HR policies and procedures are harmonised and provide appropriate direction for resources</p> <p><b>Scope:</b> The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• A review of the new harmonised policies and procedures for HR to confirm they are appropriate, comprehensive and fit for purpose</li> </ul>
	iTrent Payroll System (HR Module)		Assurance	6	<p><b>Rationale:</b> The Councils have recently invested in a new HR system which is a part of the iTrent Payroll application who manage human resources. This is an important system for the Council and assurance over its integrity and application have been requested.</p> <p><b>Scope:</b> The audit will focus on the following key areas:</p> <ul style="list-style-type: none"> <li>• Procedures for the operation and management of the iTrent HR module</li> <li>• Transfer of data from the existing system to the new iTrent system</li> <li>• Reconciliation of all personnel on the iTrent system with the Payroll system</li> <li>• Ongoing management and monitoring arrangements for the HR module</li> </ul>
	<b>Farnham Park Trust</b>				
	Stores and shop		Assurance	5	<p><b>Rationale:</b> This is a high risk area for the Trust and is audited annually</p> <p><b>Scope:</b> A cradle to grave audit of stock identified, purchased, held and sold at the Trust (The South Buckinghamshire). This will include:</p> <ul style="list-style-type: none"> <li>• The effective identification and purchase of stock;</li> <li>• An adequate system of control of stock held pending sale</li> </ul> <p>A sound system of sales including restocking</p>

Quarter	Audit	Risk Ref	Type	Days	Rationale
	Bar		Assurance	5	<p><u>Rationale:</u> The Council have recently taken back in-house the running of the bar at the South Buckinghamshire and an early audit has been requested by management.</p> <p><u>Scope:</u> The audit will focus on the following key issues:</p> <ul style="list-style-type: none"> <li>• An understanding of the Licensing Act 2003</li> <li>• Policy and procedures for the bar to include type of stock to be sold and purchasing arrangements</li> <li>• Staff training and whether any hold a qualification recognised by the British Institute of Innkeepers</li> <li>• Security arrangements for bar stock and takings</li> <li>• CCTV coverage and retention arrangements</li> <li>• Security of premises and lock up arrangements</li> <li>• Stock take arrangements</li> <li>• Banking arrangements</li> <li>• Pricing Policy</li> <li>• Member/Chief Officer approvals</li> </ul>
	Management Support			2	Time to be spent providing advice and assistance to the General Manager on matters relating to governance, control and risk.
	<b>Other</b>				
1	Follow up			10	An annual audit to review recommendations made through the year and to capture any previous outstanding recommendations from earlier audit reports
1	Risk Management Assistance			10	Ongoing assistance to the two Councils on risk management
4	2017/18 Annual Report			2	Preparation of the annual assurance report for each Council

Quarter	Audit	Risk Ref	Type	Days	Rationale
1-4	Management, Quality Assurance and Support			22	This time includes attendance at Audit Committee meetings and overall contract management.
			<b>Total days</b>	<b>342</b>	

## Assurance Mapping

### Corporate assurance risks

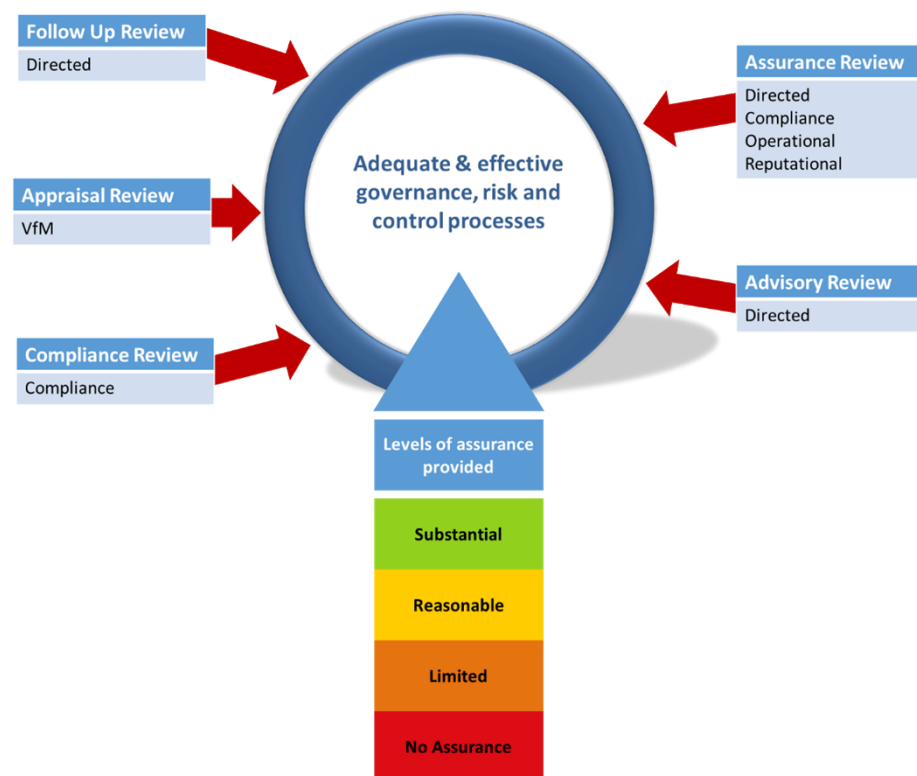
We consider four corporate assurance risks; directed; compliance; operational and reputational. The outcomes of our work on these corporate assurance risks informs both the individual assignment assurance assessment and also the annual assurance opinion statement. Detailed explanations of these assurance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

### Assurance assessment gradings

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

### Types of audit review

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



## Audit Remit

### Role

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Councils framework of governance, risk management and control. TIAA is responsible for giving assurance to Chiltern and South Bucks Councils Audit (and Standards) Committee on the adequacy and effectiveness of the Councils risk management, control and governance processes.

### Scope

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

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

### Standards and Approach

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

### Access

TIAA has unrestricted access to all documents, records, assets, personnel and premises of Chiltern and South Bucks Councils and is authorised to obtain such information and explanations as they consider necessary to form their opinion. The collection of data for this purpose will be carried out in a manner prescribed by TIAA's professional standards, Information Security and Information Governance

policies.

### Independence

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

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

Consultancy activities are only undertaken with distinct regard for potential conflict of interest. In this role we will act in an advisory capacity and the nature and scope of the work will be agreed in advance and strictly adhered to.

### Irregularities, Including Fraud and Corruption

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

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