



**South Bucks District Council**

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**Internal Audit Progress Report**

**2016/17**

**Audit Committee – 16 March 2017**

## 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 17 February 2017.

## 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 2016/17

5. The table below sets out details of audits finalised since our last report to the Audit Committee for the year 2016/17. Final reports with priority 1 and 2 recommendations are shown at Appendix B.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM*
Main Accounting	Substantial	16/12/16	10/01/17	11/01/17	0	0	2	1
Energy Efficiency Grant	Substantial	07/02/17	07/02/17	08/02/17	0	0	0	0
Debtors	Reasonable	03/01/17	08/02/17	13/02/17	0	1	2	1
Creditors	Substantial	20/12/16	05/01/17	06/01/17	0	0	2	1

\*Operational Effectiveness Matters

## CHANGES TO THE ANNUAL PLAN 2016/17

6. The following audits are additional to the annual plan:
  - Purchasing Cards.
  - Contractor Health and Safety – follow on from 15/16 audit.
  - Expenses.

The following audits are deleted from the annual plan:

- Individual Electoral Registration (audit undertaken in later part of 2015/16).
- Farnham Park – Academy (Academy now closed).
- Waste - joint service between CDC and Wycombe D.C. (The previous year's follow up was concluded late in 2016/17 – audit to be undertaken in 2017/18)
- Complaints and Compliments (the new system is not yet in place – audit to be undertaken in 2017/18)
- HR – Absence Management (new system not yet embedded – audit to be undertaken in 2017/18)
- HR – Recruitment (new system not yet embedded – audit to be undertaken in 2017/18)

### **FRAUDS/IRREGULARITIES**

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

### **LIAISON WITH EXTERNAL AUDIT**

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

### **PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS**

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

### **RISK MANAGEMENT**

10. The Audit Director with TIAA and the Councils Audit, Fraud & Error Reduction Manager have met to discuss progressing Risk Management for both Councils.

The risk management project continues and further posters are to be displayed on all notice boards at the main civic offices for South Bucks and Chiltern Councils, as well as data on the Councils intranet and regular items within the Councils all staff Newsletter.

Appropriate training will also be developed and delivered during 2016/17 on "Risk Management in a Changing Environment" for all middle managers. This will be incorporated into the current personnel training programme for staff.

### **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	In progress	Audit commenced 23 February 2017
Purchasing Cards	1	11	Final report issued June 2016	Additional Review to 2016/17 plan
Contractor Health and Safety – follow on	1	5	In progress	Additional Review to 2016/17 plan
Property and Asset Management	1	8	Draft report issued July 2016	
Information Governance/Data Quality	1	9	Final report issued October 2016	
Health & Safety – internal arrangements	1	8	Draft report issued February 2017	
Licensing	1	10	Final report issued October 2016	
Environmental Health	1	10	Final report issued December 2016	
Absence Management	1	8	Cancelled	Request by Head of Service to postpone
Expenses	1	8	Final report issued November 2016	Additional Review to 2016/17 plan
ICT - Controls over access to the internet	2	6	In progress	Audit delayed
Individual Electoral Registration	2	8	Cancelled	An audit of this system was undertaken during 2015/16 and a further audit is not required at this time
Recruitment	2	8	Cancelled	New system not yet embedded
Leisure Contracts	2	8	Draft report issued February 2017	
Waste-Joint Service Chiltern and Wycombe	2	8	Cancelled	To be undertaken in 2017/18
Budgetary Control	2	8	Final report issued October 2016	
ICT - Information risk management	2	10	In progress	Audit Delayed

System	Planned Quarter	Days	Current Status	Comments
ICT - Network project implementation	3	10	In progress	Audit Delayed
ICT - Mobile / agile working	3	10	In progress	Audit Delayed
Main Accounting	3	8	Final report issued January 2017	
Governance	3	9	In progress	
Procurement	3	8	In progress	
Debtors	3	10	Final report issued January 2017	
Council Tax and NDR	3	20	Draft report issued February 2017	
Cash and Bank	3	9	Draft report issued February 2017	
Benefits	3	10	Draft report issued February 2017	
Council Tax Support	3	10	Draft report issued February 2017	
Creditors	3	10	Final report issued January 2017	
Payroll	3	13	Draft report issued February 2017	
Complaints and Compliments	3/4	6	Cancelled	
Follow up	4	10	Ongoing	To be undertaken during quarter 1 of 2017/18
Car Parking	4	11	Planned start date end February 2017	
Risk Management Assistance	3/4	10	Ongoing risk management assistance	
Counter Fraud	4	8	In progress	
Disabled Facilities Grants	TBA	5	Final report issued July 2016	
Housing DECC Grants – energy efficiency	TBA	20	Final report issued February 2017	Additional days agreed

System	Planned Quarter	Days	Current Status	Comments
<b><u>Farnham Park Trust</u></b>				
Bar	1	5	Audit now planned to start in March 2017	
Academy	1	0	Cancelled	Academy closed
Stores/Shop	1	5	Draft report issued September 2016	
Contingency		2		Time spent with Farnham Park Manager on control, risk and governance issues

**KEY:**

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

## Audits Finalised since last Audit Committee

 Title of review: **Debtors**

 Date issued: **February 2017**

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Compliance	Sample testing of 30 sundry debtor invoices highlighted five cases where the request forms had been completed by individuals without the requisite authority as per the authorised signatory list. In addition, sample testing of 30 credit notes highlighted 3 cases where the request forms had been completed by individuals without the requisite authority.	Sundry debtor invoices and credit notes to be raised only upon receipt of requests which have signed off by an appropriately authorised officer.	2	<i>This will be raised in the next Finance Training and staff entering debtor invoices will be asked to check the authorised signatory list before input.</i>	08/02/17	Finance Manager