



Chiltern & South Bucks District Councils

Follow-up Review of 2016/17 Internal Audit Reports

2016/17

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 & South Bucks District Councils, which had been finalised during 2016/17 (with a cut-off date of 15 May 2017). Unless otherwise specified, these were joint audit reviews for both Chiltern & South Bucks. This follow up review was carried out during May and June 2017.

Figure 1 – Reviews followed up

Review	Year	Date of Final Report
Payroll	2015/16	18 May 2016
Cash & Bank	2015/16	19 May 2016
Housing: Section 106	2015/16	27 May 2016
Data Protection	2015/16	2 September 2016
Network Transition	2015/16	8 September 2016
Updata Contract	2015/16	16 September 2016
Planning Enforcement (SBDC only)	2015/16	21 September 2016
Governance (Transparency Code)	2015/16	27 September 2016
Purchasing Cards	2016/17	10 June 2016
Disabled Facilities Grants	2016/17	20 July 2016
Information Governance/Data Quality	2016/17	11 October 2016
Licensing	2016/17	13 October 2016

Review	Year	Date of Final Report
Budgetary Control	2016/17	28 October 2016
Expenses	2016/17	10 November 2016
Environmental Health	2016/17	14 December 2016
Main Accounting	2016/17	11 January 2017
Energy Efficiency Grant	2016/17	8 February 2017
Debtors	2016/17	13 February 2017
Chiltern Crematorium (CDC only)	2016/17	24 February 2017
Payroll	2016/17	24 February 2017
Stock Control – South Buckinghamshire Golf Club (SBDC only)	2016/17	2 March 2017
Council Tax & NDR (CDC only)	2016/17	16 March 2017
Housing Benefits & Council Tax Support (CDC only)	2016/17	18 March 2017
Property & Asset Management	2016/17	18 March 2017
Housing Benefits & Council Tax Support (SBDC only)	2016/17	21 March 2017
Treasury Management Practices	2016/17	27 March 2017
Procurement	2016/17	28 March 2017
Governance	2016/17	4 April 2017

Review	Year	Date of Final Report
Car Parking Income	2016/17	5 April 2017
Health & Safety (internal arrangements)	2016/17	5 April 2017
Council Tax & NDR (SBDC only)	2016/17	4 May 2017
Fighting Fraud Locally: CIPFA checklist report	2016/17	15 May 2017

KEY FINDINGS

- 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.

Evaluation	Number of Recommendations
Implemented	40
In Process of Being Implemented	3
Revised Target Date	4
Considered but not Implemented	-
Implementation Date not yet Reached	15
Not Implemented	-

- Where recommendations are in the process of being implemented or have a revised target date, these will continue to be monitored during 2017/18. Details relating to the specific recommendations in these cases have been included in the Detailed Report section below.
- For the 40 recommendations that have been confirmed as implemented, no further action is necessary and specific details have not been included in this report. For the 15 recommendations which have not yet reached their implementation date, no action was required at this time and, as such, specific details have not been included in this report. These recommendations will continue to be periodically monitored during 2017/18 as they reach their intended implementation dates.

SCOPE AND LIMITATIONS OF THE REVIEW

- 5. 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.
- 6. 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
- 7. 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

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

Date draft report issued:	15 th June 2017
Date management responses recd:	
Date final report issued:	

Detailed Report

FOLLOW UP

9. 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: Housing: Section 106

From the review of the documentation and checks carried out the assessment is:

Implemented	-	Considered but not Implemented	-
In Process of Being Implemented	1	Implementation Date not yet Reached	-
Revised Target Date	-	Not Implemented	-

Recommendation:	Priority: 3
<p>Quarterly reports on section 106 financial contributions to be produced for CDC Cabinet in accordance with the provisions of the CDC Affordable Housing SPD.</p>	
<p>Action taken: In Process of Being Implemented.</p>	
<p>Audit Observation: It was confirmed by the Housing Manager that quarterly reporting to CDC Cabinet has not yet been fully implemented; updates have been reported informally to the CDC Affordable Housing Member Working Group which meets every 2 to 3 months and includes Cabinet Members. The Housing Manager has scheduled a report to be made to Cabinet on 19th September 2017 and will subsequently submit reports to the formal Cabinet on a quarterly basis if Members confirm that they wish to receive the reports on this basis.</p>	

Review: Data Protection

From the review of the documentation and checks carried out the assessment is:

Implemented	-	Considered but not Implemented	-
In Process of Being Implemented	1	Implementation Date not yet Reached	-
Revised Target Date	2	Not Implemented	-

Recommendation:	Priority: 2
The need for information sharing protocols between Chiltern and South Bucks Councils be investigated and addressed.	
Action taken:	
Revised Target Date – 28/02/18	
Audit Observation:	
It was confirmed by the Corporate Information Manager that a data sharing conference is planned for February 2018 with a GDPR updated Bucks Overarching Data Sharing Protocol.	

Recommendation:	Priority: 2
Additional resource be identified for managing subject access requests as a backup or for managing peaks in this activity.	
Action taken:	
Revised Target Date – 22/06/18	
Audit Observation:	
It was confirmed by the Corporate Information Manager that DSARS training will be developed post implementation of the GDPR and delivered to the IAAs thus corporately increasing the skill set.	

Recommendation:	Priority: 3
Data security and confidentiality training be made compulsory and be regularly (say annually) received with evidence of attendance maintained.	
Action taken: In Process of Being Implemented.	
Audit Observation: The joint policy for Data Protection (published on the intranet) stipulates that DP induction training is mandatory for all and annual refresher training takes place. HR have been reviewing software that keeps training record tracking. It was confirmed by the HR Manager that that they continue to work on developing the functionality of the existing Learning Pool software in order to allow for this facility but this requires several more months work. In the meantime attendance at DP will continue to be recorded on a spreadsheet. It is expected that the development of this functionality should be completed by the end of September 2017.	

Review: Governance (Transparency Code)

From the review of the documentation and checks carried out the assessment is:			
Implemented	-	Considered but not Implemented	-
In Process of Being Implemented	1	Implementation date not yet Reached	-
Revised Target Date	-	Not Implemented	-

Recommendation:	Priority: 2
<p>A web page specifically for the Transparency Code be developed by each council that lists all fifteen areas of the Code which either has links to other pages where the data can be found or explains why the data is not available.</p>	
<p>Action taken: In Process of Being Implemented.</p>	
<p>Audit Observation: It was confirmed by the Corporate Information Manager that work started on this process in June 2016. Trade Union data has been provided by HR and Customer Services are due to publish Fraud data in July 2017. Work is currently ongoing towards the 2016-2018 code. A finalised code has not produced by central government, therefore a target date is not possible to define currently.</p>	

Review: Purchasing Cards

From the review of the documentation and checks carried out the assessment is:			
Implemented	3	Considered but not Implemented	-
In Process of Being Implemented	-	Implementation Date not yet Reached	-
Revised Target Date	2	Not Implemented	-

Recommendation:	Priority: 3
Procedures relating to the use of purchase cards for expense items to be clarified.	
Action taken:	
Revised Target Date – 31/08/17	
Audit Observation:	
<p>It was confirmed by the Finance Manager that a report was taken to Management Team to stop the use of purchasing-cards for professional fees. Management Team did not accept the change and elected to keep the current process. Guidance will now be reviewed as a result.</p> <p>This will be reviewed again as part of the 2017/18 audit of this area.</p>	

Recommendation:	Priority: 3
Consistent approach to be taken for payment of employee subscriptions to ensure that payments which constitute benefits in kind are identified so that they are recorded on staff P11d's.	
Action taken:	
Revised Target Date – 31/08/17	
Audit Observation:	
<p>It was confirmed by the Finance Manager that a report was taken to Management Team to stop the use of purchasing-cards for professional fees. Management Team did not accept the change and elected to keep the current process. Guidance will now be reviewed as a result.</p> <p>This will be reviewed again as part of the 2017/18 audit of this area.</p>	
