



Chiltern & South Bucks District Councils

Follow Up Review of 2017/18 Internal Audit Reports 2017/18

Executive Summary

INTRODUCTION

- 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 had been finalised during 2017/18 (with a cut-off date of 15 May 2018). Unless otherwise specified, these were joint audit reviews for both Chiltern and South Bucks. The review was carried out in May and June 2018.

Review	Year	Date of Final Report
Cash & Bank	16/17	23 May 2017
Mobile & Agile Working	16/17	4 July 2017
Information Risk Management	16/17	4 July 2017
Access to the Internet	16/17	4 July 2017
Network Convergence Programme	16/17	4 July 2017
Contractor Health & Safety	16/17	14 July 2017
Crematorium New Admin System (CDC only)	16/17	20 July 2017
Leisure Contracts	16/17	11 September 2017
South Buckinghamshire Golf Club – Stock Control (Bar) (SBDC only)	16/17	2 October 2017
Disabled Facilities Grants	17/18	4 July 2017
Expenses	17/18	7 July 2017

Review	Year	Date of Final Report
Chilterns Crematorium (CDC only)	17/18	14 July 2017
Complaints and Compliments	17/18	15 August 2017
Business Rates (CDC only)	17/18	20 September 2017
Emergency Planning	17/18	21 September 2017
Harmonised HR policies & procedures	17/18	22 September 2017
iTrent HR module	17/18	22 September 2017
Gifts & Hospitality	17/18	11 October 2017
Commercial Rents	17/18	24 October 2017
Business Rates (SBDC only)	17/18	10 November 2017
Main Accounting	17/18	15 November 2017
Council Tax (CDC only)	17/18	11 December 2017
Council Tax (SBDC only)	17/18	12 December 2017
Contracts and Procurement	17/18	20 December 2017
HR - Recruitment	17/18	10 January 2018
Purchasing Cards	17/18	17 January 2018
Payroll	17/18	8 February 2018

Review	Year	Date of Final Report
Housing Benefits & Council Tax Support (CDC only)	17/18	13 February 2018
Creditors	17/18	13 February 2018
Debtors	17/18	13 February 2018
Joint Grounds Maintenance Contract	17/18	28 February 2018
Treasury Management	17/18	5 March 2018
Car Parking Income	17/18	20 March 2018
Cash & Bank	17/18	26 March 2018
Housing Benefits & Council Tax Support (SBDC only)	17/18	27 March 2018
Crematorium Admin System follow up (CDC only)	17/18	1 May 2018

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	37
In Process of Being Implemented	1

Evaluation	Number of Recommendations
Revised Target Date	5
Target Date not yet reached	6
Considered but not Implemented	1
No Longer Applicable	1
Not Implemented	0

3. Two further audit reviews carried out in 2017/18 (Temporary Accommodation and CDC Waste – Health & Safety) are subject to specific, formal follow up reviews early in 2018/19 which will be reported upon separately and as such have not been included within this general follow up review.
4. Where recommendations are in the process of being implemented or have a revised target date, these will continue to be monitored during 2018/19. Details relating to the specific recommendations in these cases have been included in the Detailed Report section below.
5. For the 37 recommendations that have been confirmed as implemented, no further action is necessary and specific details have not been included in this report. For the 6 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 2018/19 as they reach their intended implementation dates

SCOPE AND LIMITATIONS OF THE REVIEW

6. 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.
7. 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.
8. 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

9. The table below sets out the history of this report.

Date draft report issued:	18 th June 2018
Date management responses received:	25 th June 218
Date final report issued:	26 th June 2018

Detailed Report

FOLLOW UP

10. 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: 16/17 Information Risk Management

From the review of the documentation and checks carried out the assessment is:			
Implemented	1	Considered but not Implemented	-
In Process of Being Implemented	-	Target Date not yet reached	1
Revised Target Date	2	Not Implemented	-

Recommendation:	Priority: 3
Policy and procedure documentation be reviewed and confirmed as current, or updated as necessary. A version control to verify last review date be introduced.	
Action taken: The initial target date of 31/03/18 has been revised to 31/07/18.	
Audit Observation: It was advised by the Head of Business Support that this work has been impacted by the ill health of the Corporate Information Manager and their absence from the office. Other members of Business Support have picked up the work to review and publish updated versions of required documents.	

Recommendation:	Priority: 3
<p>A project to commence document retention management be instigated to ensure data, information and documents are not retained inappropriately.</p>	
<p>Action taken: The initial target date of 31/03/18 has been revised to 31/07/18.</p>	
<p>Audit Observation: It was advised by the Head of Business Support that this work has also been impacted by the ill health of the Corporate Information Manager and their absence from the office. Other members of Business Support have picked up the work to assist service managers to review their Information Asset Registers. Refresher training is also being provided.</p>	

Review: 16/17 South Buckinghamshire Golf Club Stock Control (Bar) (SBDC only)

From the review of the documentation and checks carried out the assessment is:			
Implemented	2	Considered but not Implemented	1
In Process of Being Implemented	1	Target Date not yet reached	-
Revised Target Date	-	Not Implemented	-

Recommendation:	Priority: 2
<p>Purchase orders to be raised on the Integra purchase order system for bar and catering products.</p>	
<p>Action taken: Considered but not Implemented.</p>	
<p>Audit Observation: It was advised by the Golf Club General Manager that this system has not been introduced, as orders are placed in the main by telephone on a daily basis with suppliers and staff would not have the time to then enter onto Integra. There can be up to 10 different orders per week. As a mitigating factor, all orders are now recorded and signed for as agreed with the external stock taker.</p>	

Recommendation:	Priority: 3
Catering management to work with ESP to ensure the bar stock units and cost prices are loaded to ESP to ensure that stock ordering processes are updated and that ESP can control stock movements.	
Action taken: In Process of Being Implemented.	
Audit Observation: It was advised by the Golf Club General Manager that they have been unable to add stock to ESP to date as it was not possible to change the system to a zero starting figure. In addition the setup on ESP relates to what is ordered (i.e. a barrel or a case) and do not correlate with how items are sold (bottle, glass or pint). Staff will be contacting ESP in June to see if this can be amended and start again.	

Review: 17/18 Complaints & Compliments

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

Recommendation:	Priority: 3
The draft Intranet Comments, Compliments and Complaints Procedure to be expanded to include details of: i) complaint register details at stages one to three, ii) complaint monitoring details at each level, iii) any customer/service complaint referred to the Local Ombudsman and other independent bodies, iv) lessons learnt from the complaint process, and v) customer/ service action taken.	
Action taken: The initial target date of 31/10/17 has been revised to 31/03/19.	
Audit Observation:	

It was advised by the Customer Services Manager that since the audit there has been continuing development of the Full Business Case for the Customer Experience Strategy for all services across both Councils. The Full Business Case is due to go to the Joint Committee in June 2018. Part of the implementation and programme of work within the strategy includes the procurement of a CRM lite with the ability to record, monitor and measure SLA on Complaints, Comments and Compliments. This is due to be part of Phase 1 and will be in place by April 2019. This is the new timeline. The draft intranet procedure has not been updated or rolled out yet due to the decision being made in the Full Business Case for a centralised Team to monitor and manage.

Review: 17/18 Council Tax (SBDC only)

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

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

Recommendation:

Priority: 3

Council Tax Reduction Scheme general guidance be added to the Council's Benefits/Council Tax Support page of the website to provide relevant information to tax payers.

Action taken:

The initial target date of 31/01/18 has been revised to 30/11/18.

Audit Observation:

It was advised by the Service Development Manager that this action has not been implemented to date. General user friendly guidance is still to be written. Publishing the full scheme was considered however this runs to 140 pages. Guidance is to be produced by November 2018.

Review: 17/18 Contracts and Procurement

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

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

Recommendation:	Priority: 3
Specific procedures for procurement via framework contracts and preferred suppliers to be included in the Contracts Procedure Rules.	
Action taken: The initial target date of 30/06/18 has been revised to 30/11/18.	
Audit Observation: In the original management comments it was agreed that it would be useful for the rules to include this. The Contract Procedure Rules were due to be updated to reflect changes for e-procurement in March 18, therefore it was planned for this information to be built into the revised version. During this follow up review it was confirmed by the Principal Accountant that e-procurement is now due to be implemented in October 2018, therefore the implementation date for the recommendation has been revised to reflect this.	
