

AUDIT, RISK AND FRAUD MANAGER'S ANNUAL REPORT

The purpose of my opinion is to contribute to the assurances provided to Senior Management as regards its own assessment of the effectiveness of the Council's system of internal control. The opinion will also assist Senior Management in the completion of the Annual Governance Statement (AGS).

My opinion is set out as follows:

1. Overall opinion
2. Basis for the opinion

Overall opinion

My overall opinion is that significant assurance can be given in relation to the core financial reviews that were undertaken in 2016/17 and that there is a sound system of internal control designed to meet the Council's objectives and that controls are generally being applied consistently.

As well as undertaking a number of core financial audits which are necessary in order to provide the Audit, Risk and Fraud Manager's opinion, we also undertake a number of audits in other operational areas of the Council. These audits aim to add value through the delivery of the Internal Audit plan and enable Internal Audit to build a picture of the overall state of governance within the Council.

I am concerned that the Council has yet to fully implement and embed a formal structure for its programme management and project development arrangements and this was raised as an observation in my Opinion report for 2015/16 and therefore for the second year I am unable to form an opinion as regards the adoption and implementation of a recognised and structured approach, on a Council wide basis.

I have been informed that the Council's procedures for project development and programme management have been subject to review by the Corporate Director whose report and recommendations will be discussed by the Strategic Management Board prior to the implementation of agreed changes with a view to tightening up project appraisal, improving risk assessment and ensuring a consistent, well managed approach to developing and managing projects.

Full details on the opinion and commentary regarding how the level of assurance was derived are detailed in this report, however a summary is provided below in order to provide some context to the opinion.

The opinion has been derived based on the balance of audits that received either "Strong Controls are in place, or Controls are in place but improvements would be beneficial" opinion. Of the 16 completed reviews only one received an opinion

that “Improvements in application of controls are required”. A detailed explanation of the audit opinions used is attached at Appendix A. Appendix B provides an explanation for each of the completed internal audit reviews.

These audits are agreed at the outset of each financial year with the Strategic Management Board, Senior Management and the Audit Committee.

Basis for the opinion

Internal Audit Coverage

An assessment based on the range of individual opinions arising from risk based audit assignments, as detailed in the internal audit programme, has been used. The assessment has taken account of the relative materiality of those areas and Managements progress in respect of addressing control weaknesses.

Operational Risk Registers (ORRs) and the Strategic Risk Register (SRR)

Key to demonstrating that the Council has in place an assurance framework, the following needs to be considered:

- the context of risk within the Council,
- identifies, analyses, evaluates and assesses risk through the adoption of operational risk registers and a strategic risk register.

At an operational level, work has been undertaken throughout the year to develop operational risk registers that are based on service plan objectives and as part of the 2016 /17 Annual Assurance statement process Heads of Services have confirmed that operational risk registers are in place and are subject to periodic review.

A Strategic Risk Register has been in place during 2016/17 with quarterly reporting to the Strategic Management Board and regular reports to the Audit Committee and Leaders Strategic Briefing.

Strategic Management Board are reminded that identifying, managing and mitigating risk is a continual task and should be bedded into normal activity and not just constrained to quarterly reporting.

Corporate Investigations Team

We are required under CIPFA’s current governance framework *Delivering Good Governance in Local Government Framework 2016* ” to demonstrate how effective the Councils counter fraud and anti-corruption arrangements are”.

Since March 2015, the Council has developed plans, from its Tackling Fraud and Corruption report and is seeking to refresh the Councils counter fraud and corruption

arrangements in line with best practice as recommended by CIPFA's Managing the Risk of Fraud and Corruption. A more detailed explanation of the Council's arrangements can be found on pages 7-11

Key to these arrangements is the need for the Council to understand the potential level of risk exposure across the whole Council and then to assess on a measured approach those services that have a greater level of fraud risk exposure. Initial work was undertaken during 2016/17 to develop fraud risk registers and this approach needs to be refined during 2017/18. .

INTERNAL AUDIT, RISK MANAGEMENT AND CORPORATE INVESTIGATIONS
DIVISION ANNUAL REPORT 2016/17

INTRODUCTION

The Division consists of three strands:

- Internal Audit
- Risk Management
- Corporate Investigations

BACKGROUND - INTERNAL AUDIT

The purpose of this report is to provide an update of the audit reports that have been issued during 2016/17.

The original audit programme agreed by the Audit Committee at their meeting in June 2016 set out a programme of work consisting of 18 reviews. This has been subject to revision due to changes within the individual service areas which not predicted at the time original programme was prepared, notably:

Parking Review – review was not undertaken as scheduled due to the reintroduction of Pay and Display parking facilities in February 2017. This review has been rescheduled and will be undertaken in July 2017.

Fixed Assets and Inventories- follow up review. This review was not undertaken due to developments within the Service, including the introduction of a software package for Estates Management in March 2017. This review has been rescheduled and will be undertaken in October 2017.

Commercial Leases – due to scheduling difficulties, it was not possible to undertake the review in 2016/17, therefore this review has been rescheduled and will be undertaken in May 2017.

In terms of resources, we have continued to be supported in the delivery of the audit programme by an external service provider and are pleased to report that through a close working relationship with the Audit Risk and Fraud Manager in commissioning, scheduling and managing the relationship we have continued to deliver.

Internal Audit continues to provide additional services and support via attendance at several corporate working groups:

Major Projects Support Group
Corporate Equalities

Despite all the above calls on Internal Audit time, we are pleased to report that the audit programme was achieved and we have completed 16 audit reviews.

Customer Satisfaction Questionnaires.

On completion of each audit, the Client is sent a questionnaire. The completed questionnaire provides a useful measure as to the effectiveness and efficiency of the Internal Audit Service on an individual review basis.

- General comment about the usefulness and value of the audit review
- Audit planning
- Quality of the audit report
- Timing of the audit review
- Communication during the audit review
- Conduct of the auditor
- Exit meeting
- Improvements in performance with the Service area
- Proper management of risk or reduction in risk.

The scores for each review are detailed in the summary of each audit report.

CSS = Customer Satisfaction Score

The table below provides a summary of the audit reviews completed in 2016/17. It shows the total number of recommendations made compared to the number of recommendations that have been accepted by Management in order to improve the internal control framework within individual Service functions.

AUDIT REVIEW TITLE	OPINION	Number of recommendations made.	Implemented recommendations
CORE FINANCIAL REVIEWS			
Payroll 2015/16 (carried forward)	Strong controls are in place	2	2
Treasury Management	Controls are in place, but improvements would be beneficial.	2	2
Main Accounting and Budgetary Control	Controls are in place, but improvements would be beneficial.	4	4
Income	Strong controls are in place	1	1
Council Tax and Non-Domestic Rates	Strong controls are in place	2	2
Housing Benefit and Council Tax Reduction	Strong controls are in place	0	0
Corporate Debt Management	Controls are in place, but improvements would be beneficial	6	6
Creditors	Controls are in place, but improvements would be beneficial	4	4
Payroll 2016/17	Controls are in place, but improvements would be beneficial	5	5
NON CORE FINANCIALS			
Licensing (PH, Hackney Carriages and Operators)	Controls are in place, but improvements would be beneficial.	3	3
Food Safety	Controls are in place, but improvements would be beneficial.	6	6
Building Control	Strong controls are in place.	3	3
Tree Preservation Orders	Controls are in place, but improvements would be beneficial.	5	5
Housing Act 2004	Controls are in place, but improvements would be beneficial.	4	4
CONTRACT REVIEWS			
Follow- up - Combined ICT and CSC Contract Review	Strong controls are in place	2	2
Follow up - Joint Waste Collection, Recycling and Street Cleansing Contract Review.	Strong controls are in place		
TOTAL		49	49

CORPORATE INVESTIGATIONS – PERFORMANCE SUMMARY

Since May 2016 the Corporate Investigations Team consists of two part time qualified investigators (1.03 FTE) whose role is to investigate allegations of corporate fraud which covers the investigation in to allegations of fraud in relation to Council Tax Reduction, Single Person Discount, National Non Domestic Rates (NNDR) and Housing & Homeless applications.

In establishing the new Corporate Investigations Team, we have in part followed recommended best practice from CIPFA's "Managing Fraud and Corruption" which identifies five key activities:

1. Acknowledge the responsibility of the governing body for countering fraud and corruption.
2. Identify the fraud and corruption risks
3. Develop an appropriate counter fraud and corruption strategy
4. Provide resources to implement the strategy
5. Take action in response to fraud and corruption

In the first year, we have made progress as regards demonstrating adherence to best practice:

- Developed a Tackling Fraud and Corruption plan which has been supported by the Chief Executive and the Cabinet Member for Finance. This plan has at its heart the requirement to develop a holistic response to fraud and corruption that focuses on minimising the risks and proactively puts in place measures to prevent fraud occurring in the first place.
- We have designed a corporate fraud risk register process, which we intend to roll out from April 2016. The process seeks to capture the fraud risks that individual Head of Service believe pose a threat to the assets and resources within their control.
- We have sought to raise the profile of the new Corporate Investigations Team by promoting the Service across the Council and also by offering Fraud Awareness training to relevant Services. A programme has been rolled out which to date has covered the
 - Revenues Team,
 - Housing Options and

- Planning Enforcement
- This positive approach has resulted in an increase in referrals from services from within the Council who historically did not raise referrals as the perceived emphasis was to investigate Housing Benefit fraud.
- During 2016/17, we are planning to work with key services to support them in developing their policies and processes to prevent and detect fraud in order that individual services can determine and apply a level of sanction rather than making a referral to the Corporate Investigations Team which may not be warranted.
- We are also planning to offer training to other departments within the Council:
 - Environmental Health, covering Taxi and Private Hire, Licensing.
- We are also planning to offer refresher training to all Services on an annual basis or when necessary.
- We have formalised our working relationship with Thames Valley Police by creating a service level agreement. We will assist them with any ongoing investigations that require access to Council information with the reciprocal arrangement that the Police will inform the Team, in a timely manner, of any cases of suspected fraud that arise from their investigations.
- The table below indicates the number of referrals, by type that have been received by the Team, since March 2015

Nature of referral	Number of referrals	Number of cases after risk assessment	% of referrals taken on for further investigation
Council Tax Reduction	58	29	50%
Single Person Discount	34	15	44%
False application to / allocation of social housing.	11	7	64%
Environmental Health	8	3	38%
NDR	4	3	75%

Nature of referral	Number of referrals	Number of cases after risk assessment	% of referrals taken on for further investigation
TOTAL	115	57	50%

Fraud referrals are received from internal and external sources such as other departments, the Department of Works and Pensions, members of the public via the Fraud Hotline and Thames Valley Police.

A risk assessment process is in place which determines the quality of the referrals received, considers the reliability of the referral source and measures the likelihood of a successful outcome. Cases will only be investigated if they pass the risk assessment and are in the public interest.

We also consider the outputs from the National Fraud Initiative as this provides a credible and reliable source of referrals.

Sanctions and Prosecutions

There are three types of sanctions that can be administered:

Caution - this is a formal, final warning that is issued by Corporate Investigations stays on a person's record with WDC for a period of 5 years and is used for less serious cases. A caution can only be sanctioned if the offence is admitted during an interview under caution. In these cases, the recovery of any overpayment is sought as well. A caution can be cited in court should the claimant be found guilty of a further benefit offence

Penalty - this is a "fine" and the value of the fine is calculated by taking up to 50% of the total CTR overpayment. The fine can be no greater than £1000 with a minimum of £100 and can be used where it's not in the public interest to proceed with a prosecution. A fine can be sanctioned without a full admission of guilt being made. The penalty is in addition to the reclaiming of the original overpayment and is collected through a sundry debtor invoice.

Prosecution – in the more serious cases the Council's Legal Department will pursue criminal court proceedings against the person involved.

The aim is to focus the work of the Corporate Investigations Team to increase the number of sanctions in order to act as a deterrent to those persons defrauding or seeking to defraud the Council.

This is reflected in the work of the Team and all referrals are risk assessed to identify those cases that will potentially be more effective to investigate and lead to a deterrent.

All cases put forward for deterrent actions are monitored and, as necessary, further advice is sought from the Council's Legal Department

A higher level of evidence is required on those cases where either a Caution or Penalty is offered. If a person does not accept a Caution or a Penalty the normal course of action would be for the case to be considered for legal proceedings.

Where possible, the local media has been made aware of successful prosecutions but coverage is dependent on other items of news at the time. Reports of these cases are intended to have a deterrent effect. In addition successful prosecutions are recorded on the Council's website and intranet site.

During 2016/17, the Team undertook two prosecutions, one in relation to Council Tax Reduction and the second in relation to Housing application fraud and was successful in both cases. These cases resulted in costs of £3,175 being awarded, a fine totalling £500 and in one of the cases a 12 month community order with 140 hours of unpaid work.

The Team currently has a further 3 cases being assessed for prosecution.

Fraud Awareness

Permanent awareness advertisements are in place outside the towns supermarkets.

The advertising in local publications ceased due in part to limited coverage and also the cost. Regular articles are now placed in each issue of the WDC "Wycombe Times" publication which is delivered to all households in the district.

We are continuing to use the notice boards in Council owned car parks in order to create further awareness of how the public can report suspicious fraudulent activity.

Future Aims for the Team

Continue to deliver the work programme as set out in the Tackling Fraud and Corruption plan

Demonstrate the value for money benefits that can arise through having a dedicated Corporate Investigations Team.

Appendix A

Audit Opinions

The following audit opinions are used when making an assessment of the effectiveness and adequacy of the systems of internal control.

PRIORITY 1 – Fundamental: action that we consider essential to ensure that the Authority is not exposed to high risk.

PRIORITY 2 – Significant: action that we consider necessary to avoid exposure to significant risks

Based on the number of priority recommendations we provide an opinion as to the overall control environment. This is reflected in an audit opinion and this is based on four levels:

Level 1 - Strong controls are in place:

- Key/compensating controls exist and are applied consistently and effectively.
 - Objectives are being achieved efficiently, effectively and economically.
 - Risks are managed.
 - Procedures, laws and regulations are complied with.
 - Assets are safeguarded.
 - Information is reliable.
 - Small number of relatively minor recommendations to address.
- (Minimal risk of serious loss or error)

Level 2 - Controls are in place, but improvements would be beneficial:

- Key controls exist but there may be some inconsistency in application.
 - Compensating controls are operating effectively and generally procedures are adequate.
 - Objectives generally achieved except for some identified weaknesses.
 - Some procedures, laws and regulations may not be properly complied with.
 - Some assets may not be safeguarded.
 - Some information may be unreliable.
 - Minor shortfalls in risk management.
- (Some risk of loss, fraud, impropriety, or damage to reputation)

Level 3 - Improvements in application of controls are required:

- Key controls exist but they are not applied, or significant evidence that they are not applied consistently and effectively.
- Procedures exist but are inadequate and/or ineffective. Modification required.
- Objectives are not being met, or are being met without achieving efficiency and effectiveness.
- Some assets may be at risk.
- Major shortfalls may exist in risk management.

- Information inaccuracies may occur.
(Increased risk of fraud, impropriety, or damage to reputation)

Level 4 - Urgent system revision is required:

- Key controls do not exist.
- Lack of procedures, or procedures not being followed.
- Council rules and regulations and/or statutory requirements are not complied with.
- Objectives are not being met.
- Information is unreliable.
- Assets are vulnerable.
- Risks are not being effectively identified and managed.
(High risk of loss, fraud, impropriety, or damage to reputation)

Appendix B

Internal Audit reports issued in 2016/17.

Review:	Payroll 2015/16		
Issued:	July 2016		
Overall Opinion:	Strong controls are in place		
CSS:	93%		
Background:	<p>The payroll function for WDC is outsourced to Aylesbury Vale District Council (AVDC) who also provide payroll processes for a number of clients including other Buckinghamshire district councils. WDC employs a Payroll Technician who sits within the Shared Services team.</p> <p>The payroll system iTrent is used by AVDC to produce payroll reports which are used to confirm payments to be made by WDC. Payments to staff are made by AVDC and reimbursed by WDC. There is controlled access to the iTrent system and changes are made on receipt of instruction from the WDC Payroll Technician. Changes to employees' payroll details are driven by the WDC HR team who maintain their own software system, Empower, which is independent to iTrent and there is no interface between the systems. A quarterly reconciliation (known as an Establishment Check) between the two systems is performed by the Payroll Technician and reviewed by the HR team.</p>		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1	-	-	
Priority 2	2		<p>Each redundancy payment should be signed and dated by the HR Officer who prepared the calculation and then counter signed by a reviewer to evidence the check.</p> <p>Remove the authorisation form from the toolkit as it surplus to requirements and replace with a checklist to ensure appropriate authorisations have been obtained.</p>
Total	2	-	

Review:	Treasury Management		
Issued:	November 2016		
Overall Opinion:	Controls are in place, but improvements would be beneficial		
CSS:	Non return		
Background:	<p>The treasury management function is responsible for managing the Council's cash flows and investments. It focuses on banking, money market and capital market transactions to maximise income whilst monitoring expenditure. This includes maintaining the cash flow model, investing excess funds to generate income and borrowings to cover any short term deficits or long term capital projects.</p> <p>At the time of the audit, the Council held £81.4m worth of investments with around £9m of this due to mature in more than one year's time. All of the investments are managed in-house by the treasury management function with the assistance of Capita Asset Management consultants. £33m of the balance is invested in specific money market funds or highly liquid interest bearing accounts. The Council has no current outstanding loans and has not repaid any loans in this financial year.</p>		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1			
Priority 2	3		<p>The reconciliations signed off by the Finance Manager are completed on a timely basis and the end of each accounting period. In the absence of the Finance Manager, the Finance Services Manager will evidence the review.</p> <p>Investments that are rolled-over should have a new authorising form completed and signed off as appropriate by a Finance Manager.</p> <p>A monthly reconciliation between the Treasury Management spreadsheet and the General Ledger should be produced and signed off as appropriate by a Finance Manager even if the Treasury Technician is not available to prepare the file.</p>
Total	3		

Review:	Main Accounting and Budgetary Control		
Issued:	January 2017		
Overall Opinion:	Controls are in place, but improvements would be beneficial		
CSS:	98%		
Background:	<p>The Council uses the general ledger system, eFinancials, to record and administer all financial transactions. The Council use the Collaborative Planning (CP) tool to set and monitor the budget, including monthly forecasting, and provide timely and accurate management information relating to the budget and the Council's financial position.</p> <p>Wycombe District Council has adopted the general principles which are recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) in the Code of Practice.</p>		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1			
Priority 2	4		<p>Budget Movement Sheets should be fully completed and certified by two appropriate signatories for all virements prior to processing.</p> <p>The review of the journals posted should be timetabled and completed monthly, perhaps forming part of the monthly assurance statement to ensure it is not missed</p> <p>Where possible, the Finance Team should ask to see or be sent supporting documentation to verify the journal they are posting is accurate. This should be scanned and saved to either the shared drive in a systematic fashion, or the Paperclip function on eFinancials, with saving to a network shared file a back-up measure.</p> <p>More detailed and thorough review of reports should be made prior to their distribution, ensuring all budget lines are included in totals and formulae, and changes made on the CP tool rather than in the Excel output where possible. Where changes are to be made via virement, this should be clearly noted.</p>
Total	4		

Review:	Income Systems		
Issued:	January 2017		
Overall Opinion:	Strong controls are in place		
CSS:	Non return		
Background:	The Council uses "Civica Icon" as their Cash Receipting system. Daily transactions are carried out, using either cheque or card payments, and these are then processed by the Processing and Administration Assistant in the Shared Support Services (SSS) team.		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1			
Priority 2	1		The summary level email sent by the Processing team should clearly present where variances have been picked up during the reconciliation of Civica and eFinancials.
Total	1		

Review:	Housing Benefit and Council Tax Reduction		
Issued:	January 2017		
Overall Opinion:	Strong controls are in place		
CSS:	92%		
Background:	<p>The Benefits function is responsible for the processing and any relevant authorisation of:</p> <ul style="list-style-type: none"> • new claims; • any changes in claimants' circumstances; • backdating claims; • overpayments, write-offs and refunds; and • awarding Discretionary Housing Payments ("DHP") in respect of Housing Benefits and Discretionary Awards ("DA") in respect of Council Tax. <p>In addition, the Business Support team are responsible for system management and security in respect of the RBLive Benefits system, incorporating both 'test' and 'live' aspects of RBLive. They are also responsible for the preparation of various reports, reconciliations and the processing of payment runs.</p>		
Summary of Recommendations: None			
Priority	Agreed	Not agreed	Commentary
Priority 1			
Priority 2			
Total	0		

Review:	Council Tax and Non-Domestic Rates		
Issued:	April 2017		
Overall Opinion:	Strong controls are in place		
CSS:	Non return		
Background:	<p>The CTax and NNDR functions are administered by the Revenues team at WDC using the RBLive system. The team is responsible for ensuring that the process for CTax and NNDR billing is completed appropriately and accurately. This involves:</p> <ul style="list-style-type: none"> • Updating and monitoring the valuation and banding of properties; • Assessing and processing applications for discounts, exemptions and disregards; and • Collecting and escalating, as necessary, income and any associated disputes. <p>CTax bands are available through the WDC website and are therefore considered publicly available. CTax income collected by the Council in 2015-16 was £101m, albeit this covers Precepts for the County Council, Police and Fire Authority, reducing actual CTax income usable by the Council to £11m.</p> <p>NNDR multipliers on rateable values (RV) are set annually by the Government. For 2016-17 they have been set at:</p> <ul style="list-style-type: none"> • 49.7p (non-domestic rating multiplier); and • 48.4p (small business non-domestic rating multiplier). <p>The rate applied is determined by the RV specified by the Valuation Office Agency (VOA). Generally, if the RV is under the threshold of £18,000, NNDR is paid on the basis of the small business multiplier. There are certain exceptions where reliefs are granted on buildings below this threshold. NNDR income collected by the Council in 2015-16 was £70.3m. Under current regulations, 40% of this income can be retained by the Council with 60% being returned to Central Government.</p>		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1			
Priority 2			
Total	0		

Review:	Corporate Debt Management		
Issued:	March 2017		
Overall Opinion:	Controls are in place, but improvements would be beneficial		
CSS:	92%		
Background:	<p>The Corporate Debt Management team (hereafter "CDM") sits within the Shared Support Services division of the Council. A policy document outlines the protocol and instructions for Sundry Income & Debt Management, this is maintained locally.</p> <p>The Council uses the Debtors module on the eFinancials accounting system to raise invoices whilst monitoring received and outstanding payments. Cash receipts are posted to debtor accounts on a daily basis, and any unallocated income is temporarily posted to a suspense account until it is possible to re-allocate payment to the correct account.</p> <p>Reminder letters are sent to outstanding debtors, and the Council write-off policy defines the circumstances for referral of debt for legal action or write-off. Credit notes generated are posted to the associated customer accounts after authorisation is given. There is a monthly reconciliation between the Debtors Control Account and the Aged Debtors Report, generated from information held on the General Ledger.</p>		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1	1		IT controls in the e-Financials system should be reviewed and enhanced to prevent the editing of existing invoices or deletion of notes within the notepad function on eFinancials.
Priority 2	5		<p>Reconciliations are to be performed by another staff member in the absence of the Processing and Administration Team Leader.</p> <p>Service Management should consider the implementation of an automated feature within eFinancials so reminder letters are sent automatically to reduce the administrative burden of this manual process.</p> <p>Loans are no longer paid by the Council. However, we recommend that WDC perform an investigation to ensure that there are not any other existing loans where customer accounts have not been set up on eFinancials</p> <p>In line with Council protocol, customers who have a debt that is being considered for write off</p>

			<p>should be blocked in the system to prevent additional debt being incurred.</p> <p>A formal reconciliation should be prepared on a quarterly basis in order to identify any discrepancies. This should be signed by the preparer and authorised by a more senior individual.</p>
Total	6		

Review:	Creditors		
Issued:	January 2017		
Overall Opinion:	Controls are in place, but improvements would be beneficial		
CSS	93%		
Background:	<p>The Creditors function sits within the Shared Services division of the Council. Guidelines on the payment of invoices are included in the Council's Financial Regulations and in locally maintained procedure notes.</p> <p>Invoices received by staff are checked for accuracy against the associated purchase orders by staff within the Creditors function. The invoice is paid if the value and quantity agree to the requisition order, or where the invoice falls within a purchase order for the wider service, although additional authorisation is sought if the invoice is higher than the requisition order (where typically a new Purchase Order will be obtained for the balance). The invoices are certified in accordance with the financial limits set in the Council's scheme of delegation. Payments are processed via the e-Financials financial management system. No purchase order is required for invoices below £500.</p>		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1	1		<p>Processes should be updated so that all bank details and standing data changes processed by the Creditors team are reviewed. Exception reporting should document all changes to standing data including changes to bank details and be reviewed by an appropriate individual. The review should be formally documented.</p> <p>Similarly, the Financial Regulations should be updated to reflect that bank details should be verified by the Creditors team when new suppliers are established.</p>
Priority 2	3		<p>Officers approving Government Procurement Card (GPC) transactions should periodically sample test transactions to actual receipts to confirm that transactions are appropriate and represent value for money.</p> <p>Both the Financial Regulations and authorised signatory list should be updated to contain guidelines for transactions in excess of £100,000. These transactions should be authorised by two individuals, one being the Head of Finance & Commercial.</p>

			<p>The Financial Regulations should be updated to contain instructions for super-user access.</p> <p>Similarly, interventions by those with super-access rights should be documented through exception reporting and reviewed on a timely basis.</p>
Total	4		

Review:	Payroll 2016/17		
Issued:	May 2017		
Overall Opinion:	Controls are in places but improvements would be beneficial		
CSS:	Non return		
Background:	<p>The payroll function for WDC is outsourced to Aylesbury Vale District Council (AVDC) who also provide payroll processes for a number of clients including other Buckinghamshire district councils. WDC employs a Payroll Technician who sits within the Shared Services team. iTrent, the payroll system, is used by AVDC to produce payroll reports which are used to confirm payments to be made by WDC. Payments to staff are made by AVDC and reimbursed by WDC. There is controlled access to the iTrent system and changes are made on receipt of instruction from the WDC Payroll Technician. Changes to employee payroll details are driven by the WDC HR team who maintain their own software system, Empower. This is independent to iTrent and there is no interface between the systems. An adhoc reconciliation (known as an Establishment Check) between the two systems is performed by the Payroll Technician and reviewed by the HR team around 3 times a year.</p>		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1			
Priority 2	5		<p>The Establishment Check should be performed on a quarterly basis with one additional ad-hoc check per year.</p> <p>Re- wording the policy to reflect the fact that an opt-out clause does exist. An annual email should be sent to all staff detailing the guidelines of the Directive, so that they are aware of their rights and responsibilities in accordance with the Directive. Staff should be reminded to keep records of their time worked.</p> <p>WDC are advised to try and ensure all relevant staff are registered on the expenses system so that claims can be submitted electronically. Paper expense claims should be rejected in instances where this is not appropriate. Email communication should be issued to all staff specifying the requirement to submit claims electronically.</p> <p>Staff must be reminded of this responsibility as it is important as a means of providing an audit trail. Staff would be advised to save receipts onto their individual</p>

			<p>network drives.</p> <p>A clear policy should be communicated to managers detailing that an ad-hoc check of receipts should be performed.</p> <p>Large value expenses above a designated threshold set by WDC should always be traced to receipts or proof of payment.</p>
Total	5		

Review:	Licensing (Private Hire, Hackney Carriages and Operators)		
Issued:	November 2016		
Overall Opinion:	Controls are in places but improvements would be beneficial		
CSS:	82%		
Background:	The Licensing team at WDC is responsible for dealing with all licencing applications in respect of drivers, vehicles (hackney carriage and private hire) and operators. The Unit also deals with complaints and enforcement in relation to hackney carriage and private hire matters.		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1	2		<p>Procedural guidance with internal performance standards should be created, accessible on a shared drive to staff and should be reviewed and updated on an annual basis to reflect current practices.</p> <p>Periodic spot checks are carried out by the Licencing team to review that income coded to the ledger is consistent with that recorded on Uniform. These checks should initially comprise carrying out a review of information one day each month. Should this check identify issues or anomalies, the extent and/or frequency of checks should be increased to factor in the increased potential risk.</p>
Priority 2	1		Complaints recorded on Uniform should be monitored by the Team Leader on a monthly basis with overall responsibility held with the Environment Health Manager. This is due to the Team Leader being involved in the complaints processing alongside other members of the Licensing team
Total	3		

Review:	Food Safety		
Issued:	November 2017		
Overall Opinion:	Controls are in places but improvements would be beneficial		
CSS:	85%		
Background:	<p>The Food Safety function at WDC follows the Food Standards Agency (FSA) Food Law Code of Practice in order to apply food law to all relevant businesses in the district.</p> <p>Food safety is a statutory obligation and all food businesses must register with their local authority. When registered, inspections are required to take place in a specific time frame. Following an audit from the Food Standards Agency in 2013 an action plan was developed in response to the recommendations required for improvement. All points raised have now been completed and agreed with the FSA during 2015-16.</p> <p>The Food Safety team consist of a small number of internal Food Safety officers who perform inspections.</p>		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1	1		There is a current resource issue in the Food Safety team however, initial inspections of businesses should be adequately managed to ensure these are performed in a timely manner. It would be good practice to ensure these are completed within 3 months of registration.
Priority 2	5		<p>All protocols should be reviewed and updated on an annual basis to reflect current practices. A version log should be maintained on the document as confirmation this has been done.</p> <p>Service Management should assess the likelihood of the overdue inspections being completed by December 2016 taking into account the expected and current demand of inspections. Where appropriate, measures should be considered in order to alleviate any potential risk an increased backlog of inspections arising from the loss of contractor.</p> <p>Inspection of businesses should planned to be performed within 28 days of the inspection expiry date set for the business.</p> <p>A review of the complaints log should be established as a weekly task to ensure complaints are being actioned and monitored.</p> <p>Environment Health Officers should maintain and update the Hygiene Improvement Notices log on a weekly basis to ensure these have all been followed up and documented.</p>
Total	6		

Review:	Building Control		
Issued:	January 2017		
Overall Opinion:	Strong Controls are in place		
CSS:	93%		
Background:	The Building Control function is an internal department within WDC responsible for domestic and commercial planning application and approvals, site inspections and facilitation of public reporting of dangerous structures and irregular works. The team of surveyors are managed by a Building Control Manager and a Building Control Team Leader.		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1			
Priority 2	3		<p>Service Management should consider whether it is plausible to make an amendment to the system so that the inclusion of the £10 'false charge' to generate the appropriate wording in correspondence is not required.</p> <p>Service Management should consider if it is possible to incorporate a field within UniFORM to record the demolition date. If this is not possible, the Council should endeavour to include all proposed demolition dates on the C75 forms to ensure the adequacy of the audit trail.</p> <p>A reconciliation between UniFORM and eFinancials should be performed on a periodic basis to ensure income regularly agrees between the two systems.</p>
Total	3		

Review:	Tree Preservation Orders		
Issued:	January 2017		
Overall Opinion:	77%		
CSS:	Controls are in places but improvements would be beneficial		
Background:	Tree Preservation Orders are made by local planning authorities across England to protect specific trees, groups of trees or woodlands in the interests of amenity. The making of a TPO is often prompted when trees are under a known or suspected threat of being cut down or damaged. TPOs are monitored and managed by the Environment and Sustainability Team at Wycombe District Council.		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1	2		<p>Procedural guidance should be updated and accessible on a shared drive to staff from all relevant departments including the departmental responsibilities. This should be reviewed and updated on an annual basis to reflect current practices.</p> <p>The Senior officer should perform a monthly reconciliation between GIS, Uniform and the G shared drive to ensure that all documents have been produced and procedures adequately completed by all departments. This should also ensure that all systems have been accurately updated.</p>
Priority 2	3		<p>Applications received into the Environment and Infrastructure Team (E&I) should be logged onto a monitoring spreadsheet or within Uniform, so that timeliness of applications through TPOs can be monitored by all departments. This could be incorporated onto the monitoring spreadsheet held by Democratic Services. Should the monitoring spreadsheet be continued, should be shared with all parties involved in the TPO process.</p> <p>Uniform to be used as a central document management system for all key documents. Should the E&I take on the administrative process performed currently by the Democratic Services, there will be less of a need to use the G drive currently being used as storage for certain documents for the TPO process.</p>

			Develop a systematic annual risk strategy in order to monitor the TPOs currently registered. This could be performed by encouraging annual spot checks on a number of TPOs in place to ensure these are still required and update the register accordingly if these are no longer required.
Total	5		

Review:	Housing Act 2004		
Issued:	March 2017		
Overall Opinion:	Controls are in places but improvements would be beneficial		
CSS:	80%		
Background:	The Environmental Health / Private Sector Housing function is an internal department within WDC responsible for ensuring housing standards are maintained by private landlords, House in Multiple Occupation (HMO) licences are provided and monitored and empty properties are utilised. The team consists of a Team Leader, Environmental Health Officers and Technical Officers. Some of the team members are Environmental Health qualified. The team of officers are managed by a Housing Service Manager and a Private Sector Housing Team Leader.		
Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1	1		Management should ensure that safety certificates are obtained and retained on file to ensure a strong audit trail evidencing compliance with Council policy.
Priority 2	3		<p>Management should make the necessary changes to documents available online to ensure the most recent versions of the documents are available to the public.</p> <p>Management should consider re-introducing the checklists for HMO licenses and preparing a checklist for the maintenance of housing standards. These should be kept at the front of the case file to evidence that all required steps are completed.</p> <p>Management should consider the use of cross-council data matching to assist in the identification of unlicensed HMOs.</p>
Total	4		

CONTRACT REVIEWS – Follow ups

Review:	Joint Waste Collection, Recycling and Street Cleansing Follow Up Review
Issued:	December 2016
Overall Opinion:	Strong controls are in place
CSS:	Non return
Background:	Follow up review of the original contract review undertaken in 2015/16. 8 recommendations were originally made of which 6 have been completed, one was rejected and the remaining recommendation relating to risk registers as to be implemented by 31 st March 2017

Review:	Follow - Up Combined ICT and CSC Contract Review
Issued:	February 2017
Overall Opinion:	Strong controls are in place
CSS:	Non return
Background:	From the follow up review, 6 recommendations have been completed in full, 1 has been partially completed, 1 has not been completed and 1 was initially rejected, which has now been closed. The rejected recommendation related to the compensation scheme of service credits that could be reimbursed directly to the Services affected. Although there is the possibility of this, this would be a rare occurrence.

Summary of Recommendations:			
Priority	Agreed	Not agreed	Commentary
Priority 1			
Priority 2	2		<p>The Business Continuity Plan should be finalised, approved and distributed to all contract managers. (partially completed recommendation)</p> <p>The Council, with Capita should create a set of questions that monitor the satisfaction of staff of the service they have been provided by Capita.</p> <p>The Council should ensure that procedures are in place to encourage this feedback. This could be via ensuring the links to surveys are obvious to staff, providing timely encouragement emails and ensuring staff have an overall awareness to complete the surveys once their calls are closed. This will ensure that the Council can monitor and assess more accurately the service being provided to staff.</p>
Total	2		