

Crawley Borough Council

	Report No: FIN/312	D
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Report to Audit and Governance Committee

30th September 2013

Internal Audit Progress Report as at 31st August 2013

1. Key Points

- 1.1 The purpose of this report is primarily to update the Committee on progress towards the completion of :-
- 2013/2014 Internal Audit Plans;
 - to report on the progress made in implementing previous recommendations;
 - to present the revised annual audit plan for the period 1st July 2013 to 31st March 2014.

2. Recommendation

- 2.1 The Committee is asked to receive the report and to note progress to date.

GILLIAN EDWARDS
Audit and Risk Manager

3. Background

Work Completed

- 3.1 Since the last progress report, as at 31st May 2013 the following reviews have been completed:

Audit Title	Audit Opinion
Ernst and Young Testing: Complete and reported to Ernst and Young	N/A
IT Risk Assessment – joint working with Horsham	N/A
NFI Data Matching	Audit and Risk Section work completed
Tilgate Park Management Project Follow Up	Partially implemented
Tilgate Park Walled Garden Follow Up	Partially implemented

3.2 Ernst and Young Year End Testing

We have now completed our work for Ernst and Young and have found no significant issues. This work has been significantly greater than that done for the Audit Commission, both because of the need to cover all areas as we are a new client for Ernst and Young and because the work required in each area has been greater. However, the expectation of both us and Ernst and Young is that the requirements will be significantly less in future years as we have covered all of the fundamental systems this time round.

Work in Progress

- 3.3 The reviews in progress and other work that we have undertaken in the period are shown at Appendix A.

3.4 High priority findings in this period

There were no high priority findings to report during this period.

Freedom of Information (FOI) Requests

In July 2012, the Audit and Risk Section assumed responsibility for the administration of FOI requests. Our responsibilities cover logging the requests, confirming our receipt with the requester, sending them to the relevant member of staff for their response to the request, monitoring the timescales for dealing with the request, ensuring that the provisions of the FOI Act 2000 and the Data Protection Act 1998 are complied with, and responding to the requester within the 20 working day deadline.

Between 1st June 2013 and 31st August 2013, we have processed 168 new requests and of these, 1 response was sent to the requester 1 day outside of the 20 working day deadline. This was due to annual leave in the department providing the information.

4. Internal Audit Plan

- 4.1 The annual Internal Audit plan has been revised to take into account the absence of the Auditor, who is involved in the Payments Systems Thinking Intervention for a further three months. This is attached at Appendix B to this report.

5. Unplanned Work

- 5.1 There was no unplanned work during the period under review.

6. Ward Members' Views

- 6.1 Internal Audit Coverage does not impact directly on any specific ward.

7. Staffing, Financial and Legal Implications/Powers

None.

8. Risk Implications

- 8.1 Identified in individual audits.

9. Environmental Impacts

- 9.1 None.

10. Links to the Sustainable Community Strategy and Corporate Plan

The proposals contained in this report relate to the following key areas of the Sustainable Community Strategy

Community Cohesion	y	Community Safety	y
Young People and Children	y	Health and Well Being	y
Older People	y	The Environment	y
The Local Economy	y	Social Inclusion	y

The following key principles are applicable:-

(i)	Working together	y
(ii)	Dignity, respect and opportunities for all	y
(iii)	Involving People	y
(iv)	Making it last	y

The report relates to the following areas in which the Council operates to enhance the town and the quality of life of local people:-

(i)	Prosperity	y
(ii)	Community	y

- | | | |
|-------|-----------------|---|
| (iii) | Environment | y |
| (iv) | Value for Money | y |

12. Reasons for the Recommendation

To enable Members of the Audit and Governance Committee to review the effectiveness of the internal control framework, in line with their responsibilities under the Constitution.

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Appendix A

Internal Audit Plan 2013/2014

Progress Report as at 31st August 2013

Audit	Audit Plan Year	Audit Opinion-Assurance	Number of High Priority Findings	Comments
A. Work Completed in the Current Period				
Ernst and Young Year End Testing <ul style="list-style-type: none"> • Payroll • Housing Benefits • Accounts Payable • Housing Rents • Cash and Bank • Treasury Management • Pensions • PPE • Procure to Pay • Council Tax • NNDR • Financial Statement Close Out 	2013/14	N/A		Passed to Ernst and Young August 2013
IT Risk Assessment	2013/14	N/A		
NFI Data Matching 2012/13	2013/14	N/A	2	
B. Work In Progress				
FOI Requests – day to day work	2013/14			
Data Management (Including Retention of Documents and Access Controls)	2013/14			
Commercial Properties including Rents	2013/14			
Other Work				
Investigations: CI1314.01 CI1314.02	2013/14 2013/14	No further action No further action		
Management of Confidential Information	2013/14			Ongoing
Audit Charter	2013/14			Ongoing
C. Follow Up Audits				
Tilgate Management Project follow up	2013/14	Partially implemented		
Tilgate Park Walled Garden Follow Up	2013/14	Partially implemented		
Tilgate Park Management Project second Follow Up	2013/14			Ongoing
Tilgate Park Walled Garden second Follow Up				Ongoing
Mower Query – Metcalf Way Follow Up	2013/14			Ongoing
Rent Deposit Scheme Follow Up	2013/14			Ongoing
Hawth Management	2013/14			Ongoing
Play Service Follow Up	2013/14			Ongoing

APPENDIX B

REVISED INTERNAL AUDIT PLAN 2013/2014 – 1st JULY 2013 -31st MARCH 2014

Audit	Days	Comments
Fundamental Systems (including those identified by Ernst and Young)		
Ernst and Young End Testing 2012/2013	9	Completion of year end testing
Council Tax/Council Tax Reduction Scheme	20	This work will include looking at how the service has implemented parts of the welfare reform programme and its preparedness for further changes, including the introduction of the Council Tax Reduction Scheme.
NNDR	8	Annual review of fundamental system.
Housing Benefits	27	This work will include looking at how the service has implemented various parts of the welfare reform programme and its preparedness for further changes, including the introduction of universal credit.
Creditors	8	Annual review of fundamental system.
Sundry Debtors	8	Annual review of fundamental system.
Payroll	10	Annual review of fundamental system.
Cash and Bank	8	Annual review of fundamental system.
Housing Rents	8	Annual review of fundamental system.
FMS	8	Annual review of fundamental system.
Budgetary Control	8	Annual review of fundamental system.
Asset Management	6	Annual review of fundamental system
Treasury Management	6	Annual review of fundamental system
Housing Repairs (incl. Responsive Repairs, Programmed Works, Gas Servicing and Voids)	20	The annual expenditure on housing repairs and the number of pieces of work qualify the areas as a fundamental system. It is proposed to focus on responsive repairs in 2013/14.
Procurement	14	This audit will look at a sample of procurements so as to assess whether the systems operating and promoting the delivery of maximum value for procurements. To include the agency staff procurement exercise.
Commercial Properties including Rents	10	The amount of income received qualifies this as a fundamental system.
Capital Projects:		Internal Audit participates in major capital projects to as to be able to provide an assurance that appropriate controls are in place and working.
• Crawley Museum	10	
• Ifield Millpond	10	
• Worth Park Restoration Project	1	
Corporate Governance	15	This audit will focus on assessing whether the officers charged with different aspects of corporate governance have processes in place to ensure that the systems operating are appropriate and adequate.
Risk Management	15	This audit will include an assessment as to whether the Council's revised risk management arrangements are working satisfactorily.

Audit	Days	Comments
DWP CIS Security Compliance	4	An independent assessment is required by the DWP.
Performance Measurement	2	As part of the transformation programme, all services are required to agree their purpose and measures and collect data. The purpose of this review is to ensure services have agreed their purpose and have meaningful measures that provide assurance that the authority is well managed.
Review Programme (including Systems Thinking) – Advice on risks/controls	20	Advice will be provided as and when requested.
Computer Audit <ul style="list-style-type: none"> • Chris 21 • Data Management (including Retention of Documents and Access Controls) • Application Systems • Disposal of ICT Equipment 	5 13 8 10 8	The detail of the work carried out will be confirmed by the Head of Finance, Revenues and Benefits in consultation with the Head of People and Technology.
Follow Up Audits <ul style="list-style-type: none"> • Hawth Management • Play Service • Query in respect of mower – Metcalf Way • Tilgate Park • Tilgate Park Walled Garden • Rent Deposit Scheme 	28	To confirm that agreed recommendations have been satisfactorily implemented and to report this to Audit and Governance Committee.
Other Work		
Freedom of Information Request	140	
Contingency	20	
Preparation of Annual Governance Statement	10	
Non specific advice/liaison	12	
Cheque Control/Bank Administration	4	
Risk Management Training	2	
Management of Confidential Information	2	
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