

Crawley Borough Council

Report to the Audit Committee

11th March 2015

Internal Audit Progress Report as at 20th February 2015

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Report of the Audit and Risk Manager – FIN 359

1. Purpose

- 1.1 The Committee has a responsibility to review the Internal Audit Progress report to ensure that action has been taken by relevant managers on risk based issues identified by Internal Audit.

2. Recommendations

- 2.1 The Committee is requested to receive this report and note progress to date.

3. Reasons for the Recommendations

- 3.1 The Committee has a responsibility to ensure that action has been taken by relevant managers on risk based issues identified by Internal Audit.

4. Background

Work Completed

- 4.1 Since the last report, as at 10th November 2014 the following reviews have been completed:

Audit Title	Audit Opinion
Council Tax	Full assurance
NNDR	Full assurance
Payroll	Full assurance
Cash and Bank	Full assurance
Budgetary Control	Full assurance
Waste and Recycling Post Contract Review	Substantial

Work in Progress

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

4.2 High priority findings in this period

There are no high priority findings to report at this time.

4.3 Follow up Audits

Rent Deposit Scheme (now Crawley Deposit Service - CDS)

As reported at the last meeting, all rent deposit scheme accounts are now being managed between the Private Sector Housing Manager's team and the Income Control Officer's team, the former dealing with accounts set up for current tenants and the latter with former tenant accounts.

All the former tenant accounts have been transferred into FMS, which generates automated letters when / if the debtor defaults on their repayment agreement. Regular management information is available and this shows the status of all debts.

We reviewed the latest information in respect of former debts and can confirm that since the former tenant debts were transferred to FMS, a total of £31,445.42 has been recovered in the period 14th August 2014 – 15th February 2015. This is an improvement over previous years and is, from August 2014 in part due to the employment of an additional Accounts Receivable Assistant.

I am advised that the Council did not have a forwarding address for a number of customers but this additional staffing resource has assisted in enabling 50% of these to have been traced and repayment agreements put in place.

In addition to the above, the West Sussex Credit Union collected £30,901 (over Q1 – Q3 of this financial year) from CDS tenants who are saving towards their own cash deposit. Savings can also be paid against deposit guarantee claims submitted by a landlord at the end of a tenant's tenancy. Thereby helping to reduce the level of financial exposure and risk to the council.

Current Rent arrears processes have now been streamlined resulting in more effective recovery processes.

4.4 Freedom of Information (FOI) Requests

Between 11th November 2015 and 20th February 2015, we have processed 192 requests and of these, 15 responses were sent to the requester outside of the 20 working day deadline. This was due to annual leave and the complexity of the requests. We wrote to the requester in all cases to apologise for the delay and provided the information as quickly as possible.

I and a member of the Audit and Risk Section have undertaken a six day course on Freedom of Information, leading to an accredited qualification – BCS Certificate in Freedom of Information. The examination is on 20th March 2015.

FOI Publication Scheme

Progress continues to be made on the FOI Publication Scheme, with the types of requests that would be most beneficial to publish regularly under review. This is in conjunction with the requirements of the Transparency Code 2014, which requires the publication of certain classes of information on a regular basis.

5 Risk Management Update

At the previous meeting of this Committee, Members felt that an update of strategic risks should be the subject of a quarterly report to this Committee, which would include a review of the quantification of those risks and an overview of the mitigating actions being undertaken, and which might, for example, include reference to associated reports to be submitted to Cabinet and other forums.

The Council's Strategic Risks are as follows:

1. A balanced budget is not achieved in the medium term resulting in an increased use of reserves, which is not sustainable.

Evidence of Risk Management

- FIN 353 - Report to Cabinet – 11th February 2015 – 2014/2015 Budget Monitoring – Quarter 3
- FIN 356 – Report to Cabinet – 11th February 2015 – 2015/2016 Budget and Council Tax
- FIN 355 – Report to Cabinet – 11th February 2015 – Treasury Management Strategy 2015/2016
- Regular monitoring by Accountants of capital programme/budget
- A balanced budget for the coming financial year has been achieved with a small transfer to Reserves.

2. A Local Plan that meets the needs and aspirations of local people, that is capable of being delivered and is acceptable through public examination to the Planning Inspectorate is not achieved.

Evidence of Risk Management

- DC&PS/007 – Report to Cabinet – 3rd December 2014 – New Cemetery, Little Trees and Partnership Services
- Council restructure and formation of the new Economic and Environmental Services Division
- CEx/45 – Report to Cabinet – 14th January 2015 - Response to Airport Commission Consultation on Additional Runway Options in the South East
- Local Plan Examination starts 17th March 2015.

3. Failure to deliver key infrastructure projects as planned, on time and within budget, such as:

- Town Centre
- Broadfield Barton
- Museum
- Flood attenuation scheme
- Cemetery

Evidence of Risk Management

- DC&PS/007 – Report to Cabinet – 3rd December 2014 – New Cemetery, Little Trees and Partnership Services
- Regular monitoring by Accountants of capital programme
- New Economic Development Team being set up to work on Town Centre initiatives
- Flooding schemes being monitored and Ifield Millpond coming £500,00,000 under budget (FIN 353)

4. Insufficient capacity to respond to Member initiatives or undertake service reviews.

Evidence of Risk Management

- Restructure at the Council including increasing the size of CMT which will result in more joined-up working
- New Economic Development Team being created

5. Inability to meet affordable housing and having to repay 1-4-1 receipts, (from Right to Buy income) with interest back to the Government.

Evidence of Risk Management

- Crawley Borough Council's Local Plan – Local Development Scheme – 2012-2016 – November 2014 update
- Strategic Housing Group - meet 3rd Monday of every month
- Strategic Approach to Affordable Housing Delivery 2014-2015 – SHAP/041

6. **Background Papers**

6.1 None.

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ENDS

Internal Audit Plans 2014/2015

Progress Report as at 20th February 2015

Audit	Audit Plan Year	Audit Opinion-Assurance	Number of High Priority Findings	Comments
A. Work Completed in the Current Period				
Council Tax	2014/15	Full		
NNDR	2014/15	Full		
Payroll	2014/15	Full		
Cash and Bank	2014/15	Full		
Budgetary Control	2014/15	Full		
Waste and Recycling Post Contract Review	2014/15	Substantial		
B. Work In Progress				
FOI Requests – day to day work	2014/15			
Information Security	2014/15			In draft as at 20.2.15
Housing Benefits	2014/15			
Sundry Debtors	2014/15			In draft as at 20.2.15
Treasury Management	2014/15			
FMS				
DWP CIS Compliance				
Other Work				
	2014/15			We have undertaken a substantial amount of work at MSDC in the period.
Mid Sussex District Council FOI Publication Scheme	2014/15			Ongoing
C. Follow Up Audits				
Rent Deposit Scheme	2014/15			Action is being taken on the recommendations made.