

Audit and Governance Committee January 2013.**Internal Audit Update Report 2012/13 to date****Progress against the Plan**

Title	Position
Annual Governance Statement	Ongoing activity
Shared and Contracted Services	Ongoing activity
MSR and OR implementation	Limited work undertaken to date
Data Management	Work Complete
ICT	Review of contract implementation
Matrix	Work Complete
Human Resources	Limited work undertaken to date
Performance Management	Work in progress
Corporate Health and Safety	Work in progress
Business continuity	Work Complete
Contract Audit	Ongoing activity
QL Procurement	Work Complete
Procurement through Official Order	Work in progress
Benefits	Limited work undertaken to date
Council Tax	Work in progress
NNDR	Work not commenced
Debtors	Work in progress
Creditors	Work not commenced
Right to Buy / Housing Act Advances	Work not commenced
Accounting Controls	Work not commenced
Payroll	Work Complete
Rents	Work in progress
Treasury Management	Work not commenced
Fees and Charges	Work not commenced
Housing Stock Maintenance	Work in progress
Q.L (Housing Management system)	Work in progress
Cash to Leave and Transfer Incentive Schemes	Work in progress
Licensing	Work in progress
Depot	Work not commenced
Transport	Review of contract implementation
Community Safety CCTV	Work not commenced
Leisure	Review of contract implementation
Customer Services	Work Complete
Strategic Asset Management Plan	Limited work undertaken to date
Building Control	Work Complete
Estates and Valuation	Work not commenced
National Fraud Initiative	Ongoing activity
Money Laundering Controls	Ongoing activity
Anti Fraud and Corruption Policy and Action Plan	Work Complete

Summary	
Work Complete	8
Audits in progress	10
Ongoing activities	5
Reviews of contract implementation	3
Limited work undertaken to date	4
Work not yet commenced	9
Total	39

At the end of the third quarter 26 out of 39 items (67%) were either in progress or completed.

Notable matters

Payroll

The previous update report identified new payroll arrangements following the expiry of the licence with our previous software provider at the end of October as a key issue. Due to the timescales involved examination of the new arrangements took place as they developed and migration to the new systems was completed in November. The arrangements are now in operation and the transition took place with minimal disruption to payment routines. Further work will need to be undertaken in the future in relation to controls on payroll as part of the regular audit review of this system.

Data Management

This year's audit plan included a scheduled exercise on data management activities which was completed in December. Recommendations for enhancements to the Council's existing control framework arising from that review are being incorporated into the measures identified in the report on Information Governance and Data Protection which appears elsewhere on this agenda.

Revenues and Benefits

It was agreed with LCC / OCL that internal Audit work on the majority of systems under their control would take place following the planned move of Revenues, Benefits and ICT staff to the new facility at Lancashire Place. The move was postponed by LCC / OCL and while it has now been completed system migrations from existing WLBC platforms to One Connect Ltd systems are now underway. Internal audit are receiving training on these and will be in a position to review the new systems as they come on stream. Audits of Council Tax and Debtors are currently in progress.

Investigations

There are no formal investigations in progress at this time

Progress on significant governance issues identified in the last Annual Governance Statement.

The key issue identified in the Annual Governance Statement was the scale of the financial challenges facing the Council and a key control measure relating to this was the Councils Business Plan. The Major Service Review process has been a keystone of the Business Plan and has enabled the Council to find significant savings without recourse to draconian cuts in front line services.

Summary

A report of progress against the Internal Audit Plan is brought to each meeting of Audit and Governance Committee. This report covers the period to the end the third quarter based on information available when the report was drawn up.

During this period 165 days had been lost to a vacancy. Progress against the plan to date has inevitably been affected but resources have been secured for completion of the remainder of the plan.

Indications at this time are that by the end of the financial year sufficient work will have been undertaken to enable a valid judgement to be made on the operation of the control environment.

Management have agreed action plans to secure improvement in relation to any issues identified by work completed against the plan to date.