

Internal Audit Third Quarter Activity Update Report**Progress against the Plan**

Title	Position
Icon cash and income collection systems	Report issued
Market	Report issued
Debtors	Report issued
Council tax	Work in progress
Complaints	Work in progress
Council Stock Maintenance	Work in progress
Furnished tenancies	Report Issued
Risk Management	Work in progress
Payroll	Work in progress
NNDR	Work in progress
CCTV	Limited work undertaken to date
NFI	Ongoing activity
Annual Governance Statement	Ongoing activity
Money Laundering	Ongoing activity
Anti-Fraud Work	Ongoing activity
Contract	Ongoing activity
Performance Indicators	Work in progress
Time recording System	Report issued
Benefits	Work in progress
Creditors	Work in progress
Asset Management	Work in progress
SIRO arrangements	Work in progress
Treasury Management	Limited work undertaken to date
Rents	Limited work undertaken to date
Private Sector Housing	Limited work undertaken to date

Summary	
Report issued	5
Work in progress	11
Ongoing activity	5
Limited work undertaken to date	4
Work not yet commenced	11
Total	36

Commentary

The service is currently operating with a full complement of staff and 25 out of 36 items (69%) from the plan have either been completed or are being progressed. This compares with 67% for the same quarter in 2012/13 and 73% in 2011/12.

Investigations

Internal audit work on the three investigations referred to in previous updates continued. Two of these have now concluded and the third is ongoing at the time of writing. It is anticipated that this will be concluded imminently and the Audit Manager will provide a verbal update on progress at the meeting.

Matters arising from internal audit activity to date.

Action Points Outstanding

A key internal and external audit finding from 2012/13 was that the Council Tax and NNDR systems were not being reconciled to the General Ledger, and it was agreed that a reconciliation procedure should be put in place. Only limited progress has been made to date on this issue and consequently the Borough Treasurer will continue to pursue this action point to ensure it is implemented in a reasonable timescale.

Benefits processing

Internal Audit work for 2012/13 identified an increase in the volume of errors in benefits processing, and this issue was reported to Members in September 2013. An action plan containing recommendations for improvement was then agreed with One Connect Limited (the Council's Revenues, Benefits and ICT Service provider).

While the 2013/14 internal audit of benefits has not yet been completed, the indications are that error rates have continued to exceed previous levels. Consequently this matter will be given further consideration when the final report and recommendations for improvement are drawn up.

Delays to audit work on Revenues and Benefits

There were delays in completing the 2012/13 Benefits, Council Tax and NNDR audits which meant it was not possible to issue final reports until after the year end. This matter was discussed with One Connect Limited, and while improvements have been made, there continue to be delays in responses to audit enquiries. It is however expected that all audits in these areas will be completed by the year end, and we will continue to pursue this matter to ensure that any issues are satisfactorily resolved in a reasonable time scale.

Other service areas

There are no other matters arising from internal audit work in the year to date requiring comment at this time.

Conclusions

Given the effects of the investigations referred to above progress against the 2013/14 plan to date is acceptable however the Audit Manager would draw members attention to the implications of his comments in relation to work on revenues and benefits which are significant work-streams for the section covering key Council services.