



# Brent

**Audit Committee**  
26 June 2013

**Report from the Deputy  
Director of Finance and  
Corporate Services**

Wards Affected:  
ALL

## **Final Internal Audit Progress Report 2012/13**

### **1. Summary**

- 1.1. This report summaries the work of Internal Audit and the Investigation Team and provides an update on progress since the previous report to this Committee on 20<sup>th</sup> March 2013.

### **2. Recommendations**

- 2.1. That the Audit Committee notes the progress made in achieving the 2012/13 Internal Audit Plan and the review of fraud work.

### **3. Detail**

#### **Audit**

- 3.1. The Internal Audit Plan for 2012/13<sup>1</sup> comprises 1,200 days, of which 905 are allocated to Deloitte Touche Public Sector Internal Audit Limited, and 295 to the in-house team.
- 3.2. A total of 1160 days have been delivered against the overall Plan, made up of 865 Deloitte PSIA days and 295 in-house days. This represents 97% of the Plan and is a slight deterioration on the previous year when 99% of the plan was delivered. The deterioration relates to the removal of 40 days from the plan as a result of a number of IT audits not being undertaken due to systems changes and the move to the Civic Centre. These 40 days relate to the Deloitte element of the plan and their charges under the contract have been amended accordingly.

- 3.3. A summary report setting out the completed audit work is attached as Appendix 1. The status of all projects planned is set out in the table below:

Audit	Planned Days	Revised Days	Total Days Delivered	Progress	Assurance/ Direction of Travel	Priority			Issue date
						1	2	3	
<b>Corporate/Cross Cutting</b>									
Appointment of Consultant and Non Comensura Temporary/Interim Staff	10	13	13	Final Report	Limited	6	3	0	05/06/2013
Comensura	15	15	15	Final Report	Limited	4	6	0	15/09/2012
Oyster Card	0	12	12	Final Report	Limited	6	3	0	13/06/2013
<b>Corporate/Cross Cutting Total</b>	<b>25</b>	<b>40</b>	<b>40</b>						
<b>Finance and Corporate Services (FCS)</b>									
Council Tax	15	20	20	Final Report	Substantial (Unchanged)	0	7	3	30/04/2013
Reform of National Non Domestic Rates (NNDR)	5	1	1	N/A					
NNDR	15	15	15	Final Report	Substantial (Unchanged)	0	4	2	24/05/2013
Reform of Council Tax Benefits	10	10	10	Flowchart issued	N/A				
Housing and Council Tax Benefits	20	20	20	Final Report	Substantial (Deteriorated)	2	3	2	12/06/2013
Treasury Management	10	10	10	Final Report	Substantial (Deteriorated)	1	1	1	18/03/2013
Payroll	20	25	25	Final Report	Substantial (Unchanged)	4	5	1	14/03/2013
Accounts Payable	15	15	15	Final Report	Limited (Deteriorated)	3	5	1	18/12/2012
Accounts Receivable	15	15	15	Final Report	Substantial (Improved)	1	6	1	06/02/2013
General Ledger	15	15	15	Final Report	Substantial (Improved)	1	1	0	18/12/2012
Cash and Banking	15	15	15	Final Report	Full (Improved)	0	0	0	24/05/2013
Pension Fund Administration	20	20	20	Final Report	Substantial (Unchanged)	-	6	1	06/09/2012
One Council Project - Oracle HR Project	10	0	0	Withdrawn due to Athena project.					
One Council Project – Athena	0	4	4	Attendance at various Athena meetings (2* Managers)					
Once Council Project – Customer Service	12	0	0	Withdrawn following a meeting with the Head of Service. 12 to 0.					
Staff Expenses (Contingency days used)	0	20	20	Final Report	N/A				
Financial Planning	15	15	15	Final Report	Full	0	0	0	15/03/2013
<b>FCS Total</b>	<b>212</b>	<b>220</b>	<b>220</b>						

<b>Children &amp; Families</b>									
School Audits	Total								
Primary/Junior Schools	150								
Chalkhill	10	10	10	Final Draft Report	Limited	6	11	1	02/08/2012
Our Lady of Grace Infants	10	0	0	Deferred to 2013/14					
College Green Nursery	0	10	10	Final Report	Substantial	3	10	5	11/06/2013
Woodfield	10	0	0	Deferred to 2013/14					
Furness	10	10	10	Final Report	Substantial	1	9	4	06/06/2013
Lyon Park Juniors	10	12	12	Final Report	Substantial	1	9	0	15/09/2012
St Mary's CE	10	12	12	Final Report	Substantial	0	5	6	05/06/2013
Oliver Goldsmith	10	11	11	Final Report	Substantial	3	5	5	12/12/2012
Convent of Jesus and Mary	10	10	10	Final Report	Substantial	1	7	5	01/02/2013
Elsley	10	10	10	Final Report	Substantial	3	5	2	26/11/2012
Roe Green Infants	10	10	10	Final Report	Substantial	1	10	0	28/11/2012
Roe Green Juniors	10	10	10	Final Report	Substantial	1	10	1	28/11/2012
Sudbury	10	0	0	Withdrawn as the School is now Academy					
St Joseph Junior	10	10	10	Final Report	Substantial	2	6	2	20/02/2013
St Joseph Infants	10	10	10	Final Report	Substantial	1	4	1	20/02/2013
St Joseph's RC Primary	10	10	10	Final Report	Substantial	2	3	2	22/11/2012
Newfiled	10	12	12	Final Report	Substantial	2	11	0	07/12/2012
St Mary Magdalen	10	10	10	Final Report	Substantial	4	4	2	26/11/2012
Stonebridge	10	11	11	Final Report	Limited	11	8	0	13/06/2013
Torah Temimah	10	11	11	Final Report	Nil	16	7	0	21/11/2012
Newman CC (Secondary)	10	12	12	Draft Report	Nil	22	13	0	09/05/2013
Preston Manor (Secondary)	10	12	12	Final Draft	Limited	10	16	0	03/12/2012
St Gregory's (Secondary)	5	7	7	Final Report	Substantial	0	4	2	11/04/2013
The Village (Special)	10	10	10	Final Report	Substantial	3	9	2	21/06/2013
Granville	0	10	10	Final Draft	Limited	5	10	1	14/05/2013
Phoenix Arch	0	10	10	Draft Report	Substantial	3	9	2	21/06/2013
Fawood	0	12	12	Final Report	Substantial	3	14	0	21/06/2013
Manor (Special)	3	3	3	Final Report	Non Assurance Work.			31/08/2012	
Follow up of limited assurance Schools	20	21	21	Throughout the year.					
Safeguarding of Children	15	15	15	Draft Report	Substantial	0	4	0	20/06/2013
School CRF Data Analysis	0	2	2						
<b>Children &amp; Families Total</b>	<b>263</b>	<b>293</b>	<b>293</b>						
<b>Environment &amp; Neighbourhood</b>									
Parking Enforcement (Withdraw from the plan)	20	0	0	Withdrawn from the plan due to new West London contract being let					
Olympics	10	10	10	Final Report	Non Assurance Work.			27/07/2012	
Libraries	15	15	15	Draft Report	Substantial	0	4	0	21/06/2013
<b>EN Total</b>	<b>45</b>	<b>25</b>	<b>25</b>						

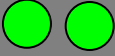



<b>Customer &amp; Community Engagement</b>									
Mayor's Office	8	8	8	Final Report	Limited	5	1	0	15/09/2012
Language Shop	12	12	12	Final Report	Limited	4	2	0	17/09/2012
<b>CCE Total</b>	<b>20</b>	<b>20</b>	<b>20</b>						
<b>Adult Social Services</b>									
Mental Health Partnership	20	20	20	Final Report	Limited	7	1	0	10/09/2012
Home Care	15	15	15	Final Report	Limited	3	3	2	29/05/2013
Appointeeship, Receivership, and Power of Attorney	10	25	25	Final Report	Limited	15	9	1	16/11/2012
Personalised Budgets and Direct Payments	20	20	20	Final Report	Limited	10	6	1	13/06/2013
<b>HCC Total</b>	<b>65</b>	<b>80</b>	<b>80</b>						
<b>Legal and Procurement</b>									
Procurement	15	0	0	This is covered under the Athena Project and withdrawn from the plan.					
High Value Contracts – Compliance with the Blue Book	20	20	20	Final Report	Limited	6	3	0	25/07/2012
<b>Legal and Procurement Total</b>	<b>35</b>	<b>20</b>	<b>20</b>						
<b>Regeneration and Major Project (RMP)</b>									
Capital Projects (contract audits)	30	30	30	Final report	Substantial	0	5	2	13/06/2013
Civic Centre Project (Move to the Civic Centre)	10	10	10	Final Report	Non Assurance Report			14/09/2012	
Housing Solutions (Choice based letting/housing allocations)	15	0	0	Withdrawn due to ongoing consultation.					
Property Disposal	0	11	11	Final Report	Substantial	0	6	0	06/06/2013
Building Control and Enforcement	15	18	18	Final Report	Substantial	3	13	0	16/11/2012
<b>RMP Total</b>	<b>70</b>	<b>69</b>	<b>69</b>						
<b>Strategy, Partnership, and Improvement (SPI)</b>									
Partnership Management	10	10	10	Final Report	Substantial	0	2	0	21/09/2012
Public Sector Reform – Policy and Key Legislative Changes	15	15	15	Final Report	Substantial	0	1	0	21/09/2012
<b>SPI Total</b>	<b>25</b>	<b>25</b>	<b>25</b>						

<b>Computer Audit</b>									
Oracle Financials Application Audit	10	0	0	Withdrawn due to Project Athena. 10-0					
Northgate Sx3 Housing Benefits System	10	10	10	Final Report	Limited	1	6	1	12/06/2013
Automated Customer Contact (One Council Project)	10	10	10	Final Report	Substantial	1	5	0	18/03/2013
Abacus	10	0	0	Withdrawn as the system is now due to be decommissioned next year. 10-0					
IT Service Management (Information Technology Infrastructure Library ITIL, V3 Gap Analysis)	15	15	15	Draft Report	Limited	1	6	0	03/12/2012
Wireless Networks	15	15	15	Final Report	Substantial	0	4	2	14/06/2013
Virtual Desktop Infrastructure (VDI)	20	0	0	Withdrawn from the plan					
Civic Centre IT Controls	20	13	13	Ongoing attendance at Project Meetings					
Follow up of previous IT audits	12	12	12	Ongoing					
Audit Plan 2013/14	0	1	1	Complete					
<b>Computer Audit Total</b>	<b>122</b>	<b>76</b>	<b>76</b>	<b>*Plus 10 days delivered on V5 (BHP)</b>					
<b>Others</b>									
Risk Management	10	10	10						
Consultation, Communication and Reporting	55	55	55						
Follow up	55	50	50						
Office Move	14	14	14						
2013/14 Planning (DMT meetings)	0	8	8						
Contingency	30	0	0						
	<b>164</b>	<b>137</b>	<b>137</b>						

<b>BHP</b>									
Housing Repairs and Maintenance	12	15	15	Final Report	Limited	4	13	0	21/06/2013
Housing Rents	8	8	8	Final Report	Substantial (unchanged)	1	1	3	28/11/2012
Major Works Contracts	20	20	20	Draft Report	CAM Estate Substantial	0	6	1	09/05/2013
					The Groves Substantial	0	5	1	09/05/2013
Procurement & Contracts (Non Major Works)	15	15	15	Final Report	Substantial	2	3	-	04/10/2012
Treasury Management	8	8	8	See IFC					
Internal Financial Controls	10	10	10	Final Report	Substantial (Deteriorated)	1	4	4	14/06/2013
Rent Arrears Management	15	15	15	Final Report	Substantial (Unchanged)	0	1	2	14/01/2013
Tenant Management Organisations – Watling Gardens	13	15	15	Final Report	Limited	7	8	1	30/10/2012
Management of Non-Brent Properties	15	15	15	Final Report	Limited	2	4	0	21/06/2013
TMO – South Kilburn TMO	0	4	4	Final Report	Non-Assurance work	2	8	0	08/11/2012
Risk Management	8	0	0	Removed from Plan due to changes in structure and procedures and partially replaced by KSTMO and additional time required for Repairs & Maintenance					
V5 System (Housing Rents)	10	10	10	Final Report	Limited (Unchanged)	1	10	1	28/11/2012
Consultation and Management Days	20	20	20	Throughout the year.					
<b>BHP Total</b>	<b>154</b>	<b>155</b>	<b>155</b>						
<b>Total</b>									
	<b>1200</b>	<b>1160</b>	<b>1160</b>						

<b>Delivery Status</b>	
Total days in the plan	1200 days
Number of days delivered to date	1160 days
% of days delivered to date	97%
Days to be delivered (Work in Progress)	0
Total number of reports to be issued (excluding follow up reports and Committee reports)	72*
Number of reports issued to date	72
% of reports issued to date	100%
*Excludes Audit Committee Reports, Follow Up reports Unused 40 days relate to IT audits which were unable to undertake due to systems changes and move to Civic Centre	

- 3.4. Assurance ratings are used to assess the strength of financial and operational controls and the extent to which they are being applied. For 2012/13 there has been a significant improvement in the balance between substantial and limited assurance ratings as set out below:

	Full 	Substantial 	Limited 	None 
<b>2011/12</b>	-	42% (22)	50% (26)	8% (4)
<b>2012/13</b>	4% (2)	67% (32)	27% (13)	2% (1)

### **Fraud**

- 3.5. The Investigation Team continue to deal with a large number of referrals, some 1,000 across four main fraud types. The majority, 66%, of referrals relate to housing benefit fraud, with social housing fraud being the second highest at 22%. Internal fraud enquiries account for approximately 4% of the caseload, although due to complexity, often involve significant resource input.
- 3.6. A detailed report on activity is attached at appendix 2.

### **Risk**

- 3.7. The audit team continues to work with the Corporate Management Team, assistant directors and heads of service to develop and embed the risk management process.

## **4. Financial Implications**

- 4.1. None

## **5. Legal Implications**

- 5.1. None

## **6. Diversity Implications**

- 6.1. None

## **7. Background Papers**

1. REPORT FROM THE DIRECTOR OF FINANCE – INTERNAL AUDIT PLAN FOR 2012/13, *Audit Committee 27<sup>th</sup> June 2012*

**8. Contact Officer Details**

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