

Rossendale Borough Council

Internal audit service progress report for the period to November 2016

1 Introduction

- 1.1 This report highlights the internal audit work undertaken that the Audit and Accounts Committee should be aware of to fulfil its role of providing independent oversight of the adequacy of the council's internal control and risk management framework.
- 1.2 It summarises the work undertaken during the eight months of the year to November 2016 by the council's Internal Audit Service as part of the internal audit plan for 2016/17. The findings included in this report have been agreed with relevant managers.

2 Internal audit work undertaken between April 2016 and November 2016

- 2.1 Work carried out during this period was in accordance with the revised audit plan approved by this committee in September.
- 2.2 Progress is in line with the planned schedule of work and since completing the audits of NNDR as reported in September, we have also now completed the fieldwork and draft reports for the audits of council tax, the disabled facilities grant and housing management. The fieldwork has been completed for housing benefits and a draft report will be available shortly. We have begun the audit of the town centre redevelopment, and are due to start work imminently on payroll, treasury management, and general ledger, budget setting and monitoring.
- 2.3 Work on remaining areas of the plan has been scheduled to begin before the end of 2016/17.
- 2.4 The table in section 5 sets out a brief summary of the work completed in the first eight months of 2016/17 to November 2016.

3 National Fraud Initiative (NFI) work undertaken

- 3.1 The National Fraud Initiative (NFI) submission was made in October in line with the Cabinet Office's timetable. In December 2016 the electoral role register data will be submitted for matching with Council Tax data. Further work will be required when the results are released on 21 January 2017 detailing the matches for all datasets.
- 3.2 The table in section 6 of this reports shows a summary of National Fraud Initiative (NFI) findings. This is an update on data previously reported in September 2016 to this committee and highlights the movement in the data from that previously reported.

4 Use of this report

- 4.1 This report has been prepared solely for the use of Rossendale Borough Council and it would therefore not be appropriate for it or extracts from it to be made available to third parties other than the external auditors. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it and, in particular, we expect the

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external auditors to determine for themselves the extent to which they choose to utilise our work.

5 Summary of our findings and assurance

Audit review	Audit scope	Findings/ comments	Assurance	Previously reported
2016/17				
NNDR	We reviewed the council's systems to collect and record National Non Domestic Rates (NNDR), focusing on billing procedures, processing of valuation updates, administration of exemptions and reliefs, and debt recovery.	The system of internal control over this area is adequately designed to meet the council's objectives. We did not identify any significant issues during the course of our work. However we noted that the council has arrears of over £400,000 from one landlord (which has arisen over a number of years, some of which could become statute barred next year). The council has appointed a law firm to deal with the case.	We can provide substantial assurance over the controls in place.	27 September 2016
Council Tax	We reviewed the council's systems to collect and record council tax, focusing on personal data including, discounts, exemptions, allowances. Also valuation updates, refunds, recovery and enforcement procedures.	The fieldwork has been completed and a draft report has been produced but not yet finalised.	To be confirmed.	N/A
Disabled Facilities Grant (DFG)	We have reviewed the procedures in place to administer and control applications for the Disabled Facilities Grants and establish, through substantive audit	The fieldwork has been completed and a draft report has been produced but not yet finalised.	To be confirmed.	N/A

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Audit review	Audit scope	Findings/ comments	Assurance	Previously reported
	testing, the effectiveness of the controls put in place by management.			
Housing Management	We have reviewed the procedures in place to administer and control the refurbishment of properties including the completion of property surveys, tendering and procurement of contractors as well as quality control procedures.	The fieldwork has been completed and a draft report has been produced but not yet finalised.	To be confirmed.	N/A
Housing Benefit	We reviewed the council's systems focusing on processing within prescribed timescales, deadlines for reviewing benefit assessments, changes in circumstances, duplicate or fraudulent claims.	The fieldwork has been completed and a report is being drafted.	To be confirmed.	N/A

6. Summary of National Fraud Initiative (NFI) findings

6.1 The table below sets out a brief summary of the NFI findings.

Category of data	Number of reports	Number of matches	Number of frauds	Number of errors	Savings £
Housing benefit	28	647	7	2	125,482
Payroll	4	17	0	0	0
Insurance	2	11	0	0	0
Taxi drivers	4	9	1	0	0
Creditors	8	363	0	0	0
Council tax reduction scheme	27	865	5	10	25,452
Council tax December '14 release	2	386	1	40	16,885
Council tax December '15 release ⁵	2	370	0	44	16,521
Total as at August 2016	77	2,668	14	96	184,340
Previously reported total as at September 2016	77	2,668	12	96	143,202