

Report of the Head of Internal Audit

**Audit & Counter Fraud Monitoring Report**

**Summary**

- 1 This report provides an update on progress made in delivering the internal audit workplan for 2017/18 and on current counter fraud activity.

**Background**

- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with the standards, periodic reports detailing the outcomes of internal audit work are presented to this committee.

**Internal Audit**

- 3 To date (up to 6<sup>th</sup> September 2017), internal audit has completed 27% of the 2017/18 audit plan based on reports issued. The figures do not reflect audits in progress or recently completed<sup>1</sup>. It is anticipated that the 93% target for the year will be exceeded by the end of April 2018 (the cut off point for 2017/18 audits). The current status of audits included in the audit plan is shown in annex 5.
- 4 Details of the audits completed and reports issued since the last report to this committee in June 2017 are given in annex 1.

---

<sup>1</sup> The figure including work in progress and work completed but not yet reported is 64%.

- 5 A number of variations to the audit plan have been approved by the Director of Customer and Corporate Services since the last report to this committee in June 2017. Details of these variations are included in annex 2.

### **Counter Fraud**

- 6 Counter fraud work has been undertaken in accordance with the approved plan. Annex 3 provides a summary of the work undertaken in the period.
- 7 Up to 31st July, the fraud team had achieved £123k in savings for the council as a result of investigation work (against a target for the year of £100k). Successful outcomes were recorded for 50% of the investigations undertaken (where cases have resulted in some form of action against the perpetrator, recovery of funds or other action by management). The team also identified £19k in notional savings principally derived from housing fraud investigations.

### **Breaches of Financial Regulations**

- 8 There has been one breach of the council's financial regulations identified during the course of recent audit work. Details of this breach is summarised in annex 4.

### **Consultation**

- 9 Not relevant for the purpose of the report.

### **Options**

- 10 Not relevant for the purpose of the report.

### **Analysis**

- 11 Not relevant for the purpose of the report.

### **Council Plan**

- 12 The work of internal audit and counter fraud helps to support overall aims and priorities by promoting probity, integrity and accountability and by helping to make the council a more effective organisation.

## **Implications**

- 13 There are no implications to this report in relation to:
- Finance
  - Human Resources (HR)
  - Equalities
  - Legal
  - Crime and Disorder
  - Information Technology (IT)
  - Property
  - Risk Management Assessment
- 14 The council will be non-compliant with the PSIAS if the results of audit work are not reported to the committee and could therefore be exposed to increased levels of scrutiny and challenge.

## **Recommendation**

- 15 Members are asked to:
- (a) Note the progress made in delivering the 2017/18 internal audit work programme, and current counter fraud activity.

### Reason

*To enable members to consider the implications of audit and fraud findings.*

## Contact Details

### Author:

Max Thomas  
Head of Internal Audit  
Veritau Limited  
01904 552940

### Chief Officer Responsible for the report:

Ian Floyd  
Deputy Chief Executive / Director of  
Customer & Corporate Services  
Telephone: 01904 551100

Report  
Approved



Date 11/09/17

## Specialist Implications Officers

Not applicable

**Wards Affected:** Not applicable

All

**For further information please contact the author of the report**

## Background Papers

- 2017/18 Internal Audit and Counter Fraud Plan

## Annexes

Annex 1 – 2017/18 Audits Completed and Reports Issued

Annex 2 - Variations to the 2017/18 Audit Plan

Annex 3 - Counter Fraud Activity

Annex 4 - Breaches of Financial Regulations

Annex 5 - Current Status of Planned Audits

## Available on the council's website

The following Internal Audit reports referred to in annex 1 are published on the council's website:

- Blue Badge Scheme
- Council Tax & NNDR
- Disposal of scrap metal (follow-up)
- Fleet Management
- Fulford School

- Homelessness – Housing Options
- Housing Rents
- Housing Repairs
- Main Accounting System
- Schools Themed Audit – Maintained Nurseries
- Section 106 Agreements (follow-up)
- St Aelred's RC Primary School
- St Oswald's CE Primary School
- Use of Social Media
- Waste Disposal Contract

Information which might increase risk to the Council, its employees, partners or suppliers has been redacted.