

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 26th March 2018), internal audit has completed 73% of the 2017/18 audit plan based on reports issued. The figures do not reflect audits in progress or recently completed¹. 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 4.
4. Details of the audits completed and reports issued since the last report to this committee in December 2017 are given in annex 1.
5. A number of variations to the audit plan have been approved by the Director of Customer and Corporate Services since the

¹ The figure including work in progress and work completed but not yet reported is 100%.

last report to this committee in December 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 28th February, the fraud team had achieved £207k in savings for the council as a result of investigation work (against a target for the year of £100k). Successful outcomes were recorded for 54% 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 £41k in notional savings principally derived from housing fraud investigations.

Breaches of Financial Regulations

8. No breaches of the council's financial regulations have been identified during the course of recent audit work.

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 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

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Services
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Report
Approved



Date 29/03/2018

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 - 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:

- Access to Key IT Systems (follow-up)
- Concessionary Bus Passes
- Copmanthorpe Primary School
- Financial Transactions & Income Management
- Health & Safety
- Health & Safety (follow-up)
- Information Security Checks
- Ordering and Creditor Payments
- Payment Card Industry Data Security Standard (PCI DSS)
- Performance Management
- Procurement of Contracts (Building Maintenance, Civil Engineering & Public Realm) (follow-up)
- Schools Themed Audit – Electronic Cash Collection
- Supporting Vulnerable People
- Westfield Community Primary School

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