

Audit & Counter Fraud Monitoring Report

Summary

- 1 This report provides an update on progress made in delivering the internal audit workplan for 2014/15 and on current counter fraud activity.

Background

- 2 The work of internal audit is governed by the Accounts and Audit (England) Regulations 2011 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, internal audit has delivered 74% of the 2014/15 audit plan based on reports issued. This is broadly comparable to the same point last year (78%). The figures do not reflect audits in progress or recently completed. As at 11 March 2015, 97% of work was either completed or in progress.
- 4 It is anticipated that the 93% target for the year will be exceeded by the end of April 2015 (the cut off point for 2014/15 audits).
- 5 Details of the audits completed and reports issued since the last report to this committee in December 2014 are given in annex 1.

Counter Fraud

- 6 Counter fraud work has been undertaken in accordance with the approved plan. Annex 2 provides a summary of the work undertaken.
- 7 In addition, the council participated in a successful regional bid for fraud funding from DCLG in partnership with North Yorkshire County Council, Hambleton District Council, Richmondshire District Council, Ryedale District Council and Selby District Council. The initiative will use cross border data matching exercises to identify fraud.

Breaches of Financial Regulations

- 8 A number of breaches of the council's financial regulations have been identified during the course of recent audit work. Details of these breaches are summarised in annex 3. None of the breaches represent significant issues.

Follow Up of Agreed Actions

- 9 Annex 4 includes details of follow up of internal audit agreed actions. Previously, these have been brought as a separate report to the committee. The intention going forward is to include details of follow up work as part of this monitoring report, twice a year. There are no specific issues that need to be brought to the committee's attention as a result of the latest follow up work.

Consultation

- 10 Not relevant for the purpose of the report.

Options

- 11 Not relevant for the purpose of the report.

Analysis

- 12 Not relevant for the purpose of the report.

Council Plan

- 13 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

14 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

15 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

16 Members are asked to:

- (a) Note the progress made in delivering the 2014/15 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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Report
Approved



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Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

For further information please contact the author of the report

Background Papers

- 2014/15 Internal Audit, Counter Fraud, and Information Governance Plan
- The final internal audit reports referred to in annex 1 are available as background papers with the online agenda papers for this meeting

Annexes

Annex 1 – 2014/15 Audits Completed and Reports Issued
Annex 2 – Counter Fraud Activity
Annex 3 – Breaches of Financial Regulations
Annex 4 – Follow Up of Agreed Actions