



Public Session

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To: Audit and Governance Committee
Date: 17 January 2018
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Lead Officer: Karen Iveson; Chief Finance Officer (s151 Officer)

Title: Internal Audit and Counter Fraud Progress Report 2017/18

Summary:

The purpose of the report is to provide an update on progress made in delivering the internal audit workplan for 2017/18, and to summarise the findings of recent internal audit work. The report also updates the committee on counter fraud work undertaken in the current financial year.

Recommendations:

It is recommended that the Committee note the report.

Reasons for recommendation

To support the work of the Committee in monitoring internal audit and scrutinising and monitoring control systems.

1. Introduction and background

- 1.1 The provision of Internal Audit is a statutory requirement (Accounts & Audit Regulations 2015).
- 1.2 The Audit and Governance Committee approved the Internal Audit and Counter Fraud plan for 2017/18 at its meeting held on 19 April 2017. The purpose of this report is to inform Members of the progress made to date in delivering the 2017/18 plan and to summarise the outcomes of internal audit reviews.

2. The Report

- 2.1 Details of internal audit and counter fraud work undertaken in 2017/18 are included in the report attached at Appendix 1.
- 2.2 Veritau carries out its work in accordance with the Public Sector Internal Audit Standards (PSIAS).
- 2.3 There is no direct linkage to any of the Council's Priorities, as internal audit and counter fraud are support services, providing assurance on corporate governance arrangements, internal control and risk management to the Council's managers in respect of their services, and specifically to the Council's S151 Officer on financial systems. And support and advice on counter fraud arrangements and investigations services.

3. Legal/Financial Controls and other Policy matters

- 3.1 Legal Issues
 - 3.1.1 There are no legal issues as a direct result of this report.
- 3.2 Financial Issues
 - 3.2.1 There are no financial issues as a direct result of this report.

4. Conclusion

- 4.1 At the time of drafting this report, there are eighteen 2017/18 audits in progress. Three reports are currently at draft report stage. Five reports have been finalised since the last report to this committee. It is anticipated that the target to complete 93% of the audit plan will be exceeded by the end of April 2018 (the cut off point for 2017/18 audits).
- 4.2 Up to 30 November, the fraud team has identified £17k in loss to the council and achieved £15.8k in savings for the Council as a result of investigative work. There are currently 13 ongoing investigations.

5. Background Documents

SDC Internal Audit and Counter Fraud Plan 2017/18

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**Appendices: - Appendix 1 – Internal Audit & Counter Fraud
Progress Report 2017/18**