

Head of Internal Audit Update

Audit Committee

Date: 5 June 2018

Author: Head of Internal Audit

Wards: None

Parishes Affected: None

1. Purpose and Reasons

- 1.1 To present Members with a summary of the main issues arising from the Internal Audit reports finalised since the Audit Committee meeting in March 2018, to update Members with regard to progress against the annual internal audit plan and other key issues.
- 1.2 The Council's Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end it should seek assurance that key areas that contribute to this framework are operating properly.
- 1.3 The Council's Internal Audit section is a key component of the assurance framework and therefore it is essential that this Committee monitor its performance against the annual plan along with the implementation of agreed recommendations by Client departments.

2. Recommendations

The Committee is recommended to:

- 2.1 It is recommended that Audit Committee note the report.

3. Detail

Progress on completion of Internal Audit Plan 2017/18

- 3.1 Details of audits finalised since the March Audit Committee meeting are set out in Appendix 1. The appendix sets out the key audit recommendations made along with the overall risk assessment to the Council.
- 3.2 As at the end of March 2018, 87% of the number of audits in the audit plan has been completed against a target of 92%. More detail on the work carried out by internal Audit during 2017/18 is set out in the Head of Internal Audit's Annual report which is on this meeting's agenda.
- 3.3 Customer Feedback forms returned during 2017/18 indicate that 90% of clients felt that the audit was good to excellent, the remaining 10% ranked the audit good to average.
- 3.4 The Head of Internal Audit's Annual report, which is on the agenda for this meeting, provides more detail regarding the work undertaken by Internal Audit during 2017/18.

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Progress on completion of Internal Audit Plan 2018/19

- 3.5 Appendix 2 sets out progress in the first two months against the annual Internal Audit plan.

Corporate Fraud Team

- 3.6 During 2018/19 the Corporate Fraud Team has:
- Recovered 19 housing properties (estimated savings £342,000)
 - Stopped 5 fraudulent right to buy applications (discount saved of £377,243)
 - Additional Bills Raised £29,079.15 (£13,516.76 relating to HB)
- 3.7 Further details are included in the Corporate Fraud Team's annual report which is an appendix to the Head of Internal Audit's report.
- 3.8 Certification of the Public Health Grant claim identified that, on a one off basis Public Health did not require a contribution of £129,300 from the general fund at financial year-end 2017/18.

4. Alternative Options

- 4.1 Not applicable

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 There are no direct financial implications arising from this report.

Legal and Human Rights Implications

- 5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2015. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 None

Diversity Impact Assessment

- 5.4 None

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Risk Management

- 5.5 Potential risks to the Council are identified in the individual audit reports summarised in Appendices 1 and 2.

6. Consultees

- 6.1 The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 Appendix 1: Internal Audit Reports finalised since the March 2018 Audit Committee.
- 8.2 Appendix 2: Progress against the Internal Audit plan 2018/19