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| <b>REPORT TO:</b>       | <b>OVERVIEW AND SCRUTINY COMMITTEE</b>                                    |
| <b>DATE:</b>            | <b>2 November 2017</b>  |
| <b>REPORT OF THE:</b>   | <b>RESOURCES AND ENABLING SERVICES LEAD (s151)<br/>PETER JOHNSON</b>      |
| <b>TITLE OF REPORT:</b> | <b>INTERNAL AUDIT AND COUNTER FRAUD FIRST<br/>PROGRESS REPORT 2017/18</b> |
| <b>WARDS AFFECTED:</b>  | <b>ALL</b>  |

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 The report summarises the outcome of internal audit and counter fraud work undertaken between 1 April 2017 and 10 October 2017, inclusive.

### **2.0 RECOMMENDATION(S)**

- 2.1 It is recommended the Committee note the results of the work undertaken as part of 2017/18 internal audit and counter fraud plan.

### **3.0 REASON FOR RECOMMENDATION(S)**

- 3.1 To enable the Committee to fulfil its responsibility for considering the outcome of internal audit and counter fraud work.

### **4.0 SIGNIFICANT RISKS**

- 4.1 The Council will fail to comply with proper practice requirements for internal audit and the Council's Audit Charter if the results of audit work are not considered by an appropriate Committee.

### **5.0 POLICY CONTEXT AND CONSULTATION**

- 5.1 The work on internal audit and counter fraud supports the council's overall aims and priorities by promoting probity, integrity and honesty and by helping support the council to become a more effective organisation.
- 5.2 The work of internal audit is governed by the Accounts and Audit (England) Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS) and CIPFA guidance on the application of those standards in Local Government. In accordance with the standards, the Head of Internal Audit is required to report on the results of audit work undertaken.

## **6.0 REPORT DETAILS**

- 6.1 The progress report included at Appendix 1 summarises the progress made against the 2017/18 internal audit plan. In the period from 1 April 2017 to 10 October 2017 one internal audit draft report has been issued. Work is ongoing in three other areas and planning for five audits has started. Planned timings for all work not yet started have been agreed with officers. It is expected all audits will have draft reports issued by the end of April 2018. Further information is contained in Annex A.
- 6.2 A key aspect of our work since the last Committee has been to review the progress made implementing previously agreed actions. It is important agreed actions are formally followed-up to ensure they have been implemented by managers. We followed up the progress made in respect of 44 findings which had a date for implementation of 30 September 2017 or earlier. Just over half of the planned findings (23) have been completed. Updated deadlines for completion have been set by officers; the majority of which (17/21) are planned to be completed by 31 December 2017. Further information is included in Annex B.
- 6.3 Counter fraud work has been undertaken in accordance with the approved plan. Annex D to the enclosed report provides a summary of the work undertaken in the period.

## **7.0 IMPLICATIONS**

- 7.1 The following implications have been identified:
- a) Financial  
None
  - b) Legal  
None
  - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
None

### **Peter Johnson Resources and Enabling Services Lead (s151)**

**Author:** Stuart Cutts Audit Manager.  
Veritau Limited  
**Telephone No:** 01653 600666 (ext 382)  
**E-Mail Address:** [stuart.cutts@veritau.co.uk](mailto:stuart.cutts@veritau.co.uk)

**Author:** Jonathan Dodsworth Counter Fraud Manager.  
Veritau Limited  
**Telephone No:** 01904 552947  
**E-Mail Address:** [jonathan.dodsworth@veritau.co.uk](mailto:jonathan.dodsworth@veritau.co.uk)

**Background Papers:**  
2017/18 Internal Audit and Counter Fraud Plan