

Regulatory And Audit Committee

Title: INTERNAL AUDIT PROGRESS REPORT 2015/16

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Local members affected:

For press enquiries concerning this report, please contact the media office on 01296 382444

Introduction

1. The Internal Audit Plan is attached as Appendix 1 to this report, and includes a progress status on the previously reported planned activity.

Resources

2. The Audit Manager has been appointed and joined the Business Assurance Team on 1 September 2015. We have also appointed a Senior Risk Officer who will start in post on 1 October 2015.

We currently have a CIPFA Trainee on secondment until the end of the financial year, and have submitted a proposal to secure additional resource through the Graduate Placement Scheme who will assist with the delivery of the key financial audits.

Summary of Audit Activity

3. There have been four audits completed since the last report, and two that are currently at draft report stage:

Service	Audit	Opinion
CSC&L	Buckinghamshire Learning Trust Governance	Limited
CSC&L	Families First	N/A (Management Letter)
TEE	ADEPT Accounts	N/A (Management Letter)



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Service	Audit	Opinion
TEE	Joint Waste Committee	N/A (Management Letter)
CSC&L	AMEY Contract – Follow Up Audit	Draft management letter
CSC&L	Client Transport Safeguarding	Draft report

Note:

BSP – Business Services Plus

CH & ASC – Communities, Health and Adult Social Care

CSC & L – Children Social Care and Learning

TEE – Transport, Environment and Economy

The three audits relating to Families First; ADEPT Accounts; and, Joint Waste Committee are all verification audits, checking the accuracy and completeness of grant claims and statement of accounts. There were no significant issues arising from these audits. A summary of the Bucks Learning Trust Governance Audit is attached as appendix 2 to this report.

Performance Indicators

Performance Measure	Target	% Performance Achieved	Comments
Elapsed Time between issue of the final terms of reference and completion of audit work (exit meeting).	3 x day allocation	100%	
Elapsed Time for completion of audit work (exit meeting) to issue of draft report.	15 days	100%	
Elapsed Time between issue of Draft report and issue of Final Report.	15 days	100%	

Counter-Fraud Update - Investigations

4. There have been a number of irregularities reported to Internal Audit, under the Anti-Fraud and Corruption strategy, that have required investigation and management review. Internal Audit are either involved in the investigation, or overseeing the management activity:
5. Internal Audit received an allegation relating to a member of staff being in receipt of a monthly travel payment that they were not eligible to receive. Following a short investigation the payment was stopped and the employee has agreed to repay the two travel payments already received.
6. A recent theft and subsequent fraudulent use of a purchasing card from the Youth Offending Service office was report to Internal Audit. The matter has been referred to the Police for further investigation and a management letter has been issued as a reminder of the controls that must be exercised over purchasing cards.

7. Internal Audit are investigating a report of financial irregularity in CSC & L following receipt of information from a neighbouring authority.
8. The Monitoring Officer referred a whistleblowing allegation to Internal Audit for investigation within CSC&L regarding decision making and following agreed policies and procedures. This investigation work is on-going.
9. Internal Audit are, in conjunction with Managers in CSC&L, conducting an investigation into financial irregularity within a specific service area relating to contractor payments. The irregularities were identified by the manager of the service, through their internal check processes. They highlighted weaknesses in the control process which the Manager has taken immediate corrective action to address. The investigation is on-going.
10. Internal Audit are currently working with managers in CHA&SC to consider the fraud risk within the Direct Payments system, and the effectiveness of the controls to mitigate that risk. The work includes reviewing a small number of cases identified by management.

Business Assurance Update

11. The Business Assurance Manager has been working with the One Council Board (OCB) to review and refresh the Strategic Risk Register. Individual meetings will now be held with each of the Managing Directors to update the scores and action plans ahead of reporting to the next meeting of the Risk Management Group (RMG).
12. The Business Assurance Manager attended the HQ Board to discuss and facilitate development of the HQ Risk Register, and to agree future reporting. The HQ risk register will also be presented to the next meeting of the RMG.
13. The Business Assurance Team have been working with TEE and BSP to develop the first draft of their Assurance Frameworks. The assurance mapping exercise details the critical activities within the Business Unit, and the sources of assurance which provide management with confidence that what is needed is being done. This will provide the 1st line of assurance - management controls.
14. Professional Leads have been identified for each of the key corporate processes detailed within the Operating Framework, and each of the leads are developing an Assurance Framework to document how well operations are being carried out across the organisation in line with corporate policies. This provides the 2nd line of assurance.

Background Papers

Appendix 1; Regulatory and Audit Committee 23 Sept 15 - Progress against 2014/15 plan
Appendix 2; Summary of completed audits