

Division(s): N/A

AUDIT & GOVERNANCE COMMITTEE – 23 APRIL 2014

INTERNAL AUDIT 2013/14 PROGRESS REPORT AND 2014/15 PLAN

Report by the Chief Finance Officer

Introduction

1. The agreed Internal Audit Plan for 2013/14 is attached as Annex 1 to this report, and includes a progress status for those audits. This report also includes as Annex 2 a summary of the completed audits, and the current status of the management action arising from those audits.
2. The target is for all audits to be finalised by the end of April 2014; it is expected this will be achieved with the exception of the following:
 - SCS Contract Management - the completion of this audit has been delayed, and will therefore not be finalised until May 2014.
3. In addition to the audit areas referred to in Annex 1, there are three other reports to be issued resulting from our governance programme. These are reports to the corporate leads in relation to the following areas that have been tested and reported within the Directorate governance reports:
 - Risk and Performance Management
 - Authority and Governance
 - Budgetary ControlThese are currently at draft report stage.

2013/14 Audit Plan Progress

4. There have been 10 audits concluded since the last update (provided to the January meeting of the Audit and Governance Committee; summaries of findings and current status of management actions are detailed in Annex 2. The completed audits are as follows:

Directorate	2013/14 Audits	Opinion
EE (OCS)	PUBLIC SERVICES NETWORK REVIEW 2013/14	ISSUES
EE (OCS)	THE UNION CENTRE 2013/14	ISSUES
CEF	THRIVING FAMILIES CLAIM (FEBRUARY '14) 2013/14	ACCEPTABLE
CEF	SEN 2013/14	ISSUES

AG07

CEF	G&FM THE ROUNDABOUT CENTRE 2013/14	UNACCEPTABLE
SCS	G&FM 2013/14 - ABINGDON EARLY INTERVENTION HUB	ISSUES
CEO	GOVERNANCE & FINANCIAL MANAGEMENT 2013/14. THE OXFORDSHIRE MUSEUM, WOODSTOCK.	ISSUES
PUBLIC HEALTH	PUBLIC HEALTH PROCUREMENT 2013/14	ISSUES
SCS	PRINT FINISHERS UNIT (Review of management controls - post investigation)	N/A
OCS	HOSTED SERVICES (PHASE 3) REVIEW 2013/14	ISSUES

Performance

5. Current performance against the three output indicators is mixed:
- Exit meetings - we are performing well with 78% of exits meetings being completed within acceptable timescale (three times the audit budget for the assignment)
 - Draft Reports - we are performing well with 70% of draft reports issued within 15 days of the exit meeting.
 - Final Reports - this is an activity we are not performing to the standards we have set. Currently only 60% of final reports have been issued within 15 days of the draft report. There are a number of issue identified as contributing to the delays; in part it is logistics whereby some of the more complex cross cutting audits require responses from several managers and senior managers before a final can be issued, but it is also due issues being identified through the quality review process that require correcting before completion. At the January Audit Committee we reported performance of 56%.

Counter-Fraud

NFI Update:

6. The NFI data matches continue to be investigated. There is one area of concern that is being highlighted; overpayments to residential care homes. The investigations into data matches has found payments of £35,322.21 that were not due. The Council has been charged for deceased clients. The money is being recovered, and Internal Audit are following up to ascertain if there are any system control issues.
Current progress against each area is as follows:

Investigations:

7. The team is currently working on an investigation into one suspected fraud, and having oversight of two other suspected financial irregularities. One other investigation has been completed resulting in a dismissal; no further details

AG07

can be provided at this stage as the matter is subject of an on-going Police prosecution.

Theft from the Oxfordshire Museum:

8. Further to the original prosecution and recovery of £16596, the Police have taken the individual to court for a second time to try and reclaim an additional £11k that she was found to have misappropriated. The court granted the outcome in favour of the Council and ordered her to pay back the money. She has been given six months to do so.

RECOMMENDATION

9. **The Committee is RECOMMENDED to note the report.**

Lorna Baxter
Chief Finance Officer

Contact Officer: Ian Dyson,
Chief Internal Auditor
Contact Number: (01865) 323875
Background papers: None.

April 2014