

Shared Audit and Investigation Service
Wokingham Borough Council Performance Report
2016/17 to 30 June 2016
Audit Committee 28 September 2016

2016/17 Quarterly Progress Report (to 30 June 2016)

1. Introduction

1.1 This report summarises the work of Internal Audit and Investigation to 30 June 2016.

2. Internal Audit

Performance against Audit Plan to 30 June 2016

2.1 Appendix A(I) presents progress made against the 2016/17 Internal Audit Plan to 30 June 2016. At the end of 30 June 2016, progress on the Plan was affected due to a number of audits that have been deferred to later in the year at the request of management. We are actively managing the Audit Plan to take account of developments regarding the 21st Century Council initiative to ensure that our audit work is focussed on assisting the organisation to achieve its objectives and to add value.

2.2 There were 8 audits carried forward from 2015/16 and 7 are at final report stage and 1 at draft report stage. For 2016/17 audits, 1 is at final report stage, 2 are at draft report stage, 6 are work in progress and there is one grant certification.

Third Category Audit Opinion Reviews

2.3 There have been two audit reviews receiving the third category of audit opinion (Range of Risk Mitigation Controls is incomplete and risks are not effectively Mitigated) that have been completed to Final Report stage since the 2015/16 Annual Shared Audit and Investigation Service report submitted to the Audit Committee on 15th June 2016 that relate to the 2015/16 financial year.

- Capital Programme - identified that there were opportunities for improvement through the management action plan that have been discussed and agreed by Corporate Leadership Team, including monitoring the delivery of the Council's capital programme and profiling on capital projects in line with the Medium Term Financial Plan.
- Contract Management - identified that there were opportunities for improvement with regard to the Council's approach to contract management. The key areas for improvement include; the recording of contracts, validation of invoices and roles and responsibilities. Following this review, the Chief Executive has commissioned an audit of the Council's top 10 contracts to obtain assurance on that the key contracts are being managed effectively.

2.4 Contingency days to date have been spent on unplanned work requested by management in the following areas. All are currently in progress and the outcome of the reviews will be reported in the next quarterly report:

- Direct Payments
- Highway Infrastructure Assets.
- Highways SDL Programme Risk Review
- Grant Certification

2.5 There are no outstanding management responses to draft internal audit reports.

Development of New Systems / Special Projects

- Internal Audit has attended the Information Governance Group to advise on information security and governance issues. The Group has been working on the completion of the Information Security/Data Protection Act e-learning refresher programme as mandated by the Information Commissioner’s Office.
- In addition, Internal Audit has been involved in contributing material for the Council’s ‘Being a Manager Programme’ which is a management induction tool.

Other audit work

2.6 Progress against the Public Sector Internal Audit Standards Self-Assessment Action Plan is ongoing. Six actions have been implemented within the timescale identified in the Action Plan that went to the June Audit Committee.

3. Investigations

3.1 The Investigations Team performance up to the end of June 2016 covers the total potential financial savings. This was comprised of £4,529 of actual overpayments that are potentially recoverable and £20,500 of notional savings which are the value placed on the fraud by the “Fighting Fraud and Corruption Locally” publication issued by the CIPFA Counter Fraud Centre and “Protecting the Public Purse” as shown in Table 1 below.

Table 1 : Investigation Team Activity

Area of Work	2016/17 Total
Council Tax Reduction Scheme (CTRS)	£3,395
Procurement	£1,134
Housing (Notional)	£18,000
Blue Badges recovered (Notional)	£2,500
Total	£25,029

3.2 In terms of other Investigation activity, the following pieces of work were undertaken:-

- 45 Council Tax Reduction Scheme ongoing investigations
- 1 Monitoring Officer investigation
- Reactive response has been made in respect of any referrals of Blue Badge misuse.

- 3.3 In addition to the reactive investigation of fraud, the Investigation Team is undertaking a proactive counter fraud drive on Council Tax Student Exemptions.
- 3.4 We have been commissioned by the Council Tax section to perform a review of properties categorised as unfurnished and unoccupied to identify homes that have returned back into use to ensure that the Council maximises revenue from the New Homes Bonus.

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