



# AUDIT COMMITTEE

25 September 2012

**Subject Heading:**

iExpenses Follow Up

**Report Author and contact details:**

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**Policy context:**

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To advise the Committee on progress to  
implement the recommendations from the  
iExpenses audit.

**Financial summary:**

N/A

## The subject matter of this report deals with the following Council Objectives

|  |   |
|--|---|
| Clean, safe and green borough  | X |
| Excellence in education and learning                                 | X |
| Opportunities for all through economic, social and cultural activity | X |
| Value and enhance the life of every individual                       | X |
| High customer satisfaction and a stable council tax                  | X |

## SUMMARY

Some progress has been made to address the issues and implement recommendations raised by the iExpenses & Purchase Card audit report.

Of the five high, three medium and one low priority recommendations raised in the report; one high and one medium priority recommendation have been implemented at the time of the follow up.

Since the issuing of the final report, one recommendation has been rejected by management. Progress has been made towards the remaining six, two of which were not due to be completed at the time of this follow up.

Appendix 1 contains a summary of the outcome of the follow up.

**RECOMMENDATIONS**

1. To note the contents of the report.
2. To raise questions for management regarding progress.

**REPORT DETAIL**

In May 2012 a final audit report was issued to management following an audit of the iExpenses and Purchase Card system.

The objective of the audit was to provide assurance regarding the internal controls within the iExpenses area of Oracle system which had been implemented in April 2011. This module is used to reclaim personal expenses and also account for transactions made via the Corporate Purchase Cards held by approved officers.

The audit reviewed the following key risk areas:

- Compliance;
- Quality and Value for Money;
- Financial; and
- Management Information.

As a result of the audit five high, three medium and one low priority recommendation were raised and a 'Limited Assurance' was provided to management. All recommendations were agreed at the time of issuing the final report and deadlines for all but two (one low, one medium) were prior to 30<sup>th</sup> August 2012.

The management summary for this audit was presented to Audit Committee in June 2012 as part of the Internal Audit progress report. Members requested an update regarding this report due to the number of recommendations that had been raised.

Appendix 1 details that outcome of the follow up work.

The results are also summarised below:

- Three recommendations have been completed at the time of the follow up (3, 4 and 5) although it should be noted in two cases no action to improve control has been taken. These risk areas will be revisited in 2012/13 when the other control improvements have been embedded;
- Three recommendations were in progress with extended implementation dates identified (1, 2 and 6);

- One recommendation had not been progressed at all within the expected implementations dates; this recommendation has now been rejected by Management and the risks accepted (7);
- Two recommendations had implementation dates of 30<sup>th</sup> September 2012 and were being progressed for implementation by the date of the follow up (8 and 9).

The follow up indicates that some progress has been made in implementing recommendations and therefore addressing some of the risks identified by the original audit.

Due to the nature of the outstanding actions the assurance provided from the audit work remains at 'Limited Assurance', the audit plan for 2012/13 contains a provision of days to allow this audit area to be revisited once the recommendations around guidance and compliance have been implemented and had time to bed in. The objective of this audit work was to assess the impact of recommendations and consider the risk levels that remain. It is anticipated that this work will be completed in February 2013. Proactive Fraud work is also planned in this area during 2012 and this will also provide management with information.

## **IMPLICATIONS AND RISKS**

### **Financial implications and risks:**

None directly arising from this report, managers have the opportunity of commenting on audit recommendations before they are finalised. In accepting audit recommendations, the managers are obligated to consider financial risks and costs associated with the implications of the recommendations. Resources to follow up audit work are included within the annual audit plan and provided within existing budgets.

### **Legal implications and risks:**

None arising directly from this report

### **Human Resources implications and risks:**

None arising directly from this report

### **Equalities implications and risks:**

None arising directly from this report

## **BACKGROUND PAPERS**

**Audit Committee, 25 September 2012**

None