

**IRREGULARITY INVESTIGATIONS REPORT 2014/15**

1. During 2014/15, 6 cases of potential irregularity were dealt with by Internal Audit.

**Significant SFI's**

2. **86 Overpayments of Salary totalling £115,317.27** (0.1% of the net payroll): These are historically treated as one SFI and occur every year. These overpayments were not fraudulent in nature and the majority can be attributed to a lack of communication between management; HR and Payroll regarding changes in hours; staff leaving; overtime keyed incorrectly; incorrect sick pay; payments to incorrect employee or inputting errors. The overpayments were identified either by payroll staff, the employee concerned or management. Wherever possible these overpayments have been or will be recovered via the payroll system. It is anticipated that all of overpayments will be recovered. The percentage of overpayments recovered as at April 2014 was 85%. The 2013/14 overpayments were reviewed in detailed by Internal Audit and it was confirmed that the majority are caused by a lack of communication between management; HR and Payroll as above. From April 2015 Managers Self Service was introduced covering many aspects that have led to overpayments of salaries in the past such as change of hours and leavers, as part of the training for this the need to update the SAP system promptly was emphasised to managers.
3. **Schools:** Following whistleblowing allegations (received in 2013/14) an audit investigation was undertaken in two schools highlighting finance and governance irregularities. Both schools were issued with red assurance reports and action has been concluded against both Headteachers under the disciplinary procedure. Detailed follow-ups have been undertaken at both schools to ensure that appropriate financial and governance controls are now in place. The initial follow-ups resulted in a green assurance for one school and an red/amber assurance for the other which has since been followed-up again and a green assurance report is about to be issued. A significant number of internal audit days (74) was spent in 2014/15 on these two investigations.
4. **Purchase Cards:** Following a Freedom of Information request and the publication of information regarding the use of Council Purchase Cards the Internal Audit team undertook a detailed scrutiny of all Purchase Card transactions for 2013/14 (5,400 in total). No fraud or misuse was identified however a significant number of internal audit days (47) was spent on this investigation.

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30/06/15