

**Classification:** Public

**Key Decision:** No

## Gravesham Borough Council

**Report to:** Finance & Audit Committee

**Date:** 12 March 2019

**Reporting officer:** James Larkin, Head of Audit & Counter Fraud Shared Service  
(Chief Audit Executive)

**Subject:** Audit & Counter Fraud 2019-20 Work Plan

### **Purpose and summary of report:**

To present for approval the Audit & Counter Fraud 2019-20 Plan for Gravesham.

### **Recommendations:**

Members approve the Audit & Counter Fraud 2019-20 Plan for Gravesham presented at Appendix 2.

### **1. Background**

- 1.1 The Public Sector Internal Audit Standards (Standards) require that: *The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.* A risk based plan has been prepared for the authority to meet this requirement. Since 1 March 2016 the council's internal audit activity has been delivered by the Audit & Counter Fraud Shared Service with Medway Council.

### **2. Audit & Counter Fraud 2019-20 Plan**

- 2.1 The plan has been prepared in line with the requirements of the Standards and is based on a cyclical programme of core financial and governance activities and a risk assessment to ensure the team's resources are directed to the highest areas of risk. This assessment includes;
- 2.1.1 Review of the council's priorities as set out in the Corporate Plan 2015-19,
  - 2.1.2 Review of the council's key risks as set out in the Corporate Risk Register,
  - 2.1.3 Review of the council's financial plans and budgets,
  - 2.1.4 Review of service plans and service risk registers,
  - 2.1.5 Horizon scanning to identify local and national issues and risks,

- 2.1.6 The results of previous internal audit work (including follow up work) and other sources of assurance to the council,
  - 2.1.7 Identification and risk assessment of those activities key to the delivery of the council's priorities and the management of its identified risks, and,
  - 2.1.8 Consultation with senior management to validate this assessment of the council's risks.
- 2.2 This risk assessment is matched to the resources available in the team to produce the plan presented at Appendix 2.

### **3. Reporting against the Audit & Counter Fraud Plan**

- 3.1 The Audit & Counter Fraud Team report to Management Team and the Finance & Audit Committee on a quarterly basis, providing details of the team's outputs, findings and performance against agreed indicators.
- 3.2 In addition, the Audit & Counter Fraud Plan will be subject to a quarterly review to ensure that it continues to reflect the best use of the available resources. As such, it will be possible to revise the plan to add work on new/emerging risks and issues as they arise.

### **4. BACKGROUND PAPERS**

Nil

Anyone wishing to inspect background papers should, in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS	APPENDIX 1
<b>Legal</b>	The Accounts & Audit Regulations 2015 require local authorities to: undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The Section 151 Officer of a local authority is responsible for establishing the internal audit service. Gravesham Borough Council has delegated this responsibility to the Section 151 Officer of Medway Council to deliver internal audit services through the Shared Service to both authorities. The Public Sector Internal Audit Standards are supported by CIPFA's Local Government Application Note to the Public Sector Internal Audit Standards, an updated version of which is due to be published in 2019.
<b>Finance and Value for Money</b>	An adequate and effective Audit & Counter Fraud function provides the council with assurance on the proper, economic, efficient and effective use of council resources in delivery of services, as well as helping to identify fraud and error that could have an adverse effect on the financial statements of the council.
<b>Risk Assessment</b>	The Public Sector Internal Audit Standards require that: The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. The Audit & Counter Fraud Plan is intended to ensure that the work of the team is effectively directed and is in line with the organisation's goals. Member approval of the plan ensures the status of the plan is maintained.
<b>Data Protection Impact Assessment</b>	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>? A definition of each type of data can be found on the Information Commissioner's Office website via the above links. No</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>. N/A</p>
<b>Equality Impact Assessment</b>	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</p>

	<p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.</p> <p>N/A</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
<b>Corporate Plan</b>	The work of the Audit & Counter Fraud Team supports the council in achieving all of its objectives set out in the Corporate Business Plan but is particularly relevant to Objective 4: Sound & self-sufficient council.
<b>Crime and Disorder</b>	The Audit & Counter Fraud Team provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisations' objectives. The work of the team combined with a sound internal control environment has a positive contribution to community safety in its broadest sense.
<b>Digital and website implications</b>	<p>The council's performance management framework includes the publication of the outturns against the Performance Measures and Indicators in the Corporate Business Plan. The proportion of recommendations made by the Audit &amp; Counter Fraud Team that are implemented by Management is one of the council's overall Performance Indicators (PI141) and is therefore reported to the public via the council's Annual Report published on the council's website.</p> <p>The Local Government Transparency Code requires the publication of data relating to Fraud Investigation; this is published in line with the requirements on the council's website.</p>
<b>Safeguarding children and vulnerable adults</b>	There are no direct safeguarding implications to this report.