

**Classification:** Public

**Key Decision:** No

## **Gravesham Borough Council**

**Report to:** Finance & Audit Committee

**Date:** 12 March 2018

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

**Subject:** Audit & Counter Fraud Charter

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

To present for approval the Audit & Counter Fraud Charter.

### **Recommendations:**

1. Members approve the Charter presented at Appendix 2

## **1. Background**

- 1.1 The Public Sector Internal Audit Standards (Standards) state that: *The purpose, authority and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics and The Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.*
- 1.2 The Audit & Counter Fraud Charter currently in place was approved by the Finance & Audit Committee on 13 March 2018.

## **2. Review of the Charter**

- 2.1 A full review of the charter has been undertaken and while there are no fundamental changes to the content, a number of changes to wording have been made to reflect the new wording of a CIPFA Local Government Advice Note issued on 28 Feb 2019 to clearly demonstrate that we meet the requirements.
- 2.2 A copy of the charter is provided at Appendix 2 and the amendments are shown as tracked changes for ease of reference.

## **3. BACKGROUND PAPERS**

- 3.1 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>	<p>The Accounts &amp; 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.</p> <p>The Charter is based upon the requirements set out in the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.</p>
<b>Finance and Value for Money</b>	<p>An adequate and effective internal audit 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.</p>
<b>Risk Assessment</b>	<p>The Charter establishes the purpose, authority and responsibility of the Audit &amp; Counter Fraud function. It is therefore vital that the council periodically reviews the Charter to ensure that the function is effective in delivering its responsibilities to the council and that the Charter itself is compliant with proper practice.</p>
<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>? No</p> <p>A definition of each type of data can be found on the Information Commissioner's Office website via the above links.</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>	There are no direct digital or website implications to this report.
<b>Safeguarding children and vulnerable adults</b>	There are no direct safeguarding implications to this report.