

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 15 February 2021

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

Subject: Audit & Counter Fraud QAIP Review

Purpose and summary of report:

To present for approval the Audit & Counter Fraud Shared Service Quality Assurance & Improvement Programme for 2021-22.

Recommendations:

1. Members approve the QAIP presented at Appendix 2 for use in 2021-22.

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (Standards) require that: The Chief Audit Executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. On 10 March 2020, the Audit Committee approved the Quality Assurance & Improvement Programme (QAIP) prepared to meet this requirement.

2. Review of the Quality Assurance & Improvement Programme (QAIP)

- 2.1 The QAIP was prepared to reflect both the integration of counter fraud and the shared service with Gravesham Borough Council and was designed to meet the requirements of the Standards and CIPFA's Local Government Application Note to the Public Sector Internal Audit Standards.
- 2.2 The QAIP has been reviewed and is considered to continue to meet these requirements and will therefore continue to be in place for the coming financial year, subject to the following proposed amendments.
- 2.3 The target for performance measure PM9 be removed and made an information only item.
- 2.4 This measure records the amount of time spent on planned audit & counter fraud work, expressing it as a percentage figure but does not reflect time spent on other duties a council employee. It is felt that this is more for management information to monitor performance of individuals rather than as a true reflection of the performance of the service, which is more relevant to measures PM13 to PM15.

- 2.5 The ongoing restrictions and enforced home working have also placed greater importance on staff wellbeing, particularly mental health, and both Gravesham and Medway have been encouraging activity to combat isolation and poor mental health. Officers from within the service have expressed concerns over their ability to take part in some of these initiatives due to impact it could have on their 'chargeable time', which is in contradiction to what the councils are hoping to achieve.
- 2.6 Staff will continue to record how their time is spent and this will be monitored by managers for performance purposes but setting a specific target for chargeable time is now considered to be counterproductive as the potential impacts of losing staff to sickness have a far greater impact on the service's ability to achieve its key targets.
- 2.7 Members will continue to receive the outturn against this measure and will also be furnished with details of the amount of time spent on audit and counter fraud activity, as well as the number of days on specific reviews, in the update reports provided.
- 2.8 A copy of the QAIP with the proposed amendment shown as tracked change can be found at Appendix 2.

3. BACKGROUND PAPERS

- 3.1 There are no background papers to this report.

IMPLICATIONS	APPENDIX 1
Legal	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. These Standards are also supported by CIPFA's Local Government Application Note to the Public Sector Internal Audit Standards. The Public Sector Internal Audit Standards require internal audit to have a charter to define their purpose, authority and responsibility and is periodically reviewed and approved. 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.
Finance and Value for Money	An adequate and effective Audit and 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.
Risk Assessment	The Public Sector Internal Audit Standards require that: The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. A Quality Assurance & Improvement Programme (QAIP) has been prepared to meet this requirement. The QAIP is intended to ensure that the service is developed in line with the aspirations of those charged with governance at Medway Council and Gravesham Borough Council.
Data Protection Impact Assessment	<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 personal data or special category data or criminal offence data? 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 gdpr@medway.gov.uk. N/A</p>
Equality Impact Assessment	<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. N/A</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. 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>

Corporate Plan	The work of the Audit & Counter Fraud Team supports the council in achieving all of its objectives set out in the Corporate Plan but is particularly relevant to Objective #3 Progress.
Climate Change	There are no climate change implications to this report.
Crime and Disorder	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.
Digital and website implications	<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 & Counter Fraud Team that are implemented by Management is one of the council's overall Performance Indicators (PI55) 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>
Safeguarding children and vulnerable adults	There are no direct safeguarding implications to this report.