

Classification: Part A

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 16 November 2016

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

Subject: Audit & Counter Fraud Update

Purpose and summary of report:

To provide Members with an update on the work, outputs and performance of the Audit & Counter Fraud Team for the period 1 September to 28 October 2016.

Recommendations:

Members note the outputs and performance of the Audit & Counter Fraud Plan for Gravesham for the period 1 September to 28 October 2016 as detailed in the attached Update report.

Members note the results of the review of the Audit & Counter Fraud Plan at section six of the attached Update report, and approve the removal of the review of Telephony from the plan.

1. Background

- 1.1 The Public Sector Internal Audit Standards (the Standards) require that: *The chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board.*

2. Update report and review of plan

- 2.1 Members are requested to note the positive progress the team are making with the agreed work plan, and the trend of improvements on the previous update as noted in the performance update within the Update report.
- 2.2 Section six of the report provides the results of the latest review of the achievability of the plan agreed with Members and note a predicted shortfall in resources. It is proposed that one review be removed from the plan, but that the team hope to be able to deliver the remainder of the planned work during the year. Members are therefore requested to approve the removal of the Telephony review from the Audit & Counter Fraud Plan 2016-17.

- 2.3 A further review of the plan will be carried out in advance of presenting the next update report to the Finance & Audit Committee; as such in February Members will receive confirmation as to whether any further revisions to the plan might be necessary.

3. BACKGROUND PAPERS

- 3.1 Nil

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. 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.		
Finance and Value for Money	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.		
Risk Assessment	This report, summarising the work of the Audit & Counter Fraud team, provides a key source of assurance for the council on the adequacy and effectiveness of its internal control arrangements.		
Equality Impact Assessment	Screening for Equality Impacts		
	Question	Answer	Explanation
	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?	No	No impact
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	No impact
	c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		N/A
<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>			

Corporate Business Plan	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.
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 (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>
Safeguarding children and vulnerable adults	N/a