

**Classification:** Part A

**Key Decision:** No

## **Gravesham Borough Council**

**Report to:** Finance & Audit Committee

**Date:** 19 February 2018

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

**Subject:** Audit & Counter Fraud Shared Service Strategy – Review of Progress

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

This report provides an update on progress against the Audit & Counter Fraud Strategy 2016-2020 made by the team during 2017-18 to date.

### **Recommendations:**

Members note the progress made by the Audit & Counter Fraud Team towards delivering its strategic objectives during the 2017-18 year to date.

## **1. Background**

- 1.1 The Finance & Audit Committee approved the Audit & Counter Fraud Strategy 2016-2020 on 22 March 2016. The Strategy was prepared to set out a clear vision and set of objectives for the development of the Shared Service over its first four years. The Strategy reflects that the formation of the Audit & Counter Fraud Shared Service with Medway was not solely driven by the requirement to reduce costs, but also aspired to deliver increased resilience, flexibility and efficiency and ultimately improve the services received by both authorities through shared learning and investment in staff.

## **2. Review of progress against the Audit & Counter Fraud Strategy 2016-2020**

- 2.1 The Strategy sets out three strategic objectives:
  - 2.1.1 Aligned priorities: Ensuring the team's work is focussed on the areas of most importance to the organisation, ensuring the results of our work are balanced, pragmatic and emphasise positive findings alongside areas for improvement, and ensuring our performance measurement arrangements are focussed on those areas most valued by the organisation.
  - 2.1.2 Effective staff: Developing the team into a flexible, resilient and multidisciplinary service, providing development opportunities and supporting professional and skills training to ensure staff are motivated and productive.

- 2.1.3 Positive impact: Building strong, positive working relationships with officers and Members, raising the profile of the service so the team's skills and resources are used to support the organisation in key projects, and producing high quality reports promptly following our work to maximise the positive impact of the work we do.
- 2.2 A review of this strategy and of action carried out to date against these objectives has been carried out. The Strategy is considered to remain appropriate and there are no changes proposed to the objectives.
- 2.3 Good progress is considered to have been made across all three objectives, and this is supported by the positive trends in the team's performance as reported through the Audit & Counter Fraud Update Reports.
- 2.4 Members are provided with details of the actions carried out to date along with those planned for the coming year at Appendix 2.

### **3. BACKGROUND PAPERS**

- 3.1 Nil

<b>IMPLICATIONS</b>	<b>APPENDIX 1</b>
---------------------	-------------------

<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.
--------------	--

<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 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 Strategy is intended to ensure that the service continues to develop in line with the aspirations of those charged with governance at Medway Council and Gravesham Borough Council.
------------------------	--

<b>Equality Impact Assessment</b>	<b>Screening for Equality Impacts</b>		
	<b>Question</b>	<b>Answer</b>	<b>Explanation</b>
	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?	<b>No</b>	No impact
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	<b>No</b>	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>			

<b>Corporate Business 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.