

**Classification:** Part A

**Key Decision:** No

## **Gravesham Borough Council**

**Report to:** Finance & Audit Committee

**Date:** 13 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:**

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 in place was approved by the Finance & Audit Committee on 14 March 2017.

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

- 2.1 During the 2017-18 year, a robust self-assessment has been carried out to determine the level of compliance of the team's activities with the Standards. There has also been an external quality assessment conducted by an independent assessor from Gateway Assure Ltd. While the final report for the external assessment is yet to be received, the assessor raised no concerns about the Charter or its content.
- 2.2 There have been no material changes to the content of the Charter. However, minor amendments to its references to the Head of Audit & Counter Fraud have been made more generic and specific references to the previous holder of the post have removed.

- 2.3 The Charter will be reviewed and presented to the Finance & Committee on an annual basis, to ensure it continues to reflect current arrangements and retains its status.

### **3. BACKGROUND PAPERS**

- 3.1 Nil

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.</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>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
<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 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.
<b>Information Governance</b>	There are no direct digital or website implications to this report.
<b>Safeguarding</b>	There are no direct safeguarding implications to this report.