

Classification: Part A

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 12 June 2018

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

Subject: Audit & Counter Fraud Annual Report 2017-18

Purpose and summary of report:

To inform Members of the Audit & Counter Fraud work completed during 2017-18 and to present the opinion of the Head of Audit & Counter Fraud Shared Service, as Chief Audit Executive, on the council's internal control environment..

Recommendations:

Members are requested to:

1. Endorse the work undertaken by the Audit & Counter Fraud Shared Service for Gravesham during 2017-18 in providing an effective service to the council.
2. Consider and endorse the opinion on the council's internal control environment provided by the Head of Audit & Counter Fraud Shared Service.

1. Background

- 1.1 The Public Sector Internal Audit Standards require the Chief Audit Executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. The Annual Audit & Counter Fraud Report 2017-18 has been prepared for the authority to meet this requirement.
- 1.2 Since 1 March 2016 the council's internal audit activity has been delivered by the Audit & Counter Fraud Shared Service with Medway Council

2. Preparation of the Annual Report

- 2.1 The Audit & Counter Fraud Shared Service has provided update reports to Members at three meetings of the Finance & Audit Committee in 2017-18. This Annual Report reproduces the findings reported in those Update reports along with the results of work carried out since the last Update, to provide Members with a summary of all work delivered by the team in the year.

2.2 The Annual Report is intended to provide Members with sufficient details of the results of the work of the team to support the opinion of the Chief Audit Executive on the adequacy and effectiveness of the council's overall control environment.

2.3 The report has been prepared in line with the requirements of the PSIAS.

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 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.		
Risk Assessment	This report, summarising the work of the Audit & Counter Fraud Shared Service 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.
Information Governance	There are no direct digital or website implications to this report.
Safeguarding	There are no direct safeguarding implications to this report.