

**Classification:** Public

**Key Decision:** No

## Gravesham Borough Council

**Report to:** Finance & Audit Committee

**Date:** 18 February 2018

**Reporting officer:** James Larkin, 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 October 2018 to 31 December 2018.

### **Recommendations:**

1. Members note the outputs and performance of the Audit & Counter Fraud Plan for Gravesham for the period 1 October 2018 to 31 December 2018 as detailed at Appendix 2.
2. Members approve the amendment to the 2018-19 Audit & Counter Fraud Workplan as outlined in section 6 of the report at Appendix 2.

### **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**

- 2.1 The report at Appendix 2 is the third update to be produced during 2018-19; detailing the work undertaken by the Audit & Counter Fraud Team between 1 October and 31 December and the progress made against the annual workplan.
- 2.2 Section 6 of the report contains details of a proposed revision to the 2018-19 workplan, which is necessary to respond to the loss of resources created by sickness and the flexible retirement of one officer.

### **3. BACKGROUND PAPERS**

- 3.1 Nil

Anyone wishing to inspect background papers should, in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS	APPENDIX 1
<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 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.
<b>Risk Assessment</b>	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.
<b>Data Protection Impact Assessment</b>	<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 <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>? N/A</p> <p>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 <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>. N/A</p>
<b>Equality Impact Assessment</b>	<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. No</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>

<b>Corporate 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>Digital and website implications</b>	<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 &amp; 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>
<b>Safeguarding children and vulnerable adults</b>	N/A