

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 21 July 2020

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

Subject: Revised Audit & Counter Fraud Plan 2020-21

Purpose and summary of report:

To present for approval the Revised Audit & Counter Fraud Plan 2020-21 for Gravesham.

Recommendations:

1. Members approve the revised Audit & Counter Fraud Plan 2020-21 for Gravesham presented at Appendix 2.
2. Members approve the proposal for only two progress updates to be provided in year.
3. Members approve the request for urgent changes to the plan to be agreed by the Chair of the Finance & Audit Committee in consultation with the Head of Internal Audit & Counter Fraud; only in the event that the Committee will not meet in time to agree the changes.

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (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.
- 1.2 A risk based plan was prepared for the authority to meet this requirement and was presented to the Finance & Audit Committee on 10 March 2020 for approval. However, since that plan was approved there have been significant changes caused by the impact of the Covid19 pandemic; this has resulted in the need for a revised plan to be created for the period 01 July 2020 to 31 March 2021.

2. Preparation of the Revised Audit & Counter Fraud Plan

- 2.1 The revised plan has been prepared taking into account any changes to the control environment brought about by emergency decisions during the emergency response, which a representative from Audit & Counter Fraud has been monitoring throughout the response phase as well as taking into account the original risk assessment, which included.

2.1.1 Review of the council's priorities as set out in the Corporate Plan 2019-23,

- 2.1.2 Review of the council's key risks as set out in the Corporate Risk Register,
 - 2.1.3 Review of the council's financial plans and budgets,
 - 2.1.4 Review of service plans and service risk registers,
 - 2.1.5 The results of previous internal audit work (including follow up work) and other sources of assurance to the council,
 - 2.1.6 Horizon scanning to identify local and national issues and risks,
 - 2.1.7 Identification and risk assessment of those activities key to the delivery of the council's priorities and the management of its identified risks, and,
 - 2.1.8 Consultation with senior management to validate this assessment of the council's risks.
- 2.2 This assessment is matched to the resources available in the team to produce the revised plan presented at Appendix 2.
- 2.3 A list of reviews originally included in the plan for 2020-21 that could not be included in the revised plan due to loss of resource are detailed at Appendix 3, with a brief explanation as to why they were not selected as part of the new assessment.

3. Reporting against the Audit & Counter Fraud Plan

- 3.1 The Audit & Counter Fraud Team report to the Finance & Audit Committee four times per year, usually providing three updates of progress against the annual work plan and an annual report. All reports provide details of the team's outputs, findings and performance against agreed indicators.
- 3.2 Changes to the Committee schedule mean that if the service were to provide three updates on progress during 2020-21; at least one of those reports would cover one month only. If no reviews are finalised during that period, there would be no new information to provide to the Committee.
- 3.3 It is therefore proposed that due to the reduced period now covered by the plan, only two updates are provided to the Committee during 2020-21, these being at the October 2020 and February 2021 meetings; to ensure that the updates are meaningful. Reporting would of course revert back to normal for 2021-22.
- 3.4 In addition, the Audit & Counter Fraud Plan will be subject to continual review to ensure that it continues to reflect the best use of the available resources and any changes to control risks brought about by any further response to the pandemic.
- 3.5 Under normal circumstances all revisions to the plan would be brought to the Finance & Audit Committee for approval; however the potential for frequent changes is far higher given the current situation.
- 3.6 The Committee are asked to approve an alternative approach for 2020-21, whereby the Head of Internal Audit & Counter Fraud may make changes to the agreed workplan where agreement is received from the Chair on behalf of the Committee. This approach would only be applied in the event that the next meeting of the Committee would be too late for the changes to be approved and

any such changes would be formally reported to the Committee in the following update/annual report.

4. BACKGROUND PAPERS

4.1 There are no background papers to this report.

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
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.
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	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 Plan is intended to ensure that the work of the team is effectively directed and is in line with the organisation's goals. Member approval of the plan ensures the status of the plan is maintained.
Data Protection Impact Assessment	<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>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? 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 gdpr@medway.gov.uk. N/A</p>
Equality Impact Assessment	<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. N/A</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>
	<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 Plan	The work of the Audit & Counter Fraud Team supports the council in achieving all of its objectives set out in the Corporate Plan but is particularly relevant to Objective #3 Progress.

Climate Change	There are no climate change implications to this report.
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	There are no direct digital or website implications to this report.
Safeguarding children and vulnerable adults	There are no direct safeguarding implications to this report.