

Audit & Counter Fraud Shared Service
Medway Council & Gravesham Borough Council

Revised Audit & Counter Fraud Plan 2020-21

Gravesham Borough Council

I. Introduction

The Audit & Counter Fraud Plan 2020-21 for Gravesham was originally approved by the Finance & Audit Committee on 10 March 2020. Unfortunately both Gravesham and Medway councils initiated their emergency response plans shortly after this date to manage the impacts of the Covid19 pandemic; with the Audit & Counter Fraud Service ceasing 'business as usual' activity after being identified as non-critical and officers from within the service redeployed to other areas of both organisations.

Where possible the redeployed officers have been utilised in areas where work could contribute to alternative forms of assurance or fraud prevention while planned assurance reviews and responsive investigation work was not taking place.

The impact of this situation meant that no planned assurance work took place during Q1 of 2020-21 and consequently a revised plan has been created.

II. Preparation of the Audit & Counter Fraud Plan

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;

- Review of the council's priorities as set out in the Corporate Plan 2019-23,
- Review of the council's key risks as set out in the Corporate Risk Register,
- Review of the council's financial plans and budgets,
- Review of service plans and service risk registers,
- Horizon scanning to identify local and national issues and risks,
- The results of previous internal audit work (including follow up work) and other sources of assurance to the council,
- Identification and risk assessment of those activities key to the delivery of the council's priorities and the management of its identified risks, and,
- Consultation with senior management to validate this assessment of the council's risks.

III. Resourcing

The Audit & Counter Fraud Plan will be delivered using the in-house resources within the Shared Service, a total of 14FTE comprising of 1FTE Head of Internal Audit & Counter Fraud, 3FTE Audit & Counter Fraud Team Leaders, 7.64FTE Audit & Counter Fraud Officers (0.36FTE currently vacant), 1FTE Audit & Counter Fraud Intelligence Analyst and 1FTE Audit & Counter Fraud Assistant. All available chargeable days for these staff are allocated on the plan; resources spent on strategic leadership and management provided by the Head of Audit & Counter Fraud and the Audit & Counter Fraud Team Leaders are not allocated on the plan.

The total chargeable resource originally available for 2020-21 for Gravesham was 682 days. The impact of the shutdown has resulted in this available resource being reduced to 489 days for the period 01 July 2020 to 31 March 2021; of which approximately 300 days will be spent on assurance work. In order to ensure good coverage across the organisation and make the best use of the reduced resource available, a number of shorter reviews are proposed in areas that are reviewed frequently and have received positive outcomes in the past. The idea behind this is to provide assurance that the controls are still working effectively and allow resource to be used elsewhere.

This has enabled a large proportion of the reviews originally proposed to 2020-21 to remain on the revised plan and the 300 days for assurance work are considered sufficient to provide assurance over enough of the council's activities for the Head of Audit & Counter Fraud to deliver an opinion on the effectiveness of the overall control environment of the council.

IV. 2020-21 Audit & Counter Fraud Plan

The Plan is intended to provide a clear picture of how the council will use the Audit & Counter Fraud Shared Service, reflecting all work to be carried out by the team for Gravesham during the remainder of the financial year. The plan includes assurance work focusing on the council's core governance and finance arrangements and corporate / fraud risks, proactive counter fraud work, responsive investigation work and consultancy services as defined in the Audit & Counter Fraud Charter, as well as time to provide the Single Point of Contact (SPOC) role for the DWP Fraud and Error Service for their investigation of Housing Benefits administered by the council. The work planned is presented below, with each individual item categorised as priority 1, 2 or 3 to assist in the prioritisation of work.

Core governance and financial systems assurance work

Ref	Activity	Scope of work	Resources (days)	Timescale	Priority
1	NNDR collection	Review of arrangements to administer, bill and collect NNDR. (Light touch review to conduct testing and ensure controls remain effective in light of increased pressures)	5	Q2	1
2	Debtors	Review of arrangements to administer and recovery sundry debts. (Light touch review to conduct testing and ensure controls remain effective in light of increased pressures)	5	Q2	1
3	Project management - GDPR	Review of arrangements to implement the GDPR action plan in accordance with set timescales.	10	Q3	1
4	Payroll establishment, payments & deductions	Review of arrangements to calculate and pay staff salaries (including allowances & overtime).	15	Q3	1
5	Capital accounting	Review of arrangements to account for the council's HRA capital programme.	15	Q3	1
6	Cyber security	Review of arrangements to ensure the National Cyber Security Centre (NCSC) 10 steps to cyber security are in place and effective.	15	Q4	1
7	Member standards	Review of the framework to maintain high ethical standards across the council.	15	Q4	1
		Total	80		

Corporate risks assurance work

Ref	Activity	Scope of work	Resources (days)	Timescale	Priority
8	Purchase cards	Review of arrangements to allocate, monitor and make payments in respect of purchase cards. (Light touch review to conduct testing and ensure controls remain effective in light of increased number of card users)	5	Q2	2
9	Housing Benefit & CTR administration	Review of arrangements to ensure the accuracy of claims processed. (Light touch review to conduct testing and ensure controls remain effective in light of increased pressures)	5	Q2	1

10	Open space management	Review of arrangements to manage and enforce rules around the use of open space in compliance with Government guidance.	15	Q2	2
11	IT asset management	Review of arrangements to monitor distribution/relocation of IT equipment to allow home working in emergency situation.	15	Q2	1
12	Virtual committee meetings	Review of arrangements to ensure virtual committee meetings remain in line with constitutional requirements	15	Q2	1
13	Shared services	Review of arrangements to ensure appropriate KPI's and monitoring are in place as per the agreements for the council's shared services (including the provision of data to partners in respect of hosted shared services)	15	Q2	2
14	Corporate debt recovery	Review of arrangements to manage the recovery of corporate debt, including use of the iDis system.	15	Q3	2
15	Fly-tipping	Review of arrangements to respond to incidents of fly-tipping, including enforcement action.	15	Q3	1
16	Private housing enforcement	Review of arrangements to enforce private housing regulations.	15	Q4	2
17	Planning applications	Review of arrangements to manage planning applications.	15	Q4	2
18	Community safety	Review of arrangements for the council to meet its duties in relation to community safety.	15	Q4	1
19	Traded services - Rosherville Ltd	Review of the governance and accounting arrangements for the council's interactions with Rosherville Ltd and its subsidiaries.	15	Q4	1
20	Responsive assurance work	Allowance to conduct responsive assurance work unknown at the time of planning.	30	Q2-Q4	2
		Total	190		

Follow up work

Ref	Activity	Scope of work	Resources (days)	Timescale	Priority
21	Follow up of agreed recommendations	Allowance to monitor and report on the implementation of agreed recommendations.	10	Q2-Q4	2
		Total	10		

Consultancy work

Ref	Activity	Scope of work	Resources (days)	Timescale	Priority
22	Attendance at Corporate Working Groups	Allowance for attendance at Corporate Working Groups.	5	Q2-Q4	3
		Total	5		

Counter fraud work

Ref	Activity	Scope of work	Resources (days)	Timescale	Priority
Proactive counter fraud work:					
23	Lone workers	Fraud proofing review of arrangements for the monitoring of lone workers.	15	Q2	2
24	Staff leave booking	Fraud proofing review of arrangements to ensure that leave and bank holidays are recorded accurately.	15	Q3	2
25	Proactive investigation work	Allowance to carry out pro-active exercises to identify fraud and error.	19	Q2-Q4	2
26	Data matching exercises (including NFI & KIN)	Allowance to carry out and evaluate data matching exercises to identify fraud and error.	19	Q2-Q4	2
Reactive counter fraud work:					
27	Responsive investigation work	Allowance to carry out investigations into referrals of suspected fraud or malpractice.	78	Q2-Q4	1
Other counter fraud work:					
28	Liaison with the DWP	Allowance to provide the Single Point of Contact (SPOC) role for the DWP FES for their investigation of Housing Benefits administered by the council.	35	Q2-Q4	1
29	Responding to information requests	Allowance to respond to information requests from the Police, local authorities and other investigatory bodies under exemptions in the Data Protection Act/General Data Protection Regulations.	23	Q2-Q4	1
		Total	204		

Summary

Ref	Activity	Scope of work	Resources (days)	Timescale
	Core governance & financial systems assurance work		80	Q2-Q4
	Corporate risks assurance work		190	Q2-Q4
	Follow up work		10	Q2-Q4
	Consultancy work		5	Q2-Q4
	Counter fraud work		204	Q2-Q4
		Total	489	

V. Monitoring & review

Arrangements to monitor progress against the Plan are built into the working processes of the team and will be reported to senior management and the Finance & Audit Committee through the agreed Performance Indicator suite within the Quality Assurance & Improvement Programme.

The service must remain responsive to the needs of the council, especially in light of potential further impacts created by Covid19, and will keep the planned work and priorities under review so that new emerging risks arising during the year can be addressed as necessary. The Plan will be reviewed and presented to Management Team and the Finance & Audit Committee alongside the quarterly update reports to ensure any amendments to the plan are properly approved; however, due to the nature of the current situation, some changes may require urgent approval.

The Finance & Audit Committee are asked to approve an alternative approach whereby the Head of Internal Audit & Counter Fraud may make changes to the agreed workplan where agreement is received from the Chair 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.

Cyclical programme of core financial and governance activities

Activity	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Governance arrangements							
Governance framework		1		1		1	1
IT Governance	1			1			1
Constitution & policy maintenance			1			1	
Corporate & business planning			1				1
Risk management framework, compliance & reporting		1			1		
Performance management framework, compliance & reporting		1			1		
Data quality			1			1	
Partnership framework & shared working arrangements			1			1	
Project & change management	1			1			1
Ethics	1		1		1		1
Financial systems							
General ledger & bank reconciliation		1			1		
Treasury management			1			1	
Debtors, write offs & bad debt provision	1		1		1		1
Creditors, purchase cards & petty cash		1		1		1	
Income collection		1		1		1	1
Housing Benefit & Council Tax reduction		1		1		1	1

Activity	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Council Tax administration, collection & recovery		1		1		1	1
NNDR administration, collection & recovery	1		1		1		1
Payroll establishment, payments & deductions	1		1		1		1
Housing rent administration, collection & recovery		1		1		1	
VAT		1			1		
Asset management			1			1	
Insurances			1			1	
Financial statements preparation			1				1
Budget monitoring			1			1	
Financial planning		1				1	
Capital accounting	1			1			1
Grant payments			1				1