

**Classification:** Public

**Key Decision:** No

## **Gravesham Borough Council**

**Report to:** Finance & Audit Committee

**Date:** 21 September 2021

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

**Subject:** Audit & Counter Fraud Update Report

### **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 April 2021 to 31 July 2021

### **Recommendations:**

1. Members approve the amendments to the agreed workplan as detailed in section 7 of appendix 2.
2. Members endorse the revised implementation dates for overdue recommendations as detailed in section eight of appendix 2.

## **1. Introduction**

- 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. Audit & Counter Fraud Update Report**

- 2.1 The report at Appendix 2 is the first of three updates to be produced during 2021-22; detailing the work undertaken by the Audit & Counter Fraud Service between 01 April and 31 July and the progress made against the annual workplan.
- 2.2 Section seven of the update report contains details of proposed amendments to the agreed plan, which are submitted for Member's approval.
- 2.3 Section eight of the update report includes details of recommendations that are more than six months overdue. Services have provided updates in relation to these recommendations and the reasons for delayed implementation. Revised implementation dates have been provided for a number of these recommendations and Member's approval is sought to change the implementation dates accordingly.

### **3. BACKGROUND PAPERS**

3.1 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
<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>? 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. 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> <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 Plan but is particularly relevant to Objective #3 Progress.
<b>Climate Change</b>	There are no climate change implications to this report.

<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 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>	There are no direct safeguarding implications to this report.