

**Classification:** Public

**Key Decision:** No

### Gravesham Borough Council

**Report to:** Finance & Audit Committee

**Date:** 12 February 2024

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

**Subject:** Internal Audit & Counter Fraud Strategy 2020-24 – Review of progress 2023-24

#### Purpose and summary of report:

This report provides an update on progress against the Internal Audit & Counter Fraud Strategy 2020-2024 made by the team during 2023-24 to date.

#### Recommendations:

1. Members approve the proposal to extend the current 2020-2024 strategy to cover the period April 2024 to March 2025..

Key Implications:	
Item	Implications
<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>	Adequate and effective Internal Audit & Counter Fraud functions provide 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>Corporate Plan</b>	The work of Internal Audit & Counter Fraud supports the council in achieving all of its objectives set out in the Corporate Plan 2023-27 but is particularly relevant to the Objective <b>One Council:</b> a well-run and innovative authority, defined by its skilled and valued workforce, committed to developing its local social impact. <b>Corporate Compliance:</b> a responsible organisation, ensuring all constitutional, policy and legislative demands are met, and pro-active risk management practices adopted.

<b>Climate Change</b>	There are no climate change implications to this report.
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## 1. Introduction

- 1.1 The Finance & Audit Committee approved the Audit & Counter Fraud Strategy 2020-2024 on 10 March 2020. The Strategy was prepared to set out a clear vision and set of objectives for the development of the Shared Service. The Strategy reflects that the formation of the Internal Audit & Counter Fraud Shared Service with Medway was not solely driven by the requirement to reduce costs, but also aspired to deliver increased resilience, flexibility and efficiency and ultimately improve the services received by both authorities through shared learning and investment in staff.

## 2. Review of progress against the Internal Audit & Counter Fraud Strategy 2020-2024

- 2.1 The Strategy sets out three strategic objectives:
- Aligned priorities: Ensuring the team’s work is focussed on the areas of most importance to the organisation, ensuring the results of our work are balanced, pragmatic and emphasise positive findings alongside areas for improvement, and ensuring our performance measurement arrangements are focussed on those areas most valued by the organisation,
  - Effective staff: Developing the team into a flexible and resilient service, providing development opportunities, and supporting professional and skills training to ensure staff are motivated and productive.
  - Positive impact: Building strong, positive working relationships with officers and Members, raising the profile of the service so the team’s skills and resources are used to support the organisation in key projects, producing high quality reports promptly following our work to maximise the positive impact of the work we do and exploring opportunities for further development and expansion.
- 2.2 A review has been conducted and progress against the strategic objectives outlined above are detailed in Appendix 2.
- 2.3 Due to our involvement in the Medpay review pilot, we have been unable to dedicate resource to a new strategy to cover the period post 2024. Alongside this, changes to the Global Internal Audit Standards, which were released on 9 January 2024 and will be effective from January 2025, are going to mean changes to the requirements for our strategy.
- 2.4 As such, we are proposing that the existing strategy is extended to cover 2024-25, during which time we will conduct a thorough review and prepare a new strategy that will be effective from April 2025.

## 3. Appendices

- 3.1 The following documents are to be published with the report:
- 3.2 Appendix 2: Internal Audit & Counter Fraud Strategy 2020-24 - Progress Review December 2023.

#### **4. Background Documents**

4.1 There are no background documents.

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<b>Secondary Implications</b>	
<b>Risk Assessment</b>	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 Internal Audit & Counter Fraud Strategy is intended to ensure that the service continues to develop in line with the aspirations of those charged with governance at Gravesham Borough Council and Medway Council.
<b>Data Protection Impact Assessment</b>	<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>
	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.  No
	b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?  N/A
	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
<b>Equality Impact Assessment</b>	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
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.  No
	<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>
<b>Crime and Disorder</b>	The Internal Audit Team & Counter Fraud Service 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.  The counter fraud arrangements of the council acknowledge that the council can be exposed to fraud and are intended to, as far as possible, prevent fraud occurring and pursue criminal action if needed when fraud is detected. Working with partners to combat crime and disorder has a positive contribution to community safety in its broadest sense.
<b>Digital and website implications</b>	There are no digital/website implications to this report.
<b>Safeguarding children and vulnerable adults</b>	There are no direct safeguarding implications to this report.