

AUDIT COMMITTEE

28 SEPTEMBER 2017

AUDIT & COUNTER FRAUD UPDATE TO END AUGUST 2017

Report from: James Larkin, Audit & Counter Fraud Shared Service
Manager

Summary

This report provides Members with an update on the work, outputs and performance of the Audit & Counter Fraud Team for the period 1 April to 31 August 2017.

1. Budget and Policy Framework

- 1.1 Council delegates responsibility for the oversight and monitoring the effectiveness of the Audit & Counter Fraud Shared Service to the Audit Committee.

2. Background

- 2.1 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.*

3. Update report

- 3.1 As previously agreed with Members, the Audit & Counter (A&CF) Fraud Team will provide three update reports throughout the year in addition to the annual report issued in June each year. This is the first update report for 2017-18 and provides details of the progress made against the scheduled work plan.
- 3.2 At the time of writing, the figures for performance indicators A&CF15 and A&CF16 were not available. Links between the fraud management software and reporting software were impacted by an upgrade to the fraud management software and work to resolve the issue was ongoing. It is anticipated that these figures will be readily available for the next update.

4. Risk management

- 4.1. 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.

5. Financial implications

- 5.1. 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.

6. Legal implications

- 6.1. 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.

7. Recommendations

- 7.1. Members are requested to note the outputs and performance of the Audit & Counter Fraud Plan for Medway for the period 1 April to 31 August 2017 as detailed at Appendix 1.

Lead officer contact

James Larkin, Audit & Counter Fraud Manager

Appendices

Appendix 1- Audit & Counter Fraud Update

Background papers

None