

AUDIT COMMITTEE

30 JULY 2020

AUDIT & COUNTER FRAUD STRATEGY 2020-24

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

Summary

This report presents the Audit & Counter Fraud Shared Service Strategy 2020-24 for Members' approval.

1. Budget and Policy Framework

- 1.1. Council delegates responsibility for the oversight and monitoring of internal audit and counter fraud to the Audit Committee.

2. Background

- 2.1. There is no formal requirement for local authorities to prepare a strategy for Audit & Counter Fraud. However, the creation of the shared service with Medway was not solely driven by the requirement to reduce costs; it aspired to deliver increased resilience, flexibility and efficiency and ultimately improve the services received by both authorities through shared learning and investment in staff.
- 2.2. A strategy covering the period 2016-20 was set upon the creation of the shared service and was prepared to set out a clear vision and set of objectives for the development of the shared service over its first four years.

3. Audit & Counter Fraud Strategy 2020-24 preparation and review

- 3.1. A refreshed strategy has been prepared for 2020-24, which continues to build upon the three strategic objectives set in the strategy for 2016-20, these being.
 - Aligned Priorities: Ensuring the service'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, and

- 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 continuing to build on the success of the partnership and exploring opportunities for further development.
- 3.2. Members will receive progress reports throughout the year demonstrating the results of work undertaken and an annual review of progress against the specific objectives will also be undertaken and the results presented to Members.
 - 3.3. The Audit & Counter Fraud Shared Service Strategy for 2020-2024 can be found at Appendix 1.

4. Risk management

- 4.1. 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.
- 4.2. The Audit & Counter Fraud Strategy is intended to ensure that the service is developed in line with the aspirations of those charged with governance at Gravesham Borough Council and Medway Council. Senior management input and endorsement of the Strategy will give it status.

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 to deliver internal audit services through the Shared Service to both authorities.

7. Recommendation

- 7.1. Members approve the Audit & Counter Fraud Shared Service Strategy 2020-2024 presented at Appendix 1.

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Appendices

Appendix 1 - Audit & Counter Fraud Strategy 2020-2024

Background papers

None