

AUDIT COMMITTEE

5 JANUARY 2021

AUDIT AND COUNTER FRAUD UPDATE

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

Summary

This report provides Members with an update on the work, outputs and performance of the Audit & Counter Fraud Team for the period 1 September to 30 November 2020.

1. Budget and policy framework

- 1.1. Council delegates responsibility for the oversight and monitoring the effectiveness of the Audit and 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 Fraud Team will provide three update reports throughout the year in addition to the annual report. This is the second update report for 2020-21 and provides details of the progress made against the scheduled work plan agreed by Members in July 2020.
- 3.2. The Audit and Counter Fraud Update Report for 01 September to 30 November 2020 can be found at Appendix 1.
- 3.3. Section 7 of the update report details a number of amendments to the plan that have been necessary to account for loss of resource relating to sickness

within the service and the need to redeploy officers to assist with the administration of Covid grant schemes.

- 3.4. These changes were implemented in consultation with the Chair of the Audit Committee due to their urgency and the fact that staff needed to be redeployed before the next Committee meeting

4. Risk management

- 4.1. This report, summarising the work of the Audit and 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 and 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 and 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. The Committee is requested to:
 - (i) Note the outputs and performance of the Audit & Counter Fraud Service for Medway for the period 1 September to 30 November 2020 as detailed at Appendix 1 to the report;
 - (ii) Note the amendments to the 2020-21 workplan as detailed in section 7 of Appendix 1 to the report.

Lead officer contact

James Larkin, Head of Audit and Counter Fraud Shared Service
james.larkin@medway.gov.uk

Appendices

None

Background papers

None