

AUDIT COMMITTEE

23 SEPTEMBER 2021

AUDIT AND COUNTER FRAUD UPDATE 01 APRIL TO 31 AUGUST 2021

Report from: 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 01 April to 31 August 2021.

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. Audit and Counter Fraud Update Report

- 3.1. The report at Appendix 1 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 August and the progress made against the annual workplan.
- 3.2. 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 Members' approval is sought to change the implementation dates accordingly.

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. Climate change implications

- 5.1. There are no climate change implications in this report.

6. Financial implications

- 6.1. 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.

7. Legal implications

- 7.1. 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.

8. Recommendations

- 8.1. The Committee is recommended to note the outputs and performance of the Audit & Counter Fraud Plan for Medway for the period 1 April to 31 August 2021 as detailed at Appendix 1.
- 8.2. The Committee is recommended to approve the revised implementation dates for overdue recommendations as detailed in section eight of Appendix 1.

Lead officer contact

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Appendices

Appendix 1 - Audit & Counter Fraud Update

Background papers

None