

## **AUDIT COMMITTEE**

**4 JANUARY 2022**

### **INTERNAL AUDIT & COUNTER FRAUD STRATEGY 2020-24 – REVIEW OF PROGRESS 2021-22**

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

#### Summary

This report provides an update on progress against the Internal Audit & Counter Fraud Strategy 2020-2024 made by the team during 2021-22 to date.

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. The Audit Committee approved the Audit & Counter Fraud Strategy 2020-2024 on 30 July 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 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.
3. Review of progress against the Internal Audit & Counter Fraud Strategy 2020-2024
  - 3.1. 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.

3.2. A review has been conducted and progress against the strategic objectives outlined above are detailed in Appendix 1.

3.3. As part of the annual review, the strategy has also been refreshed to take into account the way the Internal Audit and Counter Fraud activities are now delivered following the change from multi-disciplinary working to designated roles. The refreshed strategy can be found at Appendix 2.

3.4. The 2021 refresh has resulted in significant changes to the introduction to the strategy to make the roles of each team and the activities they will deliver much clearer. Our mission statement has also been updated to incorporate the aims of the counter fraud activity as well as that of internal audit.

3.5. There has been no change to the strategic objectives, however, the fourth statement under the objective 'Positive Impact' has been updated to add more clarity around the partnership working that may be undertaken.

## 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. The 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 Medway Council and Gravesham Borough Council.

## 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. The Committee is asked to note the progress made against the objectives set out in the against Internal Audit & Counter Fraud Strategy 2020-24 and approve the changes outlined as part of the 2021 refresh.

### Lead officer contact

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### Appendices

Appendix 1 – Internal Audit & Counter Fraud Strategy Progress Update  
Appendix 2 – Internal Audit & Counter Fraud Strategy – 2021 Refresh

### Background papers

None