

AUDIT COMMITTEE

28 SEPTEMBER 2023

COUNTER FRAUD ANNUAL REPORT 2022-23

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

Summary

This report informs Members of the results of Counter Fraud work completed during 2022-23.

1. Recommendations

- 1.1. The Committee is recommended to note the work undertaken by the Counter Fraud team for Medway during 2022-23 in providing an effective service to the Council.

2. Budget and policy framework

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

3. Background

- 3.1. The Internal Audit & Counter Fraud Shared Service reports periodically to senior management and the Audit Committee, providing updates on progress against agreed workplans and the results of any investigative activity.
- 3.2. Since 1 March 2016, the council's counter fraud activity has been delivered by the Internal Audit & Counter Fraud Shared Service with Gravesham Borough Council.

4. Counter Fraud Annual Report 2022-23

- 4.1. The Head of Internal Audit & Counter Fraud Shared Service has provided update reports to Members at three meetings of the Audit Committee during 2022-23. This Annual Report reproduces the findings detailed in those update reports along with details of any work completed since the last

update, to provide Members with a summary of all work delivered by the team in the year.

4.2. The annual report is intended to provide Members with sufficient details of the results of all the work of the team, which provides an additional form of assurance to support the opinion of the Chief Audit Executive on the adequacy and effectiveness of the council's overall control environment.

4.3. The Counter Fraud Annual Report for 2022-23 can be found at Appendix 1.

5. Risk management

5.1. This report, summarising the work of the Counter Fraud Team, provides a key source of assurance for the council on the adequacy and effectiveness of its counter fraud arrangements and management of fraud risks.

6. Climate change implications

6.1. There are no climate change implications in this report.

7. Financial implications

7.1. An adequate and effective Counter Fraud function helps to identify fraud and error that could have an adverse effect on the financial statements of the Council.

7.2. The outturn costs for 2022-23 for the Counter Fraud elements of the Shared Service are £215,352 with Medway's share of these costs being £136,321. Savings resulting from investigative activity during 2022-23 total £851,998 providing good value for money.

8. Legal implications

8.1. The Section 151 Officer of a local authority is responsible for the proper administration of its financial affairs. The work of the Counter Fraud Team supports this responsibility by identifying and investigating alleged misuse of public money, applying sanctions, and seeking redress as appropriate.

Lead officer contact

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

Appendices

Appendix 1 – Counter Fraud Annual Report 2022-23

Background papers

None