

<b>Report of:</b>	Head of Internal Audit, Veritau
<b>Submitted to:</b>	Corporate Affairs and Audit Committee, 29 June 2023
<b>Subject:</b>	Internal audit and counter fraud work programme 2023/24

**Summary**

<b>Proposed decision(s)</b>
<p>That the Committee:</p> <ul style="list-style-type: none"> <li>approves the internal audit and notes the counter fraud work programme for 2023/24</li> </ul>

<b>Report for:</b>	<b>Key decision:</b>	<b>Confidential:</b>
Information	No	No

<b>Contribution to delivery of the 2020-23 Strategic Plan</b>		
<b>People</b>	<b>Place</b>	<b>Business</b>
Internal audit work contributes towards achieving the Council's priorities by identifying any potential control issues which may obstruct that achievement. The prevention and detection of fraud as well as the recovery of losses helps the Council to ensure the effective use of public funds for the benefit of residents and to achieve its strategic goals.	Internal Audit assists management in delivering their priorities by working to an annual programme of work that includes assignments linked to corporate risks and priorities, and which seeks to add value by assessing the quality of controls in place to enable delivery, ensure value for money and achieve better outcomes for local people.	Delivering balanced budgets, maintaining front line services, and addressing budget shortfalls are priorities for the Council. Ensuring appropriate controls are in place and preventing fraud from occurring and recovering loss helps the Council achieve these aims.

<b>Ward(s) affected</b>
None.

## **What is the purpose of this report?**

1. To seek Members' approval for the 2023/24 planned programme of internal audit, and to ask Members to note the counter fraud 2023/24 work programme.

## **Why does this report require a Member decision?**

2. Public Sector Internal Audit Standards require internal audit to develop risk-based plans to determine priorities for internal audit work. Plans are required to be approved by this committee as part of its responsibility for overseeing the work of internal audit.
3. The national Local Government Counter Fraud Strategy – Fighting Fraud and Corruption Locally – recommends that audit committees should receive an annual report on levels of counter fraud resource.

## **Report Background**

4. Internal audit provides independent and objective assurance and advice about the Council's operations. It helps the organisation to achieve overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.
5. The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS), CIPFA guidance on the application of those standards in Local Government and the CIPFA Statement on the role of the Head of Internal Audit.
6. The purpose of this report is to present the internal audit and counter fraud work programmes for 2023/24.

## **Internal Audit work programme**

7. Appendix 1 sets out proposed internal audit work for 2023/24. The planned work is based on an initial assessment of risk undertaken. The identification of risks included in the assessment has been informed in a number of ways. This includes review of the organisational risk management processes, sector-wide risk information, understanding the Council's strategies and objectives, other known risk areas (for example areas of concern highlighted by management), the results of recent audit work and other changes in Council services and systems.
8. The proposed areas of coverage have been subject to consultation with the Corporate Affairs and Audit Committee and senior officers including Directorate Management Teams.
9. To meet professional aims and objectives, good practice for internal audit requires us to adopt flexible planning processes. This helps to ensure that internal audit work undertaken during the year is adapted on an ongoing basis to reflect changing and emerging risks within the Council.
10. We will regularly discuss the scope and timings of work with officers and management to help ensure that we provide assurance in the right areas and at the right time. Further meetings will be held throughout the year to plan and confirm the scope and timings of audit work. We will also provide regular updates to the

Corporate Affairs and Audit Committee on the coverage, scope and findings of our work.

11. Total days allocated to internal audit assurance in 2023/24 are 555.

### **Counter Fraud work programme**

12. Proposed areas of counter fraud work in 2023/24 are set out in Appendix 2. No estimate of time is made for each area as this will depend on the levels of suspected fraud reported to the team. The priorities for the work programme are set annually in the Council's Counter Fraud Strategy Action Plan and annual Fraud Risk Assessment which were most recently presented to the committee in September 2022.

13. Total days allocated to counter fraud work in 2023/24 are 150.

### **What decision(s) are being asked for?**

14. That the committee:

- approves the internal audit work programme and notes the counter fraud work programme for 2023/24

### **Why is this being recommended?**

15. Internal audit professional standards require that risk-based annual work programmes are approved by the Committee. The work programme has been produced following consultation with officers and members.

### **Other potential decisions and why these have not been recommended**

16. This report is for approval. There are no other options available.

### **Impact(s) of recommended decision(s)**

#### ***Legal***

17. There are no specific risks.

#### ***Financial***

18. There are no specific risks.

#### ***Policy Framework***

19. There are no specific risks.

#### ***Equality and Diversity***

20. There are no specific risks.

#### ***Risk***

21. The Council will be non-compliant with the Public Sector Internal Audit Standards if the internal audit work programme is not approved by the Committee, and it may be subject to increased scrutiny and challenge.

### **Actions to be taken to implement the decision(s)**

22. n/a

### **Appendices**

Appendix 1 – internal audit work programme 2023/24

Appendix 2 – counter fraud work programme 2023/24

### **Background papers**

No background papers were used in the preparation of this report

**Contact:** Phil Jeffrey

**Email:** [phil.jeffrey@veritau.co.uk](mailto:phil.jeffrey@veritau.co.uk)

**Contact:** Jonathan Dodsworth

**Email:** [jonathan.dodsworth@veritau.co.uk](mailto:jonathan.dodsworth@veritau.co.uk)