

Report of:	Head of Internal Audit, Veritau
Submitted to:	Corporate Affairs and Audit Committee, 4 March 2021
Subject:	Internal audit and counter fraud plan 2021/22

Summary

Proposed decision(s)
<p>That the Committee:</p> <ul style="list-style-type: none"> • approves the internal audit and counter fraud plan for 2021/22

Report for:	Key decision:	Confidential:	Is the report urgent?¹
Information	No	No	No

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
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.

Ward(s) affected
None.

¹ Remove for non-Executive reports

What is the purpose of this report?

1. To seek Members' approval for the planned programme of internal audit and counter fraud work to be undertaken in 2021/22

Why does this report require a Member decision?

2. Internal audit professional standards require that an annual audit plan is produced based on an assessment of risk. The plan is required to be approved by this committee as part of its responsibility for overseeing the work of internal audit.

Report Background

3. 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.
4. 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.
5. The standards and the Council's audit charter require that the Head of Internal Audit gives an opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control. The basis for the opinion is the programme of work that internal audit carries out.
6. The purpose of this report is to present an internal audit and counter fraud plan for 2020/21 to the committee for approval.

Internal Audit plan

7. Appendix 1 sets out proposed internal audit work for 2021/22. The planned work is based on an initial assessment of risk undertaken by Veritau alongside discussions with chief officers and members. These discussions will continue in the lead up to the 2021/22 audit year.
8. As in 2020/21, the plan is a high-level document with an allocation of days for key areas of assurance. The detailed audits to be included within these areas will be agreed with officers in the coming months. The plan is also flexible so will be updated if the council's priorities or risks change during the year.
9. It is expected that the Covid-19 pandemic and the Council's response to it will be a significant priority for the Council throughout 2021/22. Veritau will continue to set time aside to provide support and challenge for this. The flexibility of the plan will assist this.
10. Total days allocated to internal audit assurance in 2021/22 are 555.

Counter Fraud Plan

11. Proposed areas of counter fraud work in 2021/22 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.

12. Total days allocated to counter fraud work in 2021/22 are 150.

What decision(s) are being asked for?

13. That the committee:

- approves the internal audit and counter fraud plans for 2021/22

Why is this being recommended?

14. Internal audit professional standards require that an annual audit plan is produced based on an assessment of risk. This plan has been produced following consultation with officers and members.

Other potential decisions and why these have not been recommended

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

Impact(s) of recommended decision(s)

Legal

16. There are no specific risks.

Financial

17. There are no specific risks.

Policy Framework

18. There are no specific risks.

Equality and Diversity

19. There are no specific risks.

Risk

20. The Council will be non-compliant with the Public Sector Internal Audit Standards if the internal audit plan 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)

21. Any requests for additional assurance or clarification by Members of the Committee will be responded to accordingly.

Appendices

Appendix 1 – internal audit plan 2021/22

Appendix 2 – counter fraud plan 2021/22

Background papers

No background papers were used in the preparation of this report

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