

**Audit and Governance Committee**

**14 April 2021**

Report of the Head of Internal Audit

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**Internal audit & counter fraud plans 2021/22**

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**Summary**

- 1 This report seeks the committee's approval for the planned programme of internal audit work to be undertaken in 2021/22. It also includes the proposed plan for counter fraud work, for information.

**Background**

- 2 The council's internal audit service has to comply with the Public Sector Internal Audit Standards, and the council's own Internal Audit Charter. The standards and charter require that the Head of Internal Audit gives an annual 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. An indicative risk based audit work programme is drawn up at the start of each year, setting out proposed priorities for audit work over the coming twelve months. The work programme will be revisited and updated throughout the year, to ensure it remains aligned with current risks and priorities.
- 3 The work programme is required to be approved by this committee as part of its responsibility for overseeing the work of internal audit. This report seeks approval for the outline programme of internal audit work for 2021/22.
- 4 In addition to internal audit, Veritau also provides the council with specialist counter fraud services. While formal approval of the counter fraud plan is not required, the proposed areas of work are set out in this report for the committee's information.

## **2021/22 Internal Audit Plan**

- 5 The internal audit programme in annex 1 outlines priorities for work in 2021/22. It includes proposed areas of audit coverage and is based on a risk assessment undertaken by Veritau. The work programme is also informed by discussions with senior officers and members, risk management arrangements, and by plans for development and change within the council. The internal audit work programme is a flexible working document and variations will be made throughout the year to reflect changes in risks and priorities, and to address any issues that arise.
- 6 Total planned internal audit days for 2021/22 are 1,095. This is unchanged from the previous year.

## **2020/21 Counter Fraud Plan**

- 7 Proposed areas of counter fraud work for 2021/22 are set out in annex 2. No estimate of time is made for each area as this will depend on levels of suspected fraud reported to the team. Reactive investigations (determined by allegations of fraud received) account for the largest proportion of work. Priorities for work in the remaining areas will be determined in accordance with the council's Counter Fraud Strategy and Counter Fraud Risk Assessment (presented to the committee in February).
- 8 Total planned days for 2021/22 are 983, which is a reduction of 77 days from 2020/21. The reduction is not expected to significantly impact on the effectiveness of the service the council receives but will deliver the required budget savings. Efficiencies in investigation processes, including the increased use of technology to facilitate remote investigations and the wider use of data analytics will offset the reduction in days.

## **Consultation**

- 9 In preparing the audit and counter fraud plans consultation has taken place with the Audit and Governance Committee and key officers across the council.

## **Options**

- 10 Not relevant for the purpose of the report.

## **Analysis**

- 11 Not relevant for the purpose of the report.

## **Council Plan**

- 12 The work of internal audit and counter fraud supports overall aims and priorities by promoting probity, integrity and accountability and by helping to make the council a more effective organisation.

## **Implications**

- 13 There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

## **Risk Management Assessment**

- 14 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.

## **Recommendation**

- 15 Members are asked to
- approve the 2021/22 internal audit plan and note the proposed counter fraud plan.

### Reason

In accordance with the committee's responsibility for overseeing the work of internal audit and the counter fraud service.

## Contact Details

**Author:**

Max Thomas  
Head of Internal Audit  
Veritau Ltd  
Telephone: 01904 552940

**Chief Officer Responsible for the report:**

Janie Berry  
Director of Governance  
Telephone: 01904 555385

**Report  
Approved**



**Date** 26/3/2021

## Specialist Implications Officers

Not applicable

**Wards Affected:** Not applicable

**All**

**For further information please contact the author of the report**

## Background Papers

### Annexes

Annex 1 – 2021/22 Internal Audit Plan  
Annex 2 – 2021/22 Counter Fraud Plan