
**REPORT FOR: GOVERNANCE, AUDIT
AND RISK MANAGEMENT
AND STANDARDS
COMMITTEE**

Date of Meeting:	08 September 2020
Subject:	INFORMATION REPORT – Internal Audit and Corporate Anti-Fraud Year-End Reports 2019/20
Responsible Officer:	Dawn Calvert – Director of Finance and Assurance
Exempt:	No
Wards affected:	All
Enclosures:	Appendix1 – Internal Audit Year-end Report 2019/20 Appendix 2– Corporate Anti-Fraud Team Year-end Report 2019/20

Section 1 – Summary and Recommendations

This report sets out the 2019/20 year end reports for Internal Audit and the Corporate Anti-Fraud Team and includes the Head of Internal Audit's overall audit opinion on the control environment.

The report is presented to enable the Committee to fulfil the requirements of its Terms of Reference to:

- To consider reports from the Head of Internal Audit/ Corporate Anti-Fraud Manager on the Corporate Anti-Fraud Team's performance at mid-year and at year-end; and
- To consider reports from the Head of Internal Audit on internal audit's performance at mid-year and year-end, including the performance of external providers of internal audit services.

FOR INFORMATION

Section 2 – Report

Background

- 2.1. Annually the GARMS Committee considers a mid and full year reports from Internal Audit and Corporate Anti-Fraud covering progress against the agreed plans to help fulfil it's purpose in accordance with the Committees Terms of Reference.

Internal Audit Year-End Report (Appendix 1)

- 2.2. Overall the Internal Audit Team has achieved 83% of the 2019/20 annual internal audit plan. This included 100% achievement of the core financial systems reviews. A total of 208 recommendations were made to management to improve internal controls of which 98% were agreed for implementation exceeding the 95% target.
- 2.3 Appendix 1 details the Head of Internal Audit Opinion, provides a summary of all the work undertaken during the year, covers the direction of assurance travel and the performance of Internal Audit against the agreed key performance indicators.

Corporate Anti-Fraud Report (Appendix 2)

- 2.4 Of the 17 objectives in the CAFT Fraud Plan 2019/20, 12 (70%) were achieved, 2 partially achieved (12%) and 3 (18%) were not achieved. 4 out of the 5 key performance indicators were achieved (80%) whilst 1 (20%) was not achieved.
- 2.5 Appendix 2 provides a summary of outcomes from the work of the Corporate Anti-Fraud Team during 2019/20, details work undertaken in addition to the plan, the performance of the Anti-Fraud Team against the agreed key performance indicators and summaries fraud referrals, outcomes and savings achieved.

Legal Implications

Accounts & Audit Regulations 2015

Internal audit

5.(1) A relevant authority must 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.

Financial Implications

There are no financial implications to this report – both the Internal Audit and Corporate Anti-Fraud service were delivered within budget for 2019/20.

Risk Management Implications

The main risk relating to the performance of the internal audit service is that insufficient work is undertaken during the year to enable an overall audit opinion to be produced by the Head of Internal Audit. This risk is mitigated by producing an annual plan, performance management of the team and performance management reporting to the GARMS Committee.

Equalities implications / Public Sector Equality Duty

N/A

Council Priorities

- 1. Improving the environment and addressing climate change**
- 2. Tackling poverty and inequality**
- 3. Building homes and infrastructure**
- 4. Addressing health and social care inequality**
- 5. Thriving economy**

The work of the Internal Audit service and the Corporate Anti-Fraud Team supports the delivery of the Council's priorities by providing assurance on the effectiveness of risk management, control and governance processes, and making recommendations to improve these processes, increasing the likelihood of the achievement of the priorities and by identifying and stopping fraud that would detrimentally impact on the resources available to achieve the priorities

Section 4 - Contact Details and Background Papers

Contact: Susan Dixson, Head of Internal Audit & Corporate Anti-Fraud,
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Tel: 0208 424 1609

Background Papers: None