

	<p>Audit Committee</p> <p>19th April 2016</p>
<p style="text-align: right;">Title</p>	<p>Internal Audit & Anti-Fraud Strategy and Annual Plan 2016-17</p>
<p style="text-align: right;">Report of</p>	<p>Clair Green – Assurance Assistant Director Caroline Glitre – Head of Internal Audit</p>
<p style="text-align: right;">Wards</p>	<p>N/A</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A - Internal Audit & Anti-Fraud Strategy and Annual Plan 2016-17</p>
<p style="text-align: right;">Officer Contact Details</p>	<p>Caroline Glitre, Head of Internal Audit caroline.glitre@barnet.gov.uk 020 8359 3721</p>

<h2>Summary</h2>

The 2016/17 Internal Audit & CAFT plan has been formulated after extensive planning meetings with Commissioning Directors, Delivery Units, the Chief Operating Officer and the Chief Executive.

During this process we have reduced the long list of potential audits and ultimately have applied a risk assessment to the potential list in order to develop a plan that can be delivered within existing resources.

The plan also includes the updated counter fraud strategy and approach for 2016-17 and how we have aligned with the strategic approach as outlined in 'Fighting Fraud Locally' (FFL – the Local Government Fraud Strategy 2016). The principles of our strategy remain the same as previous years but we have also considered and incorporated the new six themes as detailed within the 2016 FFL (Culture, Capability, Capacity, Competence, Communication and Collaboration) and as such have further adapted our strategy and approach to incorporate a response to these themes as well as consideration of local fraud risks facing the Council alongside horizon scanning on emerging national fraud risks and relevant good practice guidance. Our strategy further demonstrates and supports the Council's commitment to a zero tolerance approach to fraud, corruption, bribery (and other irregularity including any Money Laundering activity) and details the proposed joint CAFT / Internal Audit reviews as well as CAFT pro-active exercises alongside the continuous and re-active work streams.

Recommendations

- 1. That the Committee approves the Internal Audit & Anti-Fraud Strategy and Annual Plan for 2016-17.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Audit Committee's role in receiving the Internal Audit & Anti-Fraud Strategy and Annual Plan for 2016-17 is to consider the planned programme of work.

2. REASONS FOR RECOMMENDATIONS

- 2.1 Compliance with the Public Sector Internal Audit Standards.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 N/A

4. POST DECISION IMPLEMENTATION

4.1 The Internal Audit Plan will be delivered and progress against the plan reported to the Audit Committee on a quarterly basis.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 All internal audit and risk management planned activity in 2015-16 was aligned with the Council's objectives set out in the Corporate Plan 2015-2020, and thus supported the delivery of those objectives by giving an auditor judgement on the effectiveness of the management of the risks associated with delivery of the service.

5.1.2 A comprehensive Internal Audit Plan is essential to giving an annual Internal Audit Opinion on the internal control environment (ICE) which is fundamental for the achievement of all of the Council's objectives. This opinion forms an integral element of the Annual Governance Statement.

5.1.3 The Council has a responsibility to protect the public purse through proper administration and control of the public funds and assets to which it has been entrusted. The work of the Corporate Anti-Fraud Team supports this by continuing to provide an efficient, effective value for money anti-fraud activity.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 This Plan, by being based on the risks of the organisation, will ensure the appropriate allocation of resources to those areas that require audit review, assurance and anti-fraud activity.

5.2.2 In addition, the follow-up of priority one audit/CAFT recommendations will ensure that a positive culture of internal control and anti-fraud improvement is achieved.

5.2.3 The proposed plan is being achieved from Internal Audit & CAFT's current budget.

5.3 Legal and Constitutional References

5.3.1 There are no legal issues in the context of this report.

5.3.2 The Council's Constitution, Responsibilities for Functions – Annex A - the Audit Committee terms of reference details the terms of reference of the Audit Committee including:

- To consider the audit annual report, plan and opinion.
- To consider the anti-fraud strategy, annual anti-fraud work plan and CAFT Annual Report.
- To monitor the effective development and operation of risk management and corporate governance in the Council.

5.4 Risk Management

5.4.1 The Plan is based upon the risks of the organisation and supports the Council's risk management system and processes as each internal audit or pro-active anti-fraud exercise will either comment on how well risks are being managed or how effective the controls to mitigate the risks in the area under review are.

5.4.2 Outcomes from internal audits / pro-active anti-fraud will either confirm effective management of risk or suggest areas for improvement. In addition, this will provide Directors with assurances that managers are being effective in managing the risks within the service.

5.4.3 Internal Audit work contributes to increasing awareness and understanding of risk and controls amongst managers and thus leads to improving management processes for securing more effective risk management.

5.5 Equalities and Diversity

5.5.1 Effective systems of audit, internal control and corporate governance provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community. Individual audits assess, as appropriate, the differential aspects on different groups of individuals to ensure compliance with the Council's duties under the 2010 Equality Act.

5.6 Consultation and Engagement

5.6.1 N/A

6. BACKGROUND PAPERS

6.1 Audit Committee 30 April 2015 (Decision Item 8) - the Committee approved the Internal Audit and Anti-Fraud Strategy and Annual Plan and Risk Management approach 2015-16.

<https://barnet.moderngov.co.uk/documents/g7810/Printed%20minutes%2030th-Apr-2015%2019.00%20Audit%20Committee.pdf?T=1>