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|  | <p><b>Audit Committee</b></p> <p><b>19<sup>th</sup> April 2018</b></p>  |
| <p style="text-align: right;"><b>Title</b></p>                                    | <p><b>Internal Audit &amp; Anti-Fraud Strategy and Annual Plan 2018-19</b></p>  |
| <p style="text-align: right;"><b>Report of</b></p>                                | <p>Clair Green – Assurance Director<br/>Caroline Glitre – Head of Internal Audit</p>  |
| <p style="text-align: right;"><b>Wards</b></p>                                    | <p>N/A</p>  |
| <p style="text-align: right;"><b>Status</b></p>                                   | <p>Public</p>   |
| <p style="text-align: right;"><b>Enclosures</b></p>                               | <p>Appendix 1 - Internal Audit &amp; Anti-Fraud Strategy and Annual Plan 2018-19</p>  |
| <p style="text-align: right;"><b>Officer Contact Details</b></p>                  | <p>Caroline Glitre, Head of Internal Audit<br/><a href="mailto:caroline.glitre@barnet.gov.uk">caroline.glitre@barnet.gov.uk</a><br/>020 8359 3721</p> |

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| <b>Summary</b>   |
| <p>The 2018/19 Internal Audit &amp; Anti-Fraud Strategy and Annual Plan has been formulated after extensive planning meetings with Commissioning Directors, Delivery Units, the Chief Finance Officer, the Deputy Chief Executive, the Assistant Chief Executive and the Chief Executive.</p> <p>After this process was completed we applied a risk assessment to the potential list of audits in order to develop a plan that can be delivered within existing resources.</p> |

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| <b>Recommendations</b>   |
| <p><b>1. That the Committee approves the Internal Audit &amp; Anti-Fraud Strategy and Annual Plan for 2018-19.</b></p> |

**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 2018-19 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 & Anti-Fraud Strategy and Annual 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 CAFT planned activity in 2017-18 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 (Article 7) sets out the terms of reference for Committees. The responsibilities for the Audit Committee include providing "independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process.

#### **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>