

Subject:	Internal Audit and Corporate Fraud – strategy and plan 2016/17		
Date of Meeting:	8 March 2016		
Report of:	Acting Director, Finance & Resources		
Contact Officer:	Name:	Graham Liddell	Tel: 29-1323
	Email:	Graham.Liddell@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Audit and Standards Committee is asked to agree the attached strategy and plan for Internal Audit and Corporate Fraud.

2. RECOMMENDATIONS:

- 2.1 That the Audit and Standards Committee approves the Internal Audit and Corporate Fraud: strategy and plan 2016/17.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Regulation 5 of The Accounts and Audit Regulations 2015 requires the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes.'

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The council is facing significant challenges to deliver financial savings and to modernise the way services are delivered, including greater partnership working. During this period of change Internal Audit and Corporate Fraud play a key role in promoting a strong control environment so that the council, the council's partners and the citizens of Brighton & Hove can have confidence in the council's arrangements.
- 4.2 Internal Audit and Corporate Fraud are not immune from the council's financial challenges and we will need to deliver a significant reduction in our own budget over the next four years. We plan to meet our budgetary challenges and continue to deliver a high quality internal audit and corporate fraud service by:
- ensuring that audit and corporate work is focused on the council's key risks. This is based on our cumulative knowledge and experience at Brighton & Hove, national comparative data and is informed by our review of the risk register and consultation with officers

- develop our use of audit and counter fraud techniques. This includes wider use of data matching and data analysis to identify and investigate unusual transactions. We also plan to carry out more high level reviews to assess how senior management gains assurance over strategic risks
- working with colleagues in East Sussex County Council and Surrey County Council to join the Orbis partnership. This will help us to achieve economies of scale, to reduce the impact of budget cuts on our audit plan, and will also provide the service with greater resilience.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The process of compiling the Internal Audit Strategy and Annual Plan has involved substantial consultations including with:
- members of ELT
 - other heads of service and senior management
 - staff within both Internal Audit and Corporate Fraud

6. CONCLUSION

- 6.1 The attached strategy and plan sets out proposals for maintaining an adequate and effective system of internal audit for 2016/17. The Audit and Standards Committee is recommended to approve it.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 It is expected that the 2016/17 strategy and plan for Internal Audit and Corporate Fraud 2016/17 will be delivered within the proposed budgetary resources.
- 7.2 The strategy and plan and action taken in line with recommendations from audits support the robustness and resilience of the councils practices and procedures and support the councils overall financial position.

Finance Officer Consulted: James Hengeveld

Date: 22/02/16

Legal Implications:

- 7.3 This report sets out the council's plan for conforming with Regulation 5 of the Accounts and Audit Regulations 2015 which requires the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes.' It is within the delegated authority of the Audit and Standards Committee to approve the Strategy and Plan.

Lawyer Consulted: Elizabeth Culbert

Date: 24/02/16

Equalities Implications:

7.3 Not applicable.

Sustainability Implications:

7.4 Not applicable

Any Other Significant Implications:

7.5 None.

SUPPORTING DOCUMENTATION

Appendices:

1. Internal Audit and Corporate Fraud: strategy and plan 2016/17

Documents in Members' Rooms

1. None

Background Documents

1. None

