

<b>Subject:</b>	<b>Internal Audit and Corporate Fraud: strategy and plan 2015/16</b>		
<b>Date of Meeting:</b>	<b>10 March 2015</b>		
<b>Report of:</b>	<b>Head of Internal Audit</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Graham Liddell</b>	<b>Tel: 29-1323</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**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 2015/16.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Accounts and Audit Regulations 2011 require the Council to 'maintain an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with proper practice'. The proper practice is Public Sector Internal Audit Standards.
- 3.2 2015/16 is a year of transformation as the Council seeks to address substantial financial challenges and modernise the way services are delivered. The Council is also reviewing its arrangements for corporate governance and is carrying out a formal organisational learning review.
- 3.2.1 In response to these changes the Internal Audit and the Corporate Fraud Team will need to work flexibly to ensure that their resources are directed to where they are most needed. As a result, rather than setting a detailed programme of work covering the whole year, the strategy and plan for 2015/16 sets out:
- the overall aims of Internal Audit and the Corporate Fraud Team
  - the key areas of work for the year
  - a detailed work programme for the first quarter of 2015/16 only.
- 3.3 Progress reports and updated detailed work programmes will be presented to each Audit and Standards Committee for approval.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Consideration was given to determining and setting out a detailed full-year programme of audits for 2015/16. However, in light of the significant change faced by the Council, it is unlikely that a full-year programme established in March 2015 would provide sufficient flexibility to consider emerging and changing risks during the course of the year.

#### **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
  - the Risk Manager
  - external audit

#### **6. CONCLUSION**

- 6.1 The Internal Audit and Corporate Fraud: strategy and plan 2015/16 sets out proposals for maintaining an adequate and effective system of internal audit during a period of change for the Council. The Audit and Standards Committee is recommended to approve it.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 It is expected that the 2015/16 strategy and plan for Internal Audit and Corporate Fraud 2015/16 will be delivered within existing 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: 23/2/15*

##### Legal Implications:

- 7.3 This report sets out the council's plan for conforming to regulation 6 of the Accounts and Audit Regulations 2011.

*Lawyer Consulted: Oliver Dixon Date: 26/2/15*

##### Equalities Implications:

- 7.4 When carrying out audit work, any equality issues identified are reported to the appropriate level of management. The Internal Audit Strategy and Annual Audit Plan recognises the Council's priorities in respect to Equality and Diversity and how Internal Audit will meet them.

Sustainability Implications:

- 7.5 When carrying out audit work, any sustainability issues identified are reported to the appropriate level of management.

Any Other Significant Implications:

- 7.6 None

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Internal Audit and Corporate Fraud: strategy and plan 2015/16.

