

CORPORATE COMMITTEE 31 MARCH 2022

Report title: Internal Audit and Counter Fraud Plan 2022/2023

Wards: All

Portfolio: Cabinet Member for Finance and Performance: Councillor Andrew Wilson

Report Authorised by: Fiona McDermott: Strategic Director for Finance and Investment

Contact for enquiries: Justin Martin, Chief Audit Executive, 07881 802 336

Report summary

The Council's draft Internal Audit and Counter Fraud Plans are derived from risk-based assurance mapping and horizon scanning processes. Both plans take account of alternative sources of assurance available to management and resources available to the Internal Audit & Counter Fraud service.

Finance summary

This report does not give rise to any additional capital or revenue financial implications. Actions to ensure compliance with relevant legislation and Council policies will be undertaken within the existing budgets.

Recommendations

1. To approve the draft Internal Audit and Counter Fraud Plans for 2022/23.

1. CONTEXT

- 1.1 In discharging its 'audit committee' role, the Corporate Committee is required to approve the Internal Audit and Counter Fraud Plans.

2. PROPOSAL AND REASONS

- 2.1 Public Sector Internal Audit Standards (PSIAS) require that the Head of Internal Audit & Counter Fraud prepares a risk-based plan of work. The draft Internal Audit Plan has been prepared using an assurance mapping process; the full approach is outlined within Appendix A.

3. FINANCE

- 3.1 This report does not give rise to any additional capital or revenue financial implications. Actions to ensure compliance with relevant legislation and Council policies will be undertaken within the existing budgets.

4. LEGAL AND DEMOCRACY

- 4.1 Regulation 3 of the Accounts and Audit Regulations 2015 sets out the Council's responsibility for ensuring that it has a sound system of internal control which:
 - a. facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - b. ensures that the financial and operational management of the authority is effective; and,
 - c. includes effective arrangements for the management of risk.
- 4.2 Regulation 5 requires the Council to ensure that it undertakes 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.
- 4.3 Regulation 6 requires the Council to conduct an annual review of the effectiveness of the system of internal control required by Regulation 3; and to prepare an annual governance statement. The findings of the review of effectiveness must be considered as part of the consideration of the system of internal control referred to in paragraph 4.2 above. The Council has delegated the discharge of this function to Corporate Committee.
- 4.4 There were no further comments from Democratic Services.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 In Lambeth, officers and Members were consulted during the drafting of the Internal Audit and Counter Fraud update report.

6. RISK MANAGEMENT

- 6.1 An inadequate and operationally ineffective internal control system can have an adverse impact on the Council's risk management processes and wider corporate governance and on quality of services for residents.
- 6.2 With regard to Risk Management, the Public Sector Internal Audit Standards (PSIAS) require Internal Audit to evaluate the effectiveness and contribute to the improvement of Risk Management processes.

7. EQUALITIES IMPACT ASSESSMENT

7.1 Not applicable: The nature of our work in reviewing existing policies, procedures and controls does not necessitate the completion of EIA.

8. COMMUNITY SAFETY

8.1 Not applicable.

9. ORGANISATIONAL IMPLICATIONS

Environmental

9.1 None.

Health

9.2 None.

Corporate Parenting

9.3 None.

Staffing and accommodation

9.4 None.

Responsible Procurement

9.5 None.

10. TIMETABLE FOR IMPLEMENTATION

10.1 Not applicable.

Audit Trail

Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Andrew Wilson	Cabinet Member for Finance and Performance	02.03.22	14.03.22	Throughout
Fiona McDermott, Strategic Director	Finance and Investment	02.03.22	03.03.22	N/A
Christina Thompson, Director of Finance and Property	Finance and Investment	02.03.22	03.03.22	N/A
Andrew Pavlou, Principal Lawyer	Legal & Governance	02.03.22	07.03.22	N/A
Hamant Bharadia, Assistant Director of Finance	Finance and Investment	02.03.22	02.03.22	Throughout
Chloe Morris, Democratic Services	Legal and Governance	02.03.22	03.03.22	Throughout

Report History

Original discussion with Cabinet Member	N/A
Report deadline	18/03/2021
Date final report sent	15/03/2022
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	NA
Key decision reasons	NA
Background information	Accounts and Audit Regulations 2015
Appendices	A. Internal Audit and Counter Fraud Plan 2020/21