



REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	22 APRIL 2021
REPORT OF THE:	CHIEF FINANCE OFFICER (s151) ANTON HODGE
TITLE OF REPORT:	INTERNAL AUDIT AND COUNTER FRAUD PROGRESS REPORT 2020/21
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The report provides an update on internal audit and counter fraud work delivered in 2020/21.

2.0 RECOMMENDATION

- 2.1 It is recommended the Committee note the work undertaken by internal audit and the counter fraud team in the year to date.

3.0 REASON FOR RECOMMENDATION

- 3.1 To enable the Committee to fulfil its responsibility for considering the outcome of internal audit and counter fraud work.

4.0 SIGNIFICANT RISKS

- 4.1 The Council will fail to comply with proper practice requirements for internal audit and the Council's Audit Charter if the results of audit work are not considered by an appropriate committee. Overview and Scrutiny Committee is the committee designated with responsibility for receiving internal audit reports at Ryedale District Council.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The work on internal audit and counter fraud supports the council's overall aims and priorities by promoting probity, integrity and honesty and by helping support the council to become a more effective organisation.
- 5.2 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS) and Cipfa guidance on the application of those standards in Local Government. In accordance with the standards, the Head of Internal Audit is required to report to the Committee the results of audit work undertaken.

6.0 REPORT DETAILS

- 6.1 As the Committee is aware, commencement of 2020/21 internal audit work was delayed due to the need for the Council to prioritise its response to the coronavirus pandemic. Audit work has restarted in areas less directly involved in response and recovery efforts and all eight audits to be delivered this year have now commenced. A further three audits have been deferred to 2021/22 and the assigned days reallocated to advisory and support work, such as business grant post assurance checks (undertaken in conjunction with the counter fraud team). Further information on internal audit progress is included in annex 1.
- 6.2 Strategic Management Board have continued to support delivery of internal audit work as far as they have been able since our last report to this Committee but it is recognised that, given the response to the coronavirus and recovery efforts and the consequent impact on availability of staff, timelines for completion of audit work have slipped. Therefore, we will continue to finalise remaining audit work in the early part of 2021/22.
- 6.3 Strategic Management Board also recognise that we will need to reflect the reduction in the scope and volume of assurance work completed in 2020/21 in our annual opinion. The extent of this limitation is still being determined and will depend on the amount of 2020/21 work that is able to be concluded prior to taking the Head of Internal Audit annual report to the 28 July meeting of this Committee; and on assurances we are able to obtain from other sources.
- 6.4 Counter fraud work has been affected by the Covid-19 pandemic, in terms of new areas of work associated with grants to businesses and its effect on ongoing investigations. Annex 2 provides details of Covid-19 related work as well as a summary of the work undertaken so far in 2020/21 and outcomes to date.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
None
 - b) Legal
None
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental and Climate Change, Crime & Disorder)
None

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Background Papers:
2020/21 Internal Audit and Counter Fraud Plans