THE AUDIT COMMISSION AND ITS ROLE IN ENSURING GOOD CONDUCT IN THE PUBLIC SECTOR IN ENGLAND

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Head of Good Conduct and Counter Fraud Network
• Introducing the Audit Commission
• The role and responsibilities of public sector auditors and inspectors
• Ensuring good standards of conduct and countering fraud in the public sector
THE PRINCIPLES OF PUBLIC AUDIT

- Independent appointment of auditors
- Mandatory value for money
- Public interest reporting
FUNCTIONS OF THE AUDIT COMMISSION

Audit regulator
Research & analysis body
Auditor
Inspector
AUDIT REGULATOR

- Setting standards
- Making auditor appointments
- Setting fees
- Purchasing audit services
- Providing technical support
- Monitoring performance
AUDIT COMMISSION

2,400 staff (including Operations Directorate)
£220m+ turnover

OPERATIONS DIRECTORATE

4 Regions + Wales

70% of the Audit Work

All Audit Commission Inspection Work
Public right of inspection, question and objection

- The legality of financial transactions
- Financial standing
- Systems of internal financial control
- Standards of financial conduct, and the prevention and detection of fraud and corruption

Use of resources
- Performance information
- Best value performance plans

Opinion
- Regularity

Risk-based
- Audit planning

Corporate governance

ACCOUNTS

PERFORMANCE MANAGEMENT

FINANCIAL ASPECTS OF CORPORATE GOVERNANCE
Financial conduct and fraud and corruption

**Responsibility**
- Corporate governance arrangements
- Values and standards (Ethics)
- Codes of Conduct
- Standing orders, financial regulations
- Anti-fraud strategies and arrangements
- Whistleblowing

**Management**
- Developing
- Implementing
- Promulgating
- Monitoring

**External Auditors**
- Review arrangements
- Evidence judgements
- Report
NEW ROLES FOR AUDITORS
Agents for Organisational Change

- Raising awareness of risks
- Improving and strengthening cultures and values
- Helping assess arrangements in practice
- Influencing actions and decisions
- Facilitating self-assessment by managers
- Empowering, engaging, committing managers
OUR GOVERNANCE RESPONSE

Audit Approach

Good Conduct and Counter Fraud Network

Skills and training

IT / Data matching

Working with others
OUR AUDIT APPROACH

- Reviewing Arrangements
- Fraud Flashes/Warnings
- Systems Testing
- Awareness/Culture
- Probes/Products

Quality Manual Risk Assessment
SKILLS AND TRAINING

Accountancy training
Specialist training
  - investigators courses
  - diplomas
  - MBAs
In-house training
External seminars / conferences
New skills - facilitation
USING TECHNOLOGY TO COMBAT FRAUD

- Risk Awareness
- National Data Matching (NFI)
- Software / IDEA
- Technical Skills
WORKING WITH OTHERS

By working together, we will be stronger and can make the most efficient and effective use of scarce resources.

'A successful campaign against corruption demands the full participation of all sections in society, including most importantly civil society, and with it, the business community'

Durban – 9th IACC
COMMON GOVERNANCE ISSUES

Cross-sectoral partnerships, conflicts of interest and new management accountability

New ways of acquiring services and supplies

e-government and new technology

Citizens’ concerns / expectations

Growing concern about failing public bodies
HOW WE HAVE WORKED WITH OTHERS

- Sharing emerging risks and issues
- Building comparative databases
- Exchanging products, tools and responses
- Matching data
- Transferring skills
- Creating Champions
WHO WE HAVE WORKED WITH:

**England**

- NHS Counter Fraud Services
- Police
- Regulatory agencies
- Public Concern at Work
- Fraud Advisory Panel
- Standards Board for England
- National Audit Office
- Home Office
- CIPFA
- Information Commissioner

**Worldwide**

- Czech Republic
- Slovakia
- Lithuania
- NSW, Australia
- Latvia
- Bulgaria
- New Zealand
- Canada
- Romania
- Estonia
- Slovenia
- DFID
- OECD
- OLAF
- Eurrorai
- Transparency International
The Heart of Good Governance