

Audit, Governance & Standards Committee 20 November 2017

Interim Audit & Assurance Report

Final Decision-Maker	Audit, Governance & Standards Committee
Lead Head of Service/Lead Director	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Rich Clarke, Head of Audit Partnership
Classification	Public
Wards affected	All

Executive Summary

The report provides to Members an update on progress so far towards completing the 2017/18 Internal Audit & Assurance Plan. It also provides the update information needed by Audit Standards including an assessment of available audit time, results of audit work and commentary on performance of the audit service.

Our results so far in 2017/18 have yielded positive assurance ratings and there are no matters of broader concern we wish to bring to Members' attention.

This report makes the following recommendations to this Committee:

1. To note progress against the 2017/18 Internal Audit & Assurance Plan and findings so far.

Timetable

Meeting	Date
Audit, Governance & Standards Committee	20 November 2017

Interim Audit & Assurance Report

1. INTRODUCTION AND BACKGROUND

1.1 The report provides an update for Members on progress against the 2017/18 Internal Audit & Assurance plan approved by this Committee earlier this year. The report also meets our duties under Public Sector Internal Audit Standard 2060 to report to Members on:

- Our audit charter,
- The independence of internal audit,
- Audit plan changes and progress against the plan,
- Resource needs of the audit service,
- Results of audit work so far,
- Affirming conformance with the Standards and Code of Ethics, and
- Details of risks taken by management that, in the Head of Audit Partnership's judgement, may be unacceptable to the authority.

1.2 We have made good progress through the plan so far, although highlight to Members a continuing absence in the team which may result in a small under-delivery at year end. Nevertheless, by continuing to adjust our plans according to the Council's risk profile, we remain confident of delivering a robust audit opinion by year end.

1.3 So far in 2017/18 we have delivered positive assurance ratings on all reviews completed. Further we report improving levels of delivery for officers acting to addressing audit recommendations.

1.4 We also report our continuing conformance with the Standards (including independence) and the Code of Ethics. We also show our continued strong results on performance measures and the recent award of *Swale Stars Team of The Year* received by Mid Kent Audit.

2. AVAILABLE OPTIONS

2.1 We do not seek specific action or recommendation from Members in response to this report.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

3.1 To keep conformance with the Standards we must report progress periodically to Members. This report fulfils that duty and provides the opportunity for Members to review, comment on and question the progress we have made and the results we have reached.

4. RISK

- 4.1 We present this report for information only so it has no direct risk management implications.
- 4.2 Audit Standard 2060 demands we report to Members any risks accepted by management that in our view may be unacceptable to the organisation. For example, this might include audit recommendations that management refuse to address.
- 4.3 There are no risks we have identified in our work that we believe management have unreasonably accepted.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 We discuss results of audit work with responsible officers within the authority before issuing as final. We remain pleased to record to Members continuing strong levels of co-operation from officers who have accepted all recommendations made so far in 2017/18.
- 5.2 We discussed the report in full with the Director of Finance & Business Improvement at the end of October. We have reflected his comments in the attached report.
- 5.3 The report builds on Committee comments from previous similar reports at equivalent points in earlier years.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 We do not seek a decision from Members from this report.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not recommend any specific Member action in this report. However, keeping effective internal audit contributes to good governance of the authority and its ability to achieve corporate priorities.	Rich Clarke Head of Audit Partnership 8 Nov 2017
Risk Management	See section 4.	

Issue	Implications	Sign-off
Financial	<p>Continuing the audit and assurance plan is within already approved budgetary headings and so needs no new funding for implementation.</p> <p>We will seek agreement for any new funding to deal with the resourcing matters mentioned in the report through the Council's standard budgetary processes.</p>	
Staffing	<p>We will continue completing the audit and assurance plan with our current staffing.</p> <p>We will seek agreement for any changes to staffing resulting from the resourcing matters mentioned in the report through the Council's standard HR processes.</p>	<p>Rich Clarke Head of Audit Partnership 8 Nov 2017</p>
Legal	<p>Reporting to Members in this way contributes to fulfilling the Council's duties under the Local Audit & Accountability Act 2014.</p>	<p>Interim Deputy Head of Legal Partnership</p>
Privacy and Data Protection	<p>The audit service collects no data directly from the public. Any data collected during reviews is held in line with the Council's applicable policies.</p>	<p>Interim Deputy Head of Legal Partnership</p>
Equalities	<p>The report does not propose a change in service therefore will not need an equalities impact assessment</p>	<p>[Policy & Information Manager]</p>
Crime and Disorder	<p>The report makes no recommendations that impact crime and disorder.</p>	<p>Rich Clarke Head of Audit Partnership 8 Nov 2017</p>
Procurement	<p>The report contains no recommendations for procurement.</p> <p>Should we continue with seeking new Audit Management Software as referred in the report we will complete that exercise in line with applicable Financial Procedure Rules.</p>	<p>Rich Clarke Head of Audit Partnership 8 Nov 2017</p>

8. REPORT APPENDICES

- Appendix 1: Interim Internal Audit & Assurance Report 2017/18
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9. BACKGROUND PAPERS

None applicable.