

Annual Internal Audit Report and Opinion 2021/22

Final Decision-Maker	Audit, Governance & Standards Committee
Lead Head of Service	Andrew Townsend, Interim Head of Audit Partnership
Lead Officer and Report Author	Andrew Townsend, Interim Head of Audit Partnership
Classification	Public
Wards affected	All

Executive Summary

The Annual Internal Audit report includes the Interim Head of Audit Partnership's overall opinion on the Council's internal control, risk management and governance for the year ended 31 March 2022. Based on the work completed, as summarised in the report, the opinion is positive and informs the Council's Annual Governance Statement.

Purpose of Report

Noting

This report makes the following recommendations to this Committee:

1. That the Interim Head of Audit Partnership's opinion be noted.
2. That the work underlying the opinion and the Interim Head of Audit Partnership's assurance of its independent completion in conformance with proper Standards be noted.

Timetable

Meeting	Date
Audit, Governance & Standards Committee	26 July 2022

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1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We present this report for noting. Mid Kent Audit's work supports all Council activity and the wider Corporate Priorities in evaluating governance. The audit plan draws on the Council's risk management in considering the areas for audit examination. In turn, audit findings will provide feedback on the identification, management and controls operating within risk management. Mid Kent Audit delivered the 2020/21 audit plan within the set operating budget. Mid Kent Audit delivered the 2020/21 audit plan within agreed staffing, supplementing vacancies through short-term market contractor engagements.	Andrew Townsend, Interim Head of Audit Partnership. 1 June 2022
Cross Cutting Objectives		
Risk Management		
Financial		
Staffing		
Legal	This report fulfils the Council's responsibility under the Accounts & Audit Regulations 2015 for maintaining an effective internal audit.	Interim Deputy Head of Legal Partnership
Privacy and Data Protection	All information collected by the service was handled in line with the data protection policy of Maidstone BC, as the service's host authority.	Andrew Townsend, Interim Head of Audit Partnership. 1 June 2022
Equalities	No direct implications.	
Public Health	No direct implications.	
Crime and Disorder	No direct implications.	
Procurement	Completing the plan involved procurement of services from two external contractors.	
Biodiversity and Climate Change	No direct implications.	

1. INTRODUCTION AND BACKGROUND

- 1.1 Internal audit is a compulsory service for authorities as set out by Regulation 5 of the Accounts and Audit Regulations 2015. The principal objective of internal audit as described in that Regulation is: “[to] undertake [audit work] to evaluate the effectiveness of [...] risk management, control and governance processes, taking into account public sector internal auditing standards and guidance”.
- 1.2 This report delivers the Head of Internal Audit annual reporting directed by the Public Sector Internal Audit Standards (the “Standards”). The report includes the Interim Head of Audit Partnership’s annual opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control. This opinion feeds into the Annual Governance Statement for 2021/22.
- 1.3 The Standards, in particular Standard 2450 (Overall Opinions) direct the annual report to include:
- The annual audit opinion
 - A summary of work completed that supports the opinion, and
 - A statement on conformation with Standards.
- 1.4 We have completed the work set out in the plan in full conformance with the Standards. We have also worked independently, free from undue influence of either officers or Members.
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2. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 2.1 The Interim Head of Audit Partnership is satisfied the Council can place assurance on the system of control in place during 2021/22. The Committee is asked to note this opinion.
- 2.2 The full Annual Report for 2021/22 is attached as an Appendix. This report includes a summary of all work conducted to support the opinion and affirms the independence and effectiveness of the internal audit service.
- 2.3 We present the opinion and associated report for noting and for Members to consider alongside their evaluation of associated year end reports into the Council’s finance and governance. This report does not seek any substantive decision or action from the Council as a direct result.
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3. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 3.1 We consult and agree with relevant Heads of Service before finishing all

findings and recommendations arising from individual audit engagements. The headline messages in our report have been discussed with the Management Board and have been shared to help prepare the Annual Governance Statement.

4. REPORT APPENDICES

4.1 The following documents are to be published with this report and form part of thereport:

- Appendix 1: Internal Audit Annual Report 2021/22
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5. BACKGROUND PAPERS

5.1 Full reports which support the audit engagements summarised in this annual report are available.