

MAIDSTONE BOROUGH COUNCIL

AUDIT COMMITTEE

MONDAY 24 MARCH 2014

REPORT OF HEAD OF AUDIT PARTNERSHIP

Report prepared by Brian Parsons

1. INTERNAL AUDIT - EXTERNAL AUDIT PROTOCOL

1.1 Issue for Decision

1.1.1 The Audit Committee is asked to note the attached protocol which sets out the working relationship between Mid Kent Audit and Grant Thornton.

1.2 Recommendation of Head of Audit Partnership

1.2.1 That the Audit Committee note the protocol between Internal Audit and External Audit.

1.3 Reasons for Recommendation

1.3.1 The report and more specifically the document at Appendix 1, sets out a short protocol to underpin the working relationship between Mid Kent Audit and Grant Thornton.

1.3.2 The protocol exists to establish a framework for coordination, cooperation and exchange of information. The protocol is reported to the Audit Committee to provide assurance and confirm that, although internal audit and external audit have different roles, both assurance providers work together where possible and when appropriate.

1.3.3 It is important that the respective and different roles of Internal Audit and External Audit are clear but there are opportunities for both parties to share and discuss audit plans, update and review issues identified through on-going or planned work, review progress and exchange key findings. This helps to ensure that best use is made of overall audit resources.

1.3.4 The working arrangements between Internal and External Audit have now been set out in a protocol which should provide assurance to the Audit Committee that both providers work together appropriately. The protocol is short and sets out principles for working together, rather than detailed procedures.

1.3.5 The protocol is shown at Appendix 1.

1.4 Alternative Action and why not Recommended

1.4.1 Not applicable.

1.5 Impact on Corporate Objectives

1.5.1 None directly

1.6 Risk Management

1.6.1 Not applicable.

1.7 Other Implications

1.7.1

- 1. Financial
- 2. Staffing
- 3. Legal
- 4. Equality Impact Needs Assessment
- 5. Environmental/Sustainable Development
- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management

1.8 Conclusions

1.8.1 The existence of a protocol between Internal and External Audit helps to ensure that there is clarity in terms of the respective roles and sets out the opportunity to coordinate, cooperate and exchange information.

1.9 Relevant Documents

1.9.1 Appendices: Appendix 1 – Internal Audit – External Audit Protocol.

<u>IS THIS A KEY DECISION REPORT?</u>	<u>THIS BOX MUST BE COMPLETED</u>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, this is a Key Decision because:	
.....	
Wards/Parishes affected:	
.....	