

Audit Committee Meeting	
Meeting Date	29 November 2017
Report Title	Interim Internal Audit & Assurance Report 2017/18
Cabinet Member	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance & Performance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Rich Clarke, Head of Audit Partnership
Lead Officer	Rich Clarke, Head of Audit Partnership
Key Decision	No
Classification	Open
Recommendations	1. To note progress against the 2017/18 Internal Audit & Assurance Plan and findings so far.

1 Purpose of Report and Executive Summary

- 1.1 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.
- 1.2 Our results so far in 2017/18 have yielded mainly positive assurance ratings with the exception of our work on the *Leisure Centre Contract* and *Rent Deposits* as detailed in the report. However, in both instances officers have responded swiftly to begin addressing the matters raised and so there are no matters of broader concern we wish to bring to Members' attention.

2 Background

- 2.1 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.

- 2.2 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.
- 2.3 We note good levels of delivery for officers acting to addressing audit recommendations.
- 2.4 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.

3 Proposals

- 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 Alternative Options

- 4.1 We do not propose any alternative action.

5 Consultation Undertaken or Proposed

- 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 Cabinet Member earlier this month. 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.

6 Implications

Issue	Implications
Corporate Plan	Internal audit and its findings provide assurance to Members on the

Issue	Implications
	effectiveness of the Council's governance. Good governance is necessary for successfully fulfilling the Corporate Plan.
Financial, Resource and Property	<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 matters mentioned in the report through the standard budgetary approach of Maidstone BC (our host authority) in consultation with Swale BC.</p>
Legal and Statutory	Reporting to Members in this way contributes to fulfilling the Council's duties under the Local Audit & Accountability Act 2014.
Crime and Disorder	The report makes no recommendations that impact crime and disorder.
Environmental Sustainability	The report makes no recommendations that impact environmental sustainability.
Health and Wellbeing	The report makes no recommendations that impact health and well being.
Risk Management and Health and Safety	<p>We present this report for information only so it has no direct risk management implications.</p> <p>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.</p> <p>There are no risks we have identified in our work that we believe management have unreasonably accepted.</p> <p>The report makes no recommendations that impact health and safety.</p>
Equality and Diversity	The report makes no recommendations that impact equality and diversity.
Privacy and Data Protection	The audit service collects no data directly from the public. Any data we collect during our reviews we hold in line with the Council's applicable policies.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Interim Internal Audit & Assurance Report

8 Background Papers

None applicable.