

<b>Audit Committee Meeting</b>		<b>Agenda Item</b>
<b>Meeting Date</b>	14 March 2018	
<b>Report Title</b>	Internal Audit & Assurance Plan 2018/19	
<b>Cabinet Member</b>	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance	
<b>SMT Lead</b>	Nick Vickers – Chief Finance Officer	
<b>Head of Service</b>	Rich Clarke – Head of Audit Partnership	
<b>Lead Officer</b>	Rich Clarke – Head of Audit Partnership	
<b>Key Decision</b>	No	
<b>Classification</b>	Open	
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. <b>Approve</b> the Internal Audit &amp; Assurance Plan for 2018/19</li> <li>2. <b>Note</b> the Head of Audit Partnership's view that the Partnership currently has sufficient resources to deliver the plan and a robust Head of Audit Opinion.</li> <li>3. <b>Note</b> the Head of Audit Partnership's assurance that the plan is compiled independently and without inappropriate influence from management.</li> </ol>	

## 1 Purpose of Report and Executive Summary

- 1.1 The Public Sector Internal Audit Standards (the "Standards") require an audit service to produce and publish a risk based plan, at least annually, for approval by Members. The plan must consider input from senior management and Members.
- 1.2 In Mid Kent Audit, planning is a continuous activity but we began the programme working towards the 2018/19 plan document in late 2017. The paper here sets out the plan and project list intended for 2018/19 for Member approval.

## 2 Background

- 2.1 The Standards set out the requirements that a Head of Audit must meet in setting out the plan. We refer to relevant sections from the Standards in the appendix to this report.
- 2.2 To note, audit plans must be at least annual but can have shorter timescales if needed. Also, the Standards explicitly direct that Head of Audit must keep the plan flexible and responsive to emerging and changing risks across the year.

### **3 Proposal**

- 3.1 The appendix sets out the proposed plan for 2018/19, including background details on how we compiled the plan and how we propose to manage its delivery.
- 3.2 We confirm to Members that, although the plan has undergone broad consultation with management, it is compiled independently and without being subject to inappropriate influence.

### **4 Alternative Options**

- 4.1 The Standards mandate compiling a risk based plan for management comments and Member approval. Although by convention that plan is presented annually around the start of the financial year, the Standards do not specifically require that action. The Council could, potentially, move to a shorter planning cycle which would allow more flexibility for responding to risk. There are other authorities that take a similar approach (Suffolk CC, to name one example).
- 4.2 However, that move would strike against a practice considered to work well, and one which allows a degree of certainty to resource requirements that helps ensure stability in a service spread across four authorities.
- 4.3 The Standards do not mandate any specific work for the plan, so its content is entirely at the discretion of the internal audit provider (subject to the comments of management and approval of Members) and have an enormous range of possibilities with respect to the areas that could be examined. The attached document represents the currently proposed responses to the risks assessed at the Council.

### **5 Consultation Undertaken or Proposed**

- 5.1 We circulated an earlier, longer, draft to Heads of Service and Directors across the four authorities (and including Heads of Shared Services) in January ahead of individual meetings to discuss proposed projects in their areas. We also met the Cabinet Member to discuss proposed areas of audit examination. Those meetings have now taken place and the attached represents an adaptation of the original draft reflecting comments received.
- 5.2 The overall resource allocation between the partners is consistent with the collaboration agreement and discussed with the Shared Service Board.

### **6 Implications**

The Council's internal control processes include operating an effective internal audit service. This plans aims to deliver that requirement and so support the Council's overall governance.

<b>Issue</b>	<b>Implications</b>
Corporate Plan	The audit plan supports the Corporate Plan in assisting the governance around its delivery, but proposes no amendments.
Financial, and Property	The work programme set out in the plan is produced to be fulfilled within agreed resources for 2018/19.
Legal and Statutory	The Council is required by Accounts & Audit Regulations to operate an internal audit service, including agreeing a plan at least annually. Therefore the Council must approve an internal audit plan to maintain regulatory conformance.
Crime & Disorder	No direct implications.
Environmental Sustainability	No direct implications.
Health/Wellbeing	No direct implications.
Risk Management and Health and Safety	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 the risk management process.
Equality/Diversity	No direct implications.
Privacy and Data Protection	We collect and store information in the course of our audit work examining areas of the Council. We use that information in accordance with our collaboration agreement which, in turn, is in accordance with applicable laws and regulations.

## 7 Appendices

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

- Appendix I: Internal Audit & Assurance Plan 2017/18 (note that the plan itself includes appendices numbered I – IV).

## 8 Background Papers

The appendix includes reference to the Public Sector Internal Audit Standards (full document [at this link](#)). It also draws on information from 2017/18 Audit Plans published across the local government sector, each available through the committee papers pages of individual authorities. Further background papers, including detailed resource calculations, risk assessments and notes from consultation meetings with officers and Members, can be made available on request.