

**Internal Audit & Assurance Plan 2018/19**

<b>Final Decision-Maker</b>	Audit, Governance & Standards Committee
<b>Lead Head of Service/Lead Director</b>	Mark Green; Director of Finance & Business Improvement Steve McGinnes; Mid Kent Services Director
<b>Lead Officer and Report Author</b>	Rich Clarke; Head of Audit Partnership
<b>Classification</b>	Public
<b>Wards affected</b>	All

**Executive Summary**

The report sets out the work proposed by Mid Kent Audit towards delivering a Head of Audit Opinion for 2018/19 and supporting the Council's internal control, risk management and governance.

**This report makes the following recommendations to this Committee:**

1. **Approve** the Internal Audit & Assurance Plan for 2018/19
2. **Note** 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.
3. **Note** the Head of Audit Partnership's assurance that the plan is compiled independently and without inappropriate influence from management.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Audit, Governance & Standards Committee	19 March 2018

# Internal Audit & Assurance Plan 2018/19

## 1. INTRODUCTION AND BACKGROUND

- 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.
  - 1.3 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.
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## 2. AVAILABLE OPTIONS

- 2.1 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.
- 2.2 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.
- 2.3 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).
- 2.4 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.

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### **3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 3.1 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.

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### **4. RISK**

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.

### **5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 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 shared the proposed project list with the Council's Wider Leadership Team in February. 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.

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### **6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 6.1 Following Member approval of the plan we will communicate with Audit Sponsors and Heads of Service to begin the detailed work in delivery. We will provide an update to this Committee on progress part way through the year as well as, potentially, ad hoc updates of any significant matters arising.

## 7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, they will support the Council's overall achievement of its aims as set out in section 3 by supporting good governance.	Rich Clarke Head of Audit Partnership 6 March 2018
<b>Financial</b>	The proposals set out in the recommendation are all within already approved budgetary headings and so need no new funding for implementation.	Section 151 Officer & Finance Team
<b>Staffing</b>	We will deliver the recommendations with our current staffing.	Rich Clarke Head of Audit Partnership 6 March 2018
<b>Legal</b>	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.	
<b>Privacy and Data Protection</b>	The audit service uses data already held by the Council and so does not collect any additional personal data. The audit service handles the data in line with Council policies.	
<b>Equalities</b>	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	
<b>Crime and Disorder</b>	The recommendation will have a negative impact on Crime and Disorder. The Community Safety Team have been consulted and mitigation has been proposed	

Issue	Implications	Sign-off
<b>Procurement</b>	On accepting the recommendations, the Council will then follow procurement exercises for specialist audit support, as set out in the plan. We will complete those exercises in line with financial procedure rules.	

## 8. REPORT APPENDICES

- Appendix 1: Internal Audit & Assurance Plan 2018/19
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## 9. 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.