

INTERNAL AUDIT ANNUAL REPORT

21st June 2017

Report Author	Head of the Audit Partnership: Christine Parker
Portfolio Holder	Cllr John Townend; Cabinet Member for Financial Services & Estates
Status	For Information
Classification:	Unrestricted.
Key Decision	No

Executive Summary:

This report provides the summary of the impact of the work of the East Kent Audit Partnership for the year to 31st March 2017.

Recommendation(s):

That the report be received by Members.

CORPORATE IMPLICATIONS

Financial and Value for Money	There are no financial implications arising directly from this report. The costs of the audit work are being met from the Financial Services 2016-17 budgets.	
Legal	The Council is required by statute (under the Accounts and Audit Regulations and section 151 of the Local Government Act 1972) to have an adequate and effective internal audit function.	
Corporate	Under the Local Code of Corporate Governance the Council is committed to comply with requirements for the independent review of the financial and operational reporting processes, through the external audit and inspection processes, and satisfactory arrangements for internal audit.	
Equalities Act 2010 & Public Sector Equality Duty	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.	
	Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.	
	Please indicate which aim is relevant to the report.	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	
Foster good relations between people who share a protected characteristic and people who do not share it.		
<i>There are no equity or equalities issues arising from this report.</i>		

CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	X
Supporting the Workforce	
Promoting open communications	X

1.0 Introduction and Background

1.1 The primary objective of Internal Audit is to provide independent assurance to Members, the Chief Executive, Directors and the Section 151 Officer on the adequacy and effectiveness of those systems on which the Authority relies for its internal control. The purpose of bringing forward an annual report to Members is to:

- Provide an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- Present a summary of the internal audit work undertaken to formulate the opinion.
- Draw attention to any issues the Head of the Audit Partnership judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare actual audit activity with that planned, and summarise the performance of Internal Audit against its performance criteria.
- Comment on compliance with the PSIAS, and report the results of the Internal Audit quality assurance programme.
- Confirm annually that EKAP is organisationally independent, whether there have been any resource limitations or instances of restricted access.

1.2 The report attached as Annex 1 therefore summarises the performance of the East Kent Audit Partnership (EKAP) and the work it has performed over the financial year 2016-17 for Thanet District Council, and provides an overall assurance on the system for internal control based on the audit work undertaken throughout the year, in accordance with best practice. In providing this opinion, this report supports the Annual Governance Statement.

1.3 The internal audit team is proactive in providing guidance on procedures where particular issues are identified during audit reviews. The aim is to minimise the risk of loss to the Authority by securing adequate internal controls. Partnership working for the service has added the opportunity for the EKAP to share best practice across the four sites within the East Kent Cluster to help drive forward continuous service improvement.

1.4 During 2016-17 the EKAP delivered 106.67% of the agreed audit plan days, with the 19.69 days over delivered to be adjusted for in 2017-18. The performance figures for the East Kent Audit Partnership as a whole for the year show good performance against targets, particularly as the EKAP has experienced staffing changes and delivered financial savings against its agreed budget to all its partners in the delivery of the service.

2.0 Options

2.1 That Members consider and note the annual internal audit report for 2016.17.

2.2 That Members consider registering their comments with Cabinet in respect of any areas of the Council's corporate governance, control framework or risk management

arrangements in respect of which they have on-going comments after considering the work or coverage of internal audit for the year 2016-17.

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Annex List

<i>Annex 1</i>	East Kent Audit Partnership Annual Report – 21-06-2017
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Background Papers

Title	Details of where to access copy
<i>Internal Audit Annual Plan 2016-17</i>	Previously presented to and approved at the 15 th March 2016 Governance and Audit Committee meeting
<i>Internal Audit Follow-up 2016-17</i>	Previously reported to Governance and Audit Committee meetings in quarterly updates.
<i>Internal Audit working papers</i>	Held by the East Kent Audit Partnership

Corporate Consultation

Finance	Tim Willis, Director of Corporate Resources & s151 Officer
Legal	Tim Howes, Director of Corporate Governance