

**Agenda Item No:** 5  
**Report To:** Audit Committee  
**Date:** 18 June 2019  
**Report Title:** Annual Internal Audit Report & Opinion 2018/19  
**Report Author:** Rich Clarke – Head of Audit Partnership



<b>Summary:</b>	The annual opinion of the Head of Internal Audit on the effectiveness of the Council's internal control, corporate governance and risk management.
-----------------	--

**Key Decision:** NO

**Affected Wards:** All

**Recommendations:**

1. The Committee **notes** the Head of Audit Partnership opinion. The opinion states that, in the view of internal audit, the Council's internal controls, corporate governance and risk management arrangements have worked effectively during 2018/19.
2. The Committee **notes** the work underlying the opinion and the Head of Audit's assurance is independent and in conformance with Public Sector Internal Audit Standards.

**Policy Overview:** N/A

**Finance:** N/A

**Risk Assessment** N/A

**EIA** N/A

**Other Matters:** N/A

**Exemption  
Clauses:** N/A

**Background  
Papers:** Annual Internal Audit Report & Opinion 2018/19

**Contacts:** [rich.clarke@midkent.gov.uk](mailto:rich.clarke@midkent.gov.uk) Tel: (01233) 330442

## **Report Title: Annual Internal Audit Report & Opinion 2018/19**

### **Purpose of the Report**

1. This report is the Head of Internal Audit annual reporting mandated by the Public Sector Internal Audit Standards (the Standards). The report includes the Head of Audit Partnership's annual opinion on the overall adequacy and effectiveness of the Council's internal controls and governance. The Council uses the opinion in producing its Annual Governance Statement for 2018/19.
2. The Standards, in particular Standard 2450: Overall Opinions, direct what the annual report must include.

### **Background**

3. Regulation 5 of the Accounts and Audit Regulations 2015 set out the need for an internal audit service. The Regulation describes the principal objective of internal audit as:

*[to] undertake [audit work] to evaluate the effectiveness of [...] risk management, control and governance processes, taking in account public sector internal auditing standards and guidance.*

4. The Audit Committee's terms of reference direct it to:

*Consider/monitor or advise the Council as appropriate upon:*

- *the Head of Internal Audit's Annual Report and Opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's Corporate Governance arrangements.*
- *The summary of internal audit reports issued in the previous period.*
- *Reports on the management and performance of the Audit Partnership Agreement.*
- *Reports from the Head of Internal Audit on agreed recommendations not implemented within a reasonable timescale.*

5. The Annual Plan sets out the Council's audit service's work. The Committee agreed the Plan for 2018/19 in March 2018. This Committee also received an interim update on progress so far in December 2018.
6. We have completed the work set out in the plan, subject to adjustments as described by the Standards. We will report verbally at the meeting the conclusions of any work outstanding (if available) and include within the first interim update of 2019/20.

## **Risk Assessment**

7. N/A

## **Equalities Impact Assessment**

8. N/A

## **Other Options Considered**

9. The role of the Audit Committee includes considering the Annual Report of internal audit as a part of its purpose. We recommend no alternative course of action.

## **Consultation**

10. We consult on all findings and recommendations identified within reviews with the relevant Head of Service. We have discussed the headline messages within the report with the s151 Officer across the year to help with preparing the Council's Annual Governance Statement.
11. We have adapted the attached report for comments received.

## **Implications Assessment**

12. N/A

## **Handling**

13. N/A

## **Conclusion**

14. The overall opinion of the Head of Internal Audit is the council's internal controls, corporate governance and risk management worked effectively during 2018/19.

## **Portfolio Holder's Views**

15. N/A.

**Contact:** Rich Clarke – Head of Audit Partnership  
Tel: 01233 330442

**Email:** [rich.clarke@midkent.gov.uk](mailto:rich.clarke@midkent.gov.uk)