

APPENDIX C

Mulberry Place
5 Clove Crescent
London
E14 2DB

8 December 2017

Via Email

Dear Zena

Re Audit External Quality Assessment

We found the recent presentation to audit committee by Robert Patterson relating to the external quality assessment very helpful and wanted to respond to some of the points which emerged.

These are generally covered by three headings:

- Raising the profile and status of audit within the organisation
- Being more strategic in focus
- Risk management

Recommendations relating to Profile/Status

- Head of internal audit should report to Section 151 Officer rather than deputy
- At least one of the statutory officers should attend every audit committee
- Committee to be tougher when requiring that appropriate level officers appear before it in response to nil and limited assurance reports
- Committee to take a firm line on the timely implementation of recommendations.
- Recommendations to be monitored monthly by CLT and chair of Audit Committee to ensure that they are being implemented on time
- Chief executive to attend March 2018 meeting of audit committee to report on progress on the recommendations contained within the report KCC report
- Chief executive to attend each March meeting of the audit committee and present on the overall health of governance and culture in the Council
- Independent members with specialised knowledge and high professional status to be co-opted onto audit committee.

Strategic in focus



2007 - 2008
School Improvement
2003 - 2007
Winner of 5 previous
Beacon Awards



INVESTOR IN PEOPLE



- More strategic audits relating to the overall governance of the organisation
- Retain some balance between strategic and more detailed audits. The detailed work can reveal systemic problems which might be missed at a strategic level

Risk Management

- Every directorate to have an updated risk register by January
- CLT to present their risks to each other and the Executive Mayor at a meeting In February 2018, perhaps after cabinet, to promote ownership of the risks, ensure we have the right ones and raise the profile of the risk register
- The Chief Executive to own and present the corporate risks
- Internal audit and counter fraud plans to be aligned with the risk register
- A risk section in each internal audit & fraud report to link to the risk register.
- Audit committee to assess in depth one directorate risk per municipal year

In addition, the Committee would like to see some benchmarking of the Council's risk register against those of other Councils.

Finally we would like to see audit conclusions move to a scale of five points rather than four: nil, limited, adequate, substantial, full. We believe this might present a more representative picture of the overall health of the Council.

We would be happy to discuss any of the above.

Best wishes

Cllr Candida Ronald
Cllr Danny Hassell
Cllr Andrew Wood