

North Tyneside Council Report to Audit Committee Date: 23 May 2018

ITEM 7

Title: Strategic Audit Plan
2017/18 - Final Monitoring
Statement

Report from Service Area: Commissioning and Investment

Report Author: Allison Mitchell, Chief Internal Auditor (Tel: 643 5720)

Wards affected: All

PART 1

1.1 Purpose:

The purpose of this report is to provide the Audit Committee with a final monitoring statement in respect of the Strategic Audit Plan for 2017/18 (this document is attached as **Appendix A**).

1.2 Recommendation:

It is recommended that the Audit Committee considers and notes the information set out in the Strategic Audit Plan Final Monitoring Statement, attached as **Appendix A**.

1.3 Council plan and policy framework

The work of Internal Audit and the Audit Committee covers all service responsibilities as identified within the Council Plan.

1.4 Information

Strategic Audit Plan 2017/18: Final Monitoring Statement

1.4.1 The Strategic Audit Plan for 2017/18 was presented to and approved by the Audit Committee at its meeting in March 2017. The Strategic Audit Plan helps to ensure that Internal Audit is able to meet its aims as an independent assurance function for the Authority and sets out Internal Audit's objectives (based on an assessment of risks and opportunities for the organisation).

1.4.2 The Strategic Audit Plan is supplemented with a detailed Annual Audit Plan, which sets out the key objectives for the audit reviews identified to take place during 2017/18. An interim monitoring statement was presented to the Audit Committee in November 2017 and it was agreed that a final outturn statement would be presented to the Audit Committee in May 2018, demonstrating performance against the Plan. A final monitoring statement, outlining progress against the Audit Plan for 2017/18, is attached as Appendix A. It takes each audit review area and associated key objectives, as agreed by Audit Committee, and notes the progress achieved.

1.4.3 As reported to Audit Committee in November 2017, some vacancies within the team (in respect of which there were some delays in making appointments) had contributed to delays in starting some assignments planned for 2017/18. Appointments have now been made to all vacancies and resourcing levels will continue to be closely monitored during 2018/19.

1.4.4 During 2017/18, 47 assignments were programmed. By April 2018, 31 assignments (66%) were complete, with a further 6 (13%) underway. The remaining 10 assignments (21%) have been risk assessed as part of Internal Audit's continuing rolling programme. 4 assignments have been reprogrammed and included in the 2018/19 Strategic Audit Plan. In respect of the remaining 6 assignments, Internal Audit's planned coverage has been changed following assurance mapping, to provide support to other assurance sources.

1.5 Decision Options:

It is recommended that the Audit Committee notes the information set out in the Strategic Audit Plan Final Monitoring Statement, attached as **Appendix A**.

There are no other options available in relation to this report.

1.6 Reasons for recommended option:

This recommendation will allow the Authority to operate in line with legislation, good practice and professional guidance.

1.7 Appendices:

Appendix A: Strategic Audit Plan 2017/18: Final Monitoring Statement

1.8 Contact officers:

Kevin McDonald (Group Assurance Manager) Tel: 643 5738

1.9 Background information:

The following background papers and research reports have been used in the compilation of this report and are available for inspection at the offices of the author.

- (a) Public Sector Internal Audit Standards, Chartered Institute of Public Finance and Accountancy / Institute of Internal Auditors, April 2017 (P) [Public Sector Internal Audit Standards](#)
- (b) Local Government Application Note for the UK Public Sector Internal Audit Standards, Chartered Institute of Public Finance & Accountancy / Institute of Internal Auditors, April 2013 (P)
- (c) Financial Regulations C.24 – C.35, Version 5a, September 2013 (P) http://november.northtyneside.gov.uk:7777/pls/portal30/NTC_PSCM.PSCM_Web.download?p_ID=515604
- (d) Internal Audit Terms of Reference, March 2012 (P) http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=533726
- (e) Strategic Audit Plan 2017/18, March 2017 (P) http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=568623

- (f) Corporate Strategic, Service Strategic and Operational Risk Registers (C)
- (g) The Accounts and Audit Regulations 2015, April 2015 (P)
http://www.legislation.gov.uk/ukxi/2015/234/pdfs/ukxi_20150234_en.pdf

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The Internal Audit service supports the Chief Finance Officer in discharging the requirements of section 151 Local Government Act 1972, which requires that local authorities 'make arrangements for the proper administration of their financial affairs'. Internal Audit examines the Authority's systems of internal control, and the economy, efficiency and effectiveness with which resources are deployed.

There are no financial implications arising from the recommendations set out in this report.

2.2 Legal

The Accounts and Audit Regulations 2015 require the Authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The Public Sector Internal Audit Standards and related Local Government Application Note require that the Chief Internal Auditor should report periodically to senior management and the board on Internal Audit matters, including "performance relating to its plan".

2.3 Consultation/community engagement

The Strategic Audit Plan 2017/18 was prepared following consultation with: the Chief Executive; Deputy Chief Executive; Head of Finance (Chief Finance Officer); all Heads of Service and Cabinet Member for Finance and Resources.

2.4 Human rights

There are no human rights issues arising from this report.

2.5 Equalities and diversity

There are no equality and diversity issues arising from this report.

2.6 Risk management

The risks associated with this report have been considered and discussed with the Senior Risk Advisor and will be managed in accordance with the North Tyneside Council risk process.

2.7 Crime and disorder

There are no specific crime and disorder issues arising from this report. The work of Internal Audit is a key strand in the Authority's counter-fraud arrangements, as set out in the Strategic Audit Plan.

2.8 Environment and sustainability

There are no environment and sustainability issues arising from this report.

Report author Allison Mitchell
 Kevin McDonald