

# North Tyneside Council Report to Audit Committee Date: 29 May 2019

## ITEM 7

Title: Strategic Audit Plan  
2018/19 - Final Monitoring  
Statement

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Report from Service Area: Resources

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

Wards affected: All

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### 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 2018/19 (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 2018/19: Final Monitoring Statement

- 1.4.1 The Strategic Audit Plan for 2018/19 was presented to and approved by the Audit Committee at its meeting in March 2018. 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 2018/19. An interim monitoring statement was presented to the Audit Committee in November 2018 and it was agreed that a final outturn statement would be presented to the Audit Committee in May 2019, demonstrating performance against the Plan. A final monitoring statement, outlining progress against the Audit Plan for 2018/19, 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 During 2018/19, 45 audit assignments were programmed. 1 assignment was not required during 2018/19. By April 2019, 36 assignments (82%) were either complete or underway. Those audits not yet commenced have been risk assessed as part of Internal Audit's continuing rolling programme and the majority have been included in the Strategic Audit Plan during 2019/20.
- 1.4.4 This variation in the original planned coverage has occurred due to the deployment of a Senior Auditor on a non-audit role for part of the year (in Procurement); and some difficulties in recruiting to new posts established within the wider shared Internal Audit and Risk Management service.

## 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 2018/19: 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, February 2019 (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](http://november.northtyneside.gov.uk:7777/pls/portal30/NTC_PSCM.PSCM_Web.download?p_ID=515604)
- (d) Strategic Audit Plan 2018/19, March 2018 (P) <https://my.northtyneside.gov.uk/sites/default/files/meeting/agenda/Audit%20Committee%2028%20March%202018.pdf>
- (e) Corporate Strategic, Service Strategic and Operational Risk Registers (C)
- (f) The Accounts and Audit Regulations 2015, April 2015 (P) [http://www.legislation.gov.uk/uksi/2015/234/pdfs/uksi\\_20150234\\_en.pdf](http://www.legislation.gov.uk/uksi/2015/234/pdfs/uksi_20150234_en.pdf)

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

Effective internal audit is an essential part of the Authority's governance arrangements. Internal Audit examines the Authority's systems of internal control, and the economy, efficiency and effectiveness with which resources are deployed. The audit of the Authority's activities promotes good financial governance and the importance of value for money. Effective control in these areas reduces the potential for financial loss through fraud, waste and inefficiency.

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 2018/19 was prepared following consultation with: the Chief Executive; Deputy Chief Executive; Head of Resources (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.

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