

North Tyneside Council Report to Audit Committee Date: 20 November 2019

ITEM 7

Title: Strategic Audit Plan 2019/20
Interim Monitoring Statement

Report from Service Area: Resources

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 an interim (half yearly) monitoring statement in respect of the Strategic Audit Plan for 2019/20 (this document is attached as **Appendix A**).

1.2 Recommendation(s):

It is recommended that the Audit Committee considers and notes the progress set out in the Strategic Audit Plan Interim Monitoring Statement, attached as **Appendix A**, and the levels of planned coverage achieved by Internal Audit at this stage in the year.

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 2019/20 Interim Monitoring Statement

- 1.4.1 The Strategic Audit Plan 2019/20 was presented to, and approved by, the Audit Committee at its meeting on 27 March 2019. The Strategic Audit Plan helps to ensure that Internal Audit is able to meet its aims as an independent appraisal 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 An Interim Monitoring Statement, outlining progress against the Audit Plan at the mid-year point of 2019/20, is attached as **Appendix A**. During 2019/20, 39 assignments were programmed. At the mid-year point, 25 of these assignments (64%) are either completed or in progress. 10 assignments (26%) have been concluded and issued with a further 15 (38%) underway. Work has also been undertaken to finalise 3 assignments from the previous financial year. In addition, 5 assignments have been undertaken following request by management, which were not included in the 2019/20 Plan. A normal part of the planning and delivery process is the review and prioritisation of planned work by the Internal Audit team in accordance with professional guidance.

- 1.4.3 We have also undertaken a range of management requests / special investigations where required, in addition to supporting working groups in a programme assurance capacity. This will be included in the 2019/20 Annual Opinion on the Framework of Governance, Risk Management and Control.
- 1.4.4 In terms of planned resourcing, a vacancy has arisen within the team in-year which has taken longer to fill than anticipated. This, and one long-term sickness absence, has reduced the resources available and on which the Plan was based. This has contributed to delays in starting some assignments. The vacancy has been advertised and it is anticipated that a recruitment exercise will be concluded imminently to appoint to the vacant post. It will be important to monitor resourcing closely during the remainder of the year to ensure sufficient audit coverage is delivered. If required, it may be necessary to consider options for securing additional resources.
- 1.4.5 A full outturn on the 2019/20 Annual Audit Plan will be reported to the Audit Committee in May 2020.

1.5 Decision Options:

It is recommended that the Audit Committee notes the level of coverage set out in the Strategic Audit Plan Interim 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 2019/20 Interim Monitoring Statement

1.8 Contact officers:

Kevin McDonald (Group Assurance Manager) Tel: 643 5738

Marc Oldham (Senior Auditor) Tel: 643 5711

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 & 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) [Financial Regulations](#)
- (d) Internal Audit Charter, November 2017 (P)
- (e) Strategic Audit Plan 2019/20, March 2019 (P) [Strategic Audit Plan 2019/20](#)
- (f) Strategic Audit Plan 2018/19, March 2018 (P) [Strategic Audit Plan 2018/19](#)

- (g) Internal Audit Reports & Briefing Notes prepared during 2019/20 (C)
- (h) Corporate Strategic, Service Strategic and Operational Risk Registers (C)
- (i) The Accounts and Audit Regulations 2015, April 2015 (P)
[Accounts and Audit Regulations 2015](#)

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 2019/20 was prepared following consultation with: the Chief Executive; Head of Resources (Chief Finance Officer) and all Heads of Service.

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. The Strategic Audit Plan has been prepared following the assessment of risks facing the organisation, and those inherent in the areas proposed for review.

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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