

Advice & Programme Assurance

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Advice, Contingencies & Assurance	<ul style="list-style-type: none"> <li>• Advice &amp; Guidance</li> <li>• Contingencies &amp; Work Requests</li> <li>• Fraud &amp; Special Investigations</li> </ul>	Responding to ad-hoc queries and requests for advice; responding to requests for one-off audit assignments, where it is considered that audit involvement is necessary; responding to allegations of fraud ( <i>see also proactive anti-fraud work in counter fraud &amp; internal control and probity section below</i> ); project assurance and assuring appropriate consideration has been given to internal control & governance issues when new systems are introduced.	<p>Ongoing throughout the year – <b>on target.</b></p> <p>Additional and ad-hoc work continues throughout the year.</p>
Programme Assurance	<ul style="list-style-type: none"> <li>• New Systems / Methods of Service Delivery</li> </ul>	Internal Audit will add value by providing assurance on aspects of the approach and work undertaken, and assessing the robustness of arrangements for benefits realisation. The systems, programmes and new initiatives to be supported will include providing assurance to the Senior Leadership Team on the Authority's change programme.	<p>Ongoing throughout the year – <b>on target.</b></p> <p>Work continues to provide support in a number of areas/projects including:</p> <ul style="list-style-type: none"> <li>• Children's Payment &amp; Process Redesign Group</li> <li>• ICT Operations &amp; Advisory Board</li> <li>• ICT Office 365 Project Board</li> <li>• ICT Performance and Prioritisation Board</li> <li>• ICT Disaster Recovery Project</li> <li>• Catering Services Chip &amp; Pin</li> </ul>

Audit and Assurance – Corporate and Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Corporate and Cross Cutting	<ul style="list-style-type: none"> <li>• Pre-Submission Review of Grant Claims</li> </ul>	<p>To undertake grant claim certification in respect of external funding regimes on behalf of the Council, to ensure that grant funding requirements have been met and grant claims are submitted in accordance with grant conditions, to maximise available grant income.</p>	<p>Ongoing throughout the year – <b>on target.</b></p> <p>The following grant work has been completed and in each case the grant return was found to be compliant with the grant providers’ audit requirements:</p> <ul style="list-style-type: none"> <li>• Local Transport Plan - £4.2m</li> <li>• Growth Hub Funding for NECA / LEP - £0.4m</li> <li>• Troubled Families – £0.3m</li> </ul> <p>In addition, the Council’s Carbon Reduction Commitment (CRC) return, which calculates the value of carbon credits the Council is required to purchase, has been certified with a value of £0.2m.</p> <p>During the year we have also been asked to certify the following grants that were not on the Audit Plan. In each case the grant returns were also found to be compliant with the grant providers requirements:</p> <ul style="list-style-type: none"> <li>• A1058 Coast Road Local Growth Fund (LGF) - £7.4m</li> <li>• Swans Business Centre Phase 3 (LGF) - £0.014m</li> <li>• Swans Quay Work Feasibility (LGF) £0.5m</li> <li>• A19 Employment Corridor (LGF) - £4.7m</li> </ul>

Audit and Assurance – Corporate and Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Corporate and Cross Cutting	<ul style="list-style-type: none"> <li>• Annual Opinion</li> </ul>	<p>An annual opinion on the ‘adequacy and effectiveness of the framework of governance, risk management and control’ will be drafted and presented to the Chief Executive, Head of Resources (Section 151 Officer), Senior Leadership Team and Audit Committee, outlining the audit work performed during the year and summarising key themes. This will be timed to support production of the Council’s Annual Governance Statement.</p>	<p>Annual Opinion for 2018/19 <b>complete</b>.</p> <p>Work in respect of 2019/20 Annual Opinion due to commence during Quarter 4 – <b>on target</b>.</p>
Corporate and Cross Cutting	<ul style="list-style-type: none"> <li>• Follow up on Recommendations</li> </ul>	<p>Monitoring the implementation of Internal Audit recommendations, in consultation with the service areas which have received these recommendations. During the year, Internal Audit will review the process benefitting from shared learning within the Internal Audit and Risk Management Service and against best practice to ensure recommendations are followed up and reported upon to Audit Committee in a timely, efficient and effective manner.</p>	<p>Ongoing throughout the year – <b>on target</b>.</p>

Audit and Assurance – Corporate and Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Corporate and Cross Cutting	<ul style="list-style-type: none"> <li>• Governance and value for Money Reviews</li> </ul>	<p>To review whether appropriate internal controls exist within a sample of significant business arrangements within North Tyneside Council. Where it is possible to assess the economy, efficiency and effectiveness of specific aspects of these arrangements, this will also be undertaken. Areas to be reviewed under this heading in 2019/20 include:</p> <ul style="list-style-type: none"> <li>• Risk Management arrangements</li> <li>• Construction Partner in-sourcing</li> <li>• Section 106 / Section 278 arrangements</li> <li>• Treasury Management arrangements</li> <li>• Fundamental workforce workflows</li> <li>• Information Governance</li> </ul>	<p><b>2018/19 work completed:</b></p> <ul style="list-style-type: none"> <li>• Deprivation of Liberty Safeguards (Limited Assurance 1 high, 5 medium &amp; 9 low priority recommendations)</li> </ul> <p><b>Reviews underway:</b></p> <ul style="list-style-type: none"> <li>• Section 106 / Section 278</li> <li>• Construction Partner (project assurance role has continued)</li> <li>• Examination of Capital Projects</li> </ul> <p><b>Reviews scheduled for second half of the year:</b></p> <ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Treasury Management</li> <li>• Fundamental workforce workflows</li> </ul> <p><b>Review reprogrammed to 2020/21:</b> Information Governance – reprogrammed. Implementation of GDPR audit has been finalised during 2019/20.</p>

Audit and Assurance – Service Area Specific

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Children, Young People and Learning	<ul style="list-style-type: none"> <li>• Primary &amp; First Schools, Middle Schools and Secondary Schools</li> <li>• Schools' Financial Value Standard (SFVS)</li> </ul>	<p>To assess, on a thematic basis, the application of controls associated with the discharge of responsibilities relating to delegated school budgets, within a sample of schools on a risk assessed basis.</p> <p>On behalf of the Head of Resources (Section 151 Officer), Internal Audit will co-ordinate Schools' Financial Value Standard submissions, for all of the Council's grant-maintained schools, and provide assurance to the Section 151 Officer relating to her annual report to the Department for Education.</p>	<p>Scheduled for the second half of the year - <b>on target.</b></p> <p>Annual report prepared for Department for Education (DfE) deadline of 31 May 2019 – <b>complete.</b></p> <p>Work in respect of 31 May 2020 deadline has commenced.</p>
Tyne Port Health Authority	<ul style="list-style-type: none"> <li>• Tyne Port Health Authority</li> </ul>	<p>On behalf of North Tyneside Council, as the Accountable Body for the administration of Tyne Port Health Authority, to undertake the internal audit requirements associated with the annual Small Bodies Return for this entity. This will involve acting independently and on the basis of an assessment of risk, performing a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2019. To determine an appropriate level of internal audit coverage in accordance with the body's needs, and on the basis of findings in the areas examined to summarise conclusions and report these in an appropriate form to the body.</p>	<p><b>Complete</b></p>

Audit and Assurance – ICT

Heading	Auditable Area	Description / Audit Objectives	Progress Update
ICT	<ul style="list-style-type: none"> <li>• System Reviews</li> </ul>	<p>To determine whether the systems and procedures in operation are functioning satisfactorily and are in accordance with legislation and council policy. In particular, to determine whether:</p> <ul style="list-style-type: none"> <li>• The systems comply with good practice and all legal, statutory and regulatory body requirements, and meet business need;</li> <li>• All transactions are completely and accurately recorded and traceable;</li> <li>• Access to information and facilities is controlled and restricted to authorised users according to their needs;</li> <li>• The potential for fraud and error are minimised;</li> <li>• The systems are effectively administered and supported;</li> <li>• All staff using the systems have been correctly trained to the level that will allow them to properly fulfil their duties;</li> <li>• The systems are continually available during working hours;</li> <li>• The systems provide complete and accurate management information; and</li> <li>• Upgrades to the systems are properly resourced and managed to meet clearly stated and agreed business objectives.</li> </ul> <p>For 2019/20, specific ICT audit coverage will be prioritised in the following areas:</p> <ul style="list-style-type: none"> <li>• Accuserv System (Construction Group system)</li> <li>• Payment Card Industry Data Security Standards (PCIDSS) Compliance</li> <li>• Office 365 &amp; SharePoint</li> <li>• Business Continuity Planning / Disaster Recovery</li> <li>• Leisure Management System</li> <li>• Customer Relationship Management System</li> <li>• Email</li> <li>• Internet</li> </ul>	<p><b>2018/19 work completed:</b></p> <ul style="list-style-type: none"> <li>• Implementation of GDPR (Significant Assurance – 6 medium &amp; 15 low priority recommendations)</li> <li>• Network Management (Significant Assurance - 7 medium &amp; 7 low priority recommendations)</li> </ul> <p><b>Work completed:</b></p> <ul style="list-style-type: none"> <li>• Leisure Management (Significant Assurance – 2 medium &amp; 9 low priority recommendations)</li> <li>• Customer Relationship Management (Significant Assurance – 4 medium &amp; 12 low priority recommendations)</li> </ul> <p><b>Work underway:</b></p> <ul style="list-style-type: none"> <li>• Email</li> <li>• Internet</li> </ul> <p><b>Work scheduled for second half of the year:</b></p> <ul style="list-style-type: none"> <li>• Accuserv System</li> <li>• PCIDSS</li> <li>• Business Continuity Planning / Disaster Recovery</li> </ul> <p><b>Work reprogrammed to 2020/21:</b></p> <ul style="list-style-type: none"> <li>• Office 365 &amp; SharePoint – SharePoint has not yet been implemented so the audit will be rescheduled to the next financial year. <b>NB</b>, we continue to support the implementation through our programme assurance work.</li> </ul>

Audit and Assurance – ICT

Heading	Auditable Area	Description / Audit Objectives	Progress Update
ICT	<ul style="list-style-type: none"> <li>Public Service Network (PSN) Compliance</li> </ul>	To undertake the annual independent review of the Authority's compliance with the Public Service Network Code of Connection, to support the Authority's submission to the Public Services Network Authority for accreditation.	<b>Complete.</b>

Counter Fraud and Internal Control & Probity

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Counter Fraud	<ul style="list-style-type: none"> <li>Pro-active anti-fraud work</li> </ul>	To undertake pro-active anti-fraud and corruption work (including participation in the Cabinet Office's National Fraud Initiative and performing internal data matching exercises); and to raise the awareness of counter fraud and corruption measures across the organisation.	Ongoing throughout the year – <b>on target.</b>

Counter Fraud and Internal Control & Probity

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Internal Control & Probity	<ul style="list-style-type: none"> <li>• Core Financial Systems:                             <ul style="list-style-type: none"> <li>○ Business Rates;</li> <li>○ Council Tax;</li> <li>○ Payroll;</li> <li>○ Creditor Payments;</li> <li>○ Cash and Bank;</li> <li>○ Debt and Income Management;</li> <li>○ Housing Rent Assessment &amp; Collection;</li> <li>○ Housing &amp; Council Tax Benefit</li> </ul> </li> </ul>	<p>The core financial systems encompass the main ways in which the Authority either pays money out (Creditor Payments, Payroll, Housing &amp; Council Tax Benefit) or receives monies in (Business Rates, Council Tax, Debt and Income Management, Rent Assessment and Collection). Each of these areas will be given some audit coverage in each financial year, with emphasis dictated by the organisation’s risk profile determined on an annual basis.</p>	<p><b>Work completed:</b></p> <ul style="list-style-type: none"> <li>• Business Rates (Significant Assurance – 2 low priority recommendations)</li> <li>• Debt and Income Management (Limited Assurance – 8 medium and 6 low recommendations)</li> </ul> <p><b>Work underway:</b></p> <ul style="list-style-type: none"> <li>• Cash and Bank</li> <li>• Housing &amp; Council Tax Benefit</li> <li>• Creditor Payments</li> </ul> <p><b>Work scheduled for second half of the year:</b></p> <ul style="list-style-type: none"> <li>• Council Tax</li> <li>• Payroll</li> <li>• Housing Rent Assessment &amp; Collection</li> </ul>



North Tyneside Trading Companies

Heading	Auditable Area	Description / Audit Objectives	Progress Update
North Tyneside Trading Companies	<ul style="list-style-type: none"> <li>• Governance Flows</li> </ul>	The Internal Audit service will be performing some specific audit work in respect of North Tyneside Council's trading companies. An assessment of governance flows between entities within the 'accounting group boundary' will be undertaken as part of this work	Planned to commence in Q4 – <b>on target.</b>