North Tyneside Council
Report to Audit Committee
Date: 18 November 2020

ITEM 7

Title: Key Outcomes from Internal Audit reports Issued between 2 July 2020 and 2 November 2020

Report from Service Area:	**Resources**	
Report Author:	**Kevin McDonald, Acting Chief Internal Auditor**	**(Tel: 643 5738)**
Wards affected:	**All**	

PART 1

1.1 Purpose:

The purpose of this report is to advise the Audit Committee of key outcomes from Internal Audit reports issued between 2 July 2020 and 2 November 2020 (**Appendix A**).

1.2 Recommendation(s):

It is recommended that the Audit Committee considers the key findings from, good practice identified in, and management action taken in response to the Internal Audit reports issued in this period, summarised in **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

Key Outcomes from Internal Audit Reports Issued Between 2 July 2020 and 2 November 2020

1.4.1 The work programme established for the Audit Committee ensures that the Committee receives regular reports summarising the outcomes from Internal Audit's planned work during the year. This is important in ensuring that Audit Committee is able to maintain oversight of emerging risks and governance themes as these arise during the year. This also reflects the Public Sector Internal Audit Standards (PSIAS), which state that "in addition to the annual report, the Chief Internal Auditor should make arrangements for interim reporting to the organisation in the course of the year. Such interim reports should address emerging issues in respect of the whole range of areas to be covered in the annual report".

1.4.2 A summary of key outcomes from planned Internal Audit reports issued between 2 July 2020 and 2 November 2020, including findings, areas of good practice identified, and action taken to date by management in response to each audit, along with details of other substantive work undertaken including providing programme assurance and grant certifications, is attached as **Appendix A**. This information, along with intelligence gained from other substantive audit work reported earlier in the year and project assurance work, supports the development of the Annual Opinion from the Chief Internal Auditor on the Framework of Governance, Risk Management and Control.

1.5 Decision Options:

It is recommended that the Audit Committee considers the summary of Internal Audit reports issued, attached as **Appendix A**, as part of its consideration of the framework of governance, risk management and control within the organisation.

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: Key Outcomes from Internal Audit Reports Issued Between 2 July 2020 and 2 November 2020

1.8 Contact officers:

Kevin McDonald (Acting Chief Internal Auditor) Tel 643 5738
Chris Henderson (Senior Auditor) Tel 01670 623939

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, March 2017 (P) PSIAS March 2017
(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) Strategic Audit Plan 2019/20 March 2019.
(e) Strategic Audit Plan 2020/21 July 2020.
(f) Internal Audit Reports & Briefing Notes prepared during 2 July 2020 and 2 November 2020.
(g) Corporate Strategic, Service Strategic and Operational Risk Registers (C)
(h) The Accounts and Audit Regulations 2015, April 2015 (P) The Accounts and Audit Regulations 2015

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, both financial and non-financial. 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 direct 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 require that the Chief Internal Auditor should make arrangements for interim reporting to the organisation in the course of the year.

2.3 Consultation/community engagement

All Internal Audit reviews were shared with and reported to the relevant audit client upon conclusion of each audit assignment, with actions agreed by management. Management comments on the summary of key outcomes from Internal Audit reports have been included in the report.

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

Risks have been considered and there are no risks identified directly arising from this report.

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 authors Kevin McDonald
Chris Henderson