

# North Tyneside Council Report to Audit Committee Date: 24 May 2017

## ITEM 7

Title: Strategic Audit Plan  
2016/17 - Final Monitoring  
Statement

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Report from Service Area: **Commissioning and Investment**

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 2016/17 (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 2016/17: Final Monitoring Statement**

- 1.4.1 The Strategic Audit Plan for 2016/17 was presented to and approved by the Audit Committee at its meeting in March 2016. 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 in the medium term.
- 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 2016/17. An interim monitoring statement was presented to the Audit Committee in November 2016 and it was agreed that a final outturn statement would be presented to the Audit Committee in May 2017, demonstrating performance against the Plan.

- 1.4.3 The Final Monitoring Statement, outlining achievement against the Audit Plan for 2016/17, is attached as **Appendix A**. 64.09% of the planned productive days expected to be delivered in the period have been delivered. This reflects a number of exceptional factors occurring concurrently during the year. This included a long term sickness absence in the team, an in-year reorganisation of the Internal Audit establishment, deployment of an Internal audit resource on an urgent one-off piece of non-audit work and work performed as part of the shared service for our partner local authority.
- 1.4.4 The Final Monitoring Statement shows that 77% of audit assignments programmed during 2016/17 are complete or underway. Those audits which have not yet commenced have been risk assessed as part of Internal Audit's continuing rolling programme. The majority of these audits have been included in the audit plan for 2017/18. Following discussions with the relevant service area, the need for two audits originally planned was superseded by the implementation of a new corporate ICT desktop strategy and collaborative tooling solution.
- 1.4.5 In 2012, North Tyneside Council entered into a shared service arrangement, jointly with Northumberland County Council, for the provision of Internal Audit and Risk Management services. North Tyneside is the host authority, leading the delivery of assurance services across both Councils. The impact on internal audit resourcing and audit coverage is carefully monitored.

## 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 2016/17: 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](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](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=533726)
- (e) Strategic Audit Plan 2016/17, March 2016 (P)  
[http://www.northtyneside.gov.uk/pls/portal/NTC\\_PSCM.PSCM\\_Web.download?p\\_ID=564799](http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=564799)
- (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/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**

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 2016/17 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.

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