



Northumberland

County Council

AUDIT COMMITTEE

DATE: 23 MAY 2018

KEY OUTCOMES FROM INTERNAL AUDIT ASSIGNMENTS (JULY 2017 – MARCH 2018)

Report of Chief Internal Auditor

Purpose of report

This report summarises the outcomes from Internal Audit reports which have been finalised in consultation with management and issued during the period July 2017 – March 2018. Information has been provided on the level of assurance for each audit, the number of recommendations made (classified according to priority), areas of good practice identified, and main findings

Recommendations

It is recommended that the Audit Committee note the contents of the report, as part of its ongoing consideration of governance and control issues within the Council.

Link to Corporate Plan

The work of Internal Audit and the Audit Committee contributes to the achievement of all priorities in the Council's Corporate Plan 2018-2021.

Key issues

A Key Outcomes statement, outlining assurance opinions given for reports issued during the period July 2017 – March 2018 is attached as Appendix 1.

Background

To provide optimum benefit to the organisation, Internal Audit works in partnership with management to improve the control environment and assist the organisation in achieving its objectives. The organisation is responsible for establishing and maintaining governance and control systems. Internal Audit plays a vital part in advising management whether these arrangements are in place and operating properly.

It is intended that by providing regular reports on key outcomes from Internal Audit's work, this will enable the Audit Committee to develop an on-going awareness of the soundness of the control environment, in addition to receiving the Chief Internal Auditor's annual report and opinion on the framework of governance each year.

Implications

Policy	Effective Internal Audit is an essential part of the County Council's Corporate Governance arrangements. 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 Council's systems of internal control, and the economy, efficiency and effectiveness with which resources are deployed. The Strategic Audit Plan sets out the planned areas in which this coverage will be focussed, based on an assessment of risk.
Finance and value for money	The audit of the Council'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.
Legal	The Accounts and Audit Regulations 2015 require the Council 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. The Public Sector Internal Audit Standards require that the Chief Audit Executive (Chief Internal Auditor) should make arrangements for interim reporting to the organisation in the course of the year.
Procurement	None
Human Resources	None
Property	None
Equalities (Impact Assessment attached) Yes No N/A <input checked="" type="checkbox"/>	N/A
Risk Assessment	Internal Audit assists management in identifying areas of risk within the Council's control environment, and in evaluating the effectiveness of controls established by management to manage these risks.
Crime & Disorder	Section 17 of the Crime and Disorder Act 1998 has been considered, and no implications have been identified.

Customer Consideration	The Strategic Audit Plan 2017/18 has been based on a risk-based audit needs assessment following consultation with customers of our Service including the Audit Committee, Cabinet, Chief Executive, Directors, Heads of Service, and the external auditor.
Carbon reduction	None
Wards	All

Background papers:

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.

- Public Sector Internal Audit Standards, Chartered Institute of Public Finance & Accountancy / Institute of Internal Auditors, revised April 2017;
- Local Government Application Note for the UK Public Sector Internal Audit Standards, Chartered Institute of Public Finance & Accountancy / Institute of Internal Auditors, April 2013;
- The Accounts and Audit Regulations 2015, April 2015;
- NCC Constitution, November 2017;
- NCC Finance and Contract Rules, December 2011; and
- Strategic Audit Plan 2017/18, March 2017.

Report sign off.

Authors must ensure that officers and members have agreed the content of the report:

	initials
Monitoring Officer/Legal	N/A
Executive Director of Finance & S151 Officer	N/A
Relevant Executive Director	N/A
Chief Executive	N/A
Portfolio Holder(s)	N/A

Author and Contact Details

Allison Mitchell, Chief Internal Auditor

0191 6435720

Allison.Mitchell@northtyneside.gov.uk

Allison.Mitchell@northumberland.gov.uk

Kevin McDonald, Group Assurance Manager

0191 6435738

Kevin.McDonald@northtyneside.gov.uk

Kevin.McDonald@northumberland.gov.uk

Chris Henderson, Senior Auditor
01670 623939

christine.henderson01@northumberland.gov.uk