



Northumberland

County Council

AUDIT COMMITTEE

DATE: 25 NOVEMBER 2020

KEY OUTCOMES FROM INTERNAL AUDIT REPORTS (Issued 2 July 2020 – 6 November 2020)

Report of the Acting Chief Internal Auditor

Purpose of report

The purpose of this report is to advise Audit Committee of key outcomes from Internal Audit reports issued between 2 July 2020 and 6 November 2020 (**Appendix 1**).

Recommendations

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 1**.

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, summarising the outcomes from Internal Audit reports issued during the period 2 July 2020 – 6 November 2020 is attached as **Appendix 1**. 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.

Background

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”.

A summary of key outcomes from planned Internal Audit reports issued between 2 July 2020 and 6 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 1**. 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.

At the time of writing this report, additional reports are at final clearance stage and will be issued imminently. These reports will be included in the next report to the Audit Committee.

Implications

Policy	Effective Internal Audit is an essential part of the County Council’s Corporate Governance arrangements. 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 focused, 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 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.
Procurement	None
Human Resources	None
Property	None

<p>Equalities</p> <p>(Impact Assessment attached)</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>N/A <input checked="" type="checkbox"/></p>	<p>N/A</p>
<p>Risk Assessment</p>	<p>Risks have been considered and there are no risks identified directly arising from this report.</p> <p>The Strategic Audit Plan is prepared using a risk-based approach, thus ensuring that coverage is focused on those areas of Council activity with high levels of risk to the achievement of key objectives.</p>
<p>Crime & Disorder</p>	<p>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.</p>
<p>Customer Consideration</p>	<p>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.</p>
<p>Carbon reduction</p>	<p>None</p>
<p>Wards</p>	<p>All</p>

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, February 2019;
- The Accounts and Audit Regulations 2015, April 2015;
- Northumberland County Council Finance and Contract Rules, December 2011; and
- Strategic Audit Plan 2019/20, March 2019 & Strategic Audit Plan 2020/21, July 2020.

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

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