

NORTHUMBERLAND

Northumberland County Council

Your Ref:
Our Ref: KN
Enquiries to: Kay Norris
Direct Line: (01670) 622611
E-mail: kay.norris@northumberland.gov.uk

Date: 14 November 2017

Dear Sir or Madam,

Your attendance is requested at a meeting of the **AUDIT COMMITTEE** to be held in **COMMITTEE ROOM 2** on **WEDNESDAY, 22 NOVEMBER** at **10.00 am** for a **10.15 am start**.

Please note:

- The period between 10.00 am and 10.15 am is restricted to Members of the Audit Committee and Internal and External Audit to allow discussion without the presence of senior officers, in accordance with Minute No. 51(1)/2009-10 and CIPFA best practice.

Yours faithfully,



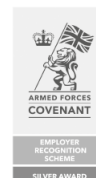
Chief Executive

To members of the Audit Committee as follows:-

Councillors G Hill (Chair), M Swinburn (Vice Chair), G Castle, A Hepple, M Purvis, L J Rickerby, E Simpson, D Towns



Daljit Lally, Chief Executive
County Hall, Morpeth, Northumberland, NE61 2EF
(T) 0345 600 6400 (F) 01670 626303 (W) www.northumberland.gov.uk



AGENDA

PART I

It is expected that the matters included in this part of the agenda will be dealt with in public.

1. APOLOGIES FOR ABSENCE

2. MINUTES

Minutes of the meeting of the Audit Committee held on 27 September 2017, as circulated, to be confirmed as a true record and signed by the Chair.

3. DISCLOSURE OF MEMBERS' INTERESTS

Unless already entered in the Council's Register of Members' interests, members are required to disclose any personal interest (which includes any disclosable pecuniary interest) they may have in any of the items included on the agenda for the meeting in accordance with the Code of Conduct adopted by the Council on 4 July 2012, and are reminded that if they have any personal interests of a prejudicial nature (as defined under paragraph 17 of the Code Conduct) they must not participate in any discussion or vote on the matter and must leave the room.

NB Any member needing clarification must contact Liam Henry, Legal Services Manager, on 01670 623324. Please refer to the guidance on disclosures at the rear of this agenda letter.

4. REPORTS OF THE EXTERNAL AUDITOR

(a) ANNUAL AUDIT LETTER

Report from Ernst Young to follow. **(Appendix A)**

5. REPORT OF THE DIRECTOR OF CORPORATE SERVICES

(a) TREASURY MANAGEMENT MID-YEAR REVIEW REPORT FOR PERIOD 01 APRIL to 30 SEPTEMBER 2017

The purpose of this report is to provide a mid-year review of the activities of the Treasury Management function for the period 1 April 2017 to 30 September 2017, and performance against the Treasury Management Strategy Statement (TMSS) 2017-2018 - as approved by the County Council on 22 February 2017. The report

provides a review of borrowing and investment performance for the period set in the context of the general economic conditions prevailing so far during the year. It also reviews specific Treasury Management prudential indicators defined by the (CIPFA) Treasury Management Code of Practice and CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code), and approved by the Authority in the TMSS. **(Appendix B)**

6. REPORTS OF THE CHIEF INTERNAL AUDITOR

(a) STRATEGIC AUDIT PLAN 2016/17; FINAL MONITORING STATEMENT STRATEGIC AUDIT PLAN 2017/18; INTERIM MONITORING STATEMENT

The purpose of this report is to provide Audit Committee with the final monitoring statement of the Strategic Audit Plan for 2016/17; and an interim monitoring statement (up to 30 September 2017) for the Strategic Audit Plan 2017/18.
(Appendix C)

(b) KEY OUTCOMES FROM INTERNAL AUDIT ASSIGNMENTS (OCTOBER 2016 – JUNE 2017)

The purpose of this report is to summarise the outcomes from Internal Audit reports which have been finalised in consultation with management and issued during the period October 2016 – June 2017. 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.
(Appendix D)

7. REPORT OF INTERIM DIRECTOR OF CHILDREN'S SERVICES AND DIRECTOR OF ADULTS' SERVICES AND COMMISSIONING

(a) REVIEW OF EXTERNAL INSPECTION REPORTS – ADULTS & CHILDREN'S SERVICES

The purpose of this report is to inform Audit Committee members of the findings from external inspections that have taken place in the last 10 months (1st January 2017 to 31st October 2017) pertaining to Adults and Children's Services, and to provide assurance that the resulting reports are receiving due scrutiny.
(Appendix E)

8. URGENT BUSINESS (IF ANY)

To consider such other business as, in the opinion of the Chair, should, by reason of special circumstances, be considered as a matter of urgency.

PART II

It is expected that matters included in this part of the Agenda will be dealt with in private. Reports referred to are enclosed for members and officers only, coloured pink and marked "Not for Publication".

9. EXCLUSION OF PRESS AND PUBLIC

The Audit Committee invited to consider passing the following resolution:

- (a) That under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the Agenda as it involves the likely disclosure of exempt information as defined in Part I of Schedule 12A of the 1972 Act, and
- (b) That the public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:-

Agenda Items	Paragraph of Part I of Schedule 12A
---------------------	--

10 (1)	3
--------	---

Information relating to the financial or business affairs of any particular person (other than the authority holding that information).

AND the public interest in seeking this exemption outweighs the public interest in disclosure because disclosure could adversely affect the business reputation or confidence in the person/organisation, and could adversely affect commercial revenue.

10. REPORT OF THE CHIEF INTERNAL AUDITOR

(1) PUBLIC SECTOR INTERNAL AUDIT STANDARDS

To update Audit Committee on conformance with the requirements of the Public Sector Internal Audit Standards (**Report to follow**).

IF YOU HAVE AN INTEREST AT THIS MEETING, PLEASE:

- Declare it and give details of its nature before the matter is discussed or as soon as it becomes apparent to you.
- Complete this sheet and pass it to the Democratic Services Officer.

Name (please print):
Meeting:
Date:
Item to which your interest relates:
Nature of Registerable Personal Interest i.e. either disclosable pecuniary interest (as defined by Annex 2 to Code of Conduct or other interest (as defined by Annex 3 to Code of Conduct) (please give details):
Nature of Non-registerable Personal Interest (please give details):
Are you intending to withdraw from the meeting?

1. Registerable Personal Interests – You may have a Registerable Personal Interest if the issue being discussed in the meeting:

- a) relates to any Disclosable Pecuniary Interest (as defined by Annex 1 to the Code of Conduct); or
- b) any other interest (as defined by Annex 2 to the Code of Conduct)

The following interests are Disclosable Pecuniary Interests if they are an interest of either you or your spouse or civil partner:

(1) Employment, Office, Companies, Profession or vocation; (2) Sponsorship; (3) Contracts with the Council; (4) Land in the County; (5) Licences in the County; (6) Corporate Tenancies with the Council; or (7) Securities - interests in Companies trading with the Council.

The following are other Registerable Personal Interests:

(1) any body of which you are a member (or in a position of general control or management) to which you are appointed or nominated by the Council; (2) any body which (i) exercises functions of a public nature or (ii) has charitable purposes or (iii) one of whose principal purpose includes the influence of public opinion or policy (including any political party or trade union) of which you are a member (or in a position of general control or management); or (3) any person from whom you have received within the previous three years a gift or hospitality with an estimated value of more than £50 which is attributable to your position as an elected or co-opted member of the Council.

2. Non-Registerable Personal Interests - You may have a non-registerable personal interest when you attend a meeting of the Council or Cabinet, or one of their committees or sub-committees, and you are, or ought reasonably to be, aware that a decision in relation to an item of business which is to be transacted might reasonably be regarded as affecting your well being or financial position, or the well being or financial position of a person described below to a greater extent than most inhabitants of the area affected by the decision.

The persons referred to above are: (a) a member of your family; (b) any person with whom you have a close association; or (c) in relation to persons described in (a) and (b), their employer, any firm in which they are a partner, or company of which they are a director or shareholder.

3. Non-Participation in Council Business

When you attend a meeting of the Council or Cabinet, or one of their committees or sub-committees, and you are aware that the criteria set out below are satisfied in relation to any matter to be considered, or being considered at that meeting, you must : (a) Declare that fact to the meeting; (b) Not participate (or further participate) in any discussion of the matter at the meeting; (c) Not participate in any vote (or further vote) taken on the matter at the meeting; and (d) Leave the room whilst the matter is being discussed.

The criteria for the purposes of the above paragraph are that: (a) You have a registerable or non-registerable personal interest in the matter which is such that a member of the public knowing the relevant facts would reasonably think it so significant that it is likely to prejudice your judgement of the public interest; **and either** (b) the matter will affect the financial position of yourself or one of the persons or bodies referred to above or in any of your register entries; **or** (c) the matter concerns a request for any permission, licence, consent or registration sought by yourself or any of the persons referred to above or in any of your register entries.

This guidance is not a complete statement of the rules on declaration of interests which are contained in the Members' Code of Conduct. If in any doubt, please consult the Monitoring Officer or relevant Democratic Services Officer before the meeting.