



Northumberland County Council

Your ref:

Our ref:

Enquiries to: Andrea Todd

Email:

Tel direct: 01670 622606

Date: Wednesday, 29 September 2021

Dear Sir or Madam,

Your attendance is requested at a meeting of the Audit Committee to be held on **WEDNESDAY, 22 SEPTEMBER 2021 at 10:15 am in the meeting space, Block 1 Floor 2, County Hall, Morpeth, County Hall, Morpeth, NE61 2EF.**

Yours faithfully

Daljit Lally
Chief Executive

To Audit Committee members

Any member of the press or public may view the proceedings of this meeting live on our YouTube channel at <https://www.youtube.com/NorthumberlandTV>.

***Members are reminded of the Risk Assessment circulated for attending meetings at County Hall and the advice contained therein including:
Members are requested to self-test twice a week at home, in line with government guidelines; social distancing should be maintained; masks should be worn when moving around but can be removed when seated; hand sanitiser is to be used regularly.***



Daljit Lally, Chief Executive
County Hall, Morpeth, Northumberland, NE61 2EF
T: 0345 600 6400
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. MEMBERSHIP

To note that Councillor A. Wallace has replaced Councillor L. Grimshaw on the Audit Committee for the ensuing Council year.

2. APOLOGIES FOR ABSENCE

3. MINUTES

(Pages 1
- 14)

Minutes of the meeting of the Audit Committee held on 28 July 2021, as circulated, to be confirmed as a true record and signed by the Chair.

4. 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 Legal Services by email at monitoringofficer@northumberland.gov.uk Please refer to the guidance on disclosures at the rear of this agenda letter.

5. REPORTS OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER

6. (A) TREASURY MANAGEMENT ANNUAL REPORT FOR THE FINANCIAL YEAR 2020-21

(Pages
15 - 34)

This report provides details of performance against the Treasury Management Strategy Statement (TMSS) 2020-21, approved by the County Council on 19 February 2020. The report provides a review of borrowing and investment performance for 2020-21, set in the context of the general economic conditions prevailing 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.

7. (B) THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

(Pages
35 - 228)

To present the draft (unaudited) Statement of Accounts for the year ended 31 March 2021 and raise any significant issues arising from the accounts.

8. **(C) NORTHUMBERLAND COUNTY COUNCIL – CONSIDERATION OF ‘GOING CONCERN STATUS’ FOR THE STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021** (Pages 229 - 240)

Northumberland County Council is required to assess whether it should be considered as a ‘going concern’ organisation, and whether the Council’s annual accounts should be prepared on that basis. This report considers the Council’s status as a going concern and recommends that Members approve this.

9. **(D) DRAFT ANNUAL GOVERNANCE STATEMENT 2020-21** (Pages 241 - 302)

10. **(E) CORPORATE FRAUD TEAM – COUNTER FRAUD ANNUAL REPORT** (Pages 303 - 310)

The purpose of this report is to update the Audit Committee on work undertaken by the Corporate Fraud Team within the Council covering the period 1 April 2020 - 31 March 2021.

11. **REPORT OF THE EXECUTIVE DIRECTOR OF ADULTS SOCIAL CARE AND CHILDREN’S SERVICES** (Pages 311 - 316)

Review of External Inspection Reports – Adults and Children’s Services

To inform members of the activity pertaining to Adults and Children’s Services regarding external inspections and associated actions. This is over the period from 1st October 2020 to 30th June 2021.

12. **REPORT OF THE EXTERNAL AUDITOR** (Pages 317 - 354)
2020-21 Progress Report

13. **URGENT BUSINESS**

14. **DATE OF NEXT MEETING**

The next meeting is scheduled for Wednesday, 24 November 2021 at 10:15 am.

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".

15. EXCLUSION OF PRESS AND PUBLIC

The Audit Committee is 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 items 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

16-17 Paragraph 3 of Part 1 of Schedule 12A

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

Disclosure could adversely affect the business reputation or confidence in the person/organisation, and could adversely affect commercial revenue.

18 Paragraph 3 & 4 of Part 1 of Schedule 12A

Information relating to the financial or business affairs of any particular person (including the authority holding that information), and information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the Authority.

Disclosure because disclosure would adversely affect commercial confidentiality requirements and hence the Authority's ability to conduct its affairs.

16. GROUP AUDIT COMMITTEE

Report of the Acting Chief Internal Auditor

Advance Northumberland Internal Audit Plan and Key Outcomes Update

The purpose of this report is to advise Group Audit Committee on the 2021-2022 Internal Audit Plan covering Advance Northumberland Group of Companies (Advance), together with an update on Internal Audit reports issued during the period from December 2020 to September 2021

17. REPORT OF THE ACTING CHIEF INTERNAL AUDITOR

Administration of COVID-19 Business Support Grants

The purpose of this report is to advise Audit Committee of internal controls established to govern the administration of Government Covid-19 business support grants and other assurance processes put in place.

18. REPORT OF THE SERVICE DIRECTOR-CORPORATE ASSURANCE

Conclusion of Shared Service Arrangement (Internal Audit and Risk Management)

This report informs Audit Committee of upcoming changes to service delivery arrangements for Internal Audit and Risk Management within Northumberland County Council

IF YOU HAVE AN INTEREST AT THIS MEETING, PLEASE:

- Declare it and give details of its nature before the matter is discussion 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:

- relates to any Disclosable Pecuniary Interest (as defined by Annex 1 to the Code of Conduct); or
- 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.