



Northumberland County Council

Your ref:

Our ref:

Enquiries to: Andrea Todd

Email: andrea.todd@northumberland.gov.uk

Tel direct: 01670 622606

Date: 15 March 2022

Dear Sir or Madam,

Your attendance is requested at a meeting of the **AUDIT COMMITTEE** to be held on **WEDNESDAY, 23 MARCH 2022** at **9.30 a.m. for a 10:15 a.m. start in the meeting space, Block1, Floor 2, County Hall, Morpeth, NE61 2EF.**

Please note:

- The period between 9.30 a.m. and 10.00 a.m. is restricted to only the Members of the Audit Committee and Internal and External Audit to allow discussion without the presence of senior officers.

Yours faithfully

Daljit Lally
Chief Executive

To members of the Audit Committee.

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. APOLOGIES FOR ABSENCE

2. MINUTES

(Pages 1
- 8)

Minutes of the meeting of the Audit Committee held on 9 January 2022, 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 Legal Services by email at monitoringofficer@northumberland.gov.uk Please refer to the guidance on disclosures at the rear of this agenda letter.

4. REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER

(Pages 9
- 38)

Northumberland County Council - Statement of Accounts 2021-22

The purpose of this report is to provide the Audit Committee with:

- (a) an overview of the timetable for publishing the 2021-22 Statement of Accounts; and,
- (b) an update on the Accounting Policies to be applied in the preparation of the 2021-22 Statement of Accounts.

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

(Pages
39 - 48)

Statement of Accounts - Group Boundary Review

The purpose of this report is to provide members of the Audit Committee with details of the boundary review which has been undertaken to determine those organisations which should have their financial statements consolidated with the Council's Statement of Accounts for the financial year ended 31 March 2022.

Particular consideration is given to the position of Active Northumberland.

6. **REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER** (Pages 49 - 54)

Changes to the Code of Practice for Local Authority Accounting in the UK for 2021-22

The purpose of this report is to provide the Audit Committee with a summary of the key accounting changes in the latest edition of the Code of Practice for Local Authority Accounting in the UK (the Code) which will apply to the 2021-22 Statement of Accounts.

7. **REPORT OF THE INTERIM EXECUTIVE DIRECTOR OF FINANCE AND SECTION 151 OFFICER** (Pages 55 - 62)

Corporate Fraud Team – Counter Fraud Interim Report

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 2021 - 30 September 2021.

8. **REPORT OF THE EXTERNAL AUDITOR** (Pages 63 - 86)

External Audit Progress Report

To receive a progress report.

9. **REPORT OF THE ACTING HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT** (Pages 87 - 94)

Audit Committee Work Programme 2022/23

The purpose of this report is to propose an updated programme of core business for the Audit Committee for 2022/23, in accordance with its Terms of Reference as set out in the Council's Constitution.

10. **URGENT BUSINESS**

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.

11. **DATE OF NEXT MEETING**

The next meeting is scheduled for Wednesday, 25 May 2022 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".

12. 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	Paragraph of Part I of Schedule 12A
13 & 14	<p>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).</p> <p>Disclosure could adversely affect the business reputation or confidence in the person/organisation, and could adversely affect commercial revenue.</p>
15	<p>Paragraphs 3 and 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.</p> <p>Disclosure would adversely affect commercial confidentiality requirements and hence the Authority's ability to conduct its affairs.</p>

13. REPORT OF THE ACTING HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT

The purpose of this report is to advise Audit Committee of the Strategic Audit Plan for 2022/23.

14. REPORT OF THE ACTING HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT

Group Audit Committee: Advance Northumberland Internal Audit Update

The purpose of this report is to update Group Audit Committee on Internal Audit work completed within the Advance Northumberland Group of Companies.

15. REPORT OF THE ACTING HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT

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

This report updates Audit Committee on the 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:

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.