



Northumberland County Council

Your ref:

Our ref:

Enquiries to: Andrea Todd

Email:

Tel direct: 01670 622606

Date: Tuesday, 19 July 2022

Dear Sir or Madam,

Your attendance is requested at a meeting of the **AUDIT COMMITTEE** to be held in the Council Chamber, County Hall, Morpeth on **WEDNESDAY, 27 JULY 2022** at **10.15 AM**.

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



Daljit Lally, Chief Executive
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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 J. Reid has been appointed to the Audit Committee for the ensuing Council year.

2. APOLOGIES FOR ABSENCE

3. MINUTES

Minutes of the meeting of the Audit Committee held on 25 May 2022, as circulated, to be confirmed as a true record and signed by the Chair.

(Pages 1
- 12)

4. DISCLOSURE OF MEMBERS' INTERESTS

Unless already entered in the Council's Register of Members' interests, members are required where a matter arises at a meeting;

a. Which **directly relates to** Disclosable Pecuniary Interest ('DPI') as set out in Appendix B, Table 1 of the Code of Conduct, to disclose the interest, not participate in any discussion or vote and not to remain in room. Where members have a DPI or if the matter concerns an executive function and is being considered by a Cabinet Member with a DPI they must notify the Monitoring Officer and arrange for somebody else to deal with the matter.

b. Which **directly relates to** the financial interest or well being of an Other Registrable Interest as set out in Appendix B, Table 2 of the Code of Conduct to disclose the interest and only speak on the matter if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room.

c. Which **directly relates to** their financial interest or well-being (and is not DPI) or the financial well being of a relative or close associate, to declare the interest and members may only speak on the matter if members of the public are also allowed to speak. Otherwise, the member must not take part in discussion or vote on the matter and must leave the room.

d. Which **affects** the financial well-being of the member, a relative or close associate or a body included under the Other Registrable Interests column in Table 2, to disclose the interest and apply the test set out at paragraph 9 of Appendix B before deciding whether they may remain in the meeting.

e. Where Members have or a Cabinet Member has an Other Registrable Interest or Non Registrable Interest in a matter being considered in

exercise of their executive function, they must notify the Monitoring Officer and arrange for somebody else to deal with it.

NB Any member needing clarification must contact monitoringofficer@northumberland.gov.uk. Members are referred to the Code of Conduct which contains the matters above in full. Please refer to the guidance on disclosures at the rear of this agenda letter.

5. MONITORING REPORT / ACTION LOG 2022-23 (Pages 13 - 20)

The Audit Committee operates under an agreed programme of core business, in accordance with its Terms of Reference as set out in the Council's Constitution. The Committee is asked to review and note its monitoring report/action log for the 2022/23 council year.

6. REPORT OF THE INTERIM DIRECTOR OF FINANCE AND S151 OFFICER (Pages 21 - 24)

KPMG Forensic Independent Review of Advance Northumberland Group

To inform the Committee of issues arising from the KPMG forensic independent review of the Advance Northumberland Group.

7. REPORT OF THE INTERIM DIRECTOR OF FINANCE AND S151 OFFICER (Pages 25 - 32)

S114 Report by the S151 Officer

To update the Committee on actions being taken in response to the S114 Report issued by the S151 Officer on 23 May 2022 and seek the Committee's approval of the draft terms of reference for an independent investigation into the circumstances that have given rise to unlawful trading activities.

8. REPORT OF THE JOINT INTERIM DIRECTORS OF CHILDREN'S SERVICES AND THE DIRECTOR OF ADULT SOCIAL CARE (Pages 33 - 40)

Review of External Inspection Reports – Adult and Children's Services

To inform members of the activity pertaining to Adults Social Care and Children's Services regarding external inspections and associated actions. This covers the period from 1st January 2022 to 30th June 2022.

9. ANNUAL REPORT OF THE FIREFIGHTERS' PENSION SCHEME LOCAL PENSION BOARD 2021-2022 (Pages 41 - 48)

This is the annual report of the Northumberland County Council Firefighters' Pension Scheme (FPS) Local Pension Board ("the Board"), which was constituted in 2015 as part of changes introduced by the Public Service Pensions Act 2013. It is the intent of the Board to use the annual

report to inform the Scheme Manager (i.e. NCC's S151 Officer in consultation with the Chief Fire Officer) of NCC's data on FPS membership, statement of accounts, and issues progressed through the Internal Disputes Resolution Procedure (IDRP) and Fire Disputes Panel.

10. REPORT OF THE HEAD OF INTERNAL AUDIT AND RISK MANAGEMENT

(Pages
49 - 64)

Internal Audit Charter

The purpose of this report is to inform Audit Committee of an updated Internal Audit Charter in accordance with the requirements of the Public Sector Internal Audit Standards (April 2017) and the related Local Government Application Note.

11. REPORT OF THE EXTERNAL AUDITOR

Update on 2020-21 Audit of the 2020-21 Statement of Accounts

To receive a verbal update.

12. 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.

13. DATE OF NEXT MEETING

The next meeting is scheduled for Wednesday, 28 September 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".

14. 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 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

15 & 16

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.

**15. REPORT OF THE 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 progress with the Internal Audit plan of work for Advance Northumberland Group of Companies. A report to be presented to Advance Northumberland Audit Committee on 26 July 2022, summarising Internal Audit coverage, is provided at Appendix 1.

**16. REPORT OF THE HEAD OF INTERNAL AUDIT AND RISK
MANAGEMENT**

Risk Management Update

The purpose of this report is to provide Audit Committee with an update on progress with the development, implementation and embedding of risk management within the County Council; and to inform Audit Committee of the latest position of the corporate risks following review by Executive Team and Cabinet portfolio holders.

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:		Date of meeting:	
Meeting:			
Item to which your interest relates:			
Nature of Interest i.e. either disclosable pecuniary interest (as defined by Table 1 of Appendix B to the Code of Conduct, Other Registerable Interest or Non-Registerable Interest (as defined by Appendix B to Code of Conduct) (please give details):			
Are you intending to withdraw from the meeting?		Yes - <input type="checkbox"/>	No - <input type="checkbox"/>

Registering Interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest.

Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in **Table 1**) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

8. Where a matter arises at a meeting which **affects** –

- a. your own financial interest or well-being;
- b. a financial interest or well-being of a relative or close associate; or
- c. a financial interest or wellbeing of a body included under Other Registrable Interests as set out in **Table 2** you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter (referred to in paragraph 8 above) **affects** the financial interest or well- being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise, you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Where you have an Other Registerable Interest or Non-Registerable Interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.