

Advice & Programme Assurance

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Advice, Contingencies & Assurance	<ul style="list-style-type: none"> • Advice & Guidance • Contingencies & Work Requests • Fraud & Special Investigations 	Responding to ad-hoc queries and requests for advice; responding to requests for one-off audit assignments, where it is considered that audit involvement is necessary; project assurance and assuring appropriate consideration has been given to internal control & governance issues when new systems are introduced.	Ongoing throughout the year – on target . A number of additional, unplanned work items have been undertaken, including: <ul style="list-style-type: none"> • Procedures for the retention / deletion of email accounts; • Investigations into potential fraud and theft; • Reviews in relation to potentially unlawful payments following s114A report.
Programme Assurance	New Systems / Methods of Service Delivery	<p>Internal Audit may be asked to add value by providing assurance on aspects of the approach and work undertaken and assessing the robustness of arrangements for benefits realisation. The systems, programmes and new initiatives to be supported are continually reviewed and assessed. Consultation on the Audit Plan identified the following areas that may benefit from Internal Audit's support:</p> <ul style="list-style-type: none"> • Covid-19 Business Grant Funding Assurance • Governance Review implications • New partnership arrangements with Harrogate • International Arrangements • Capital Programme Management Arrangements • Electoral Integrity Bill requirements • Public Health Grant arrangements • Arrangements for managing contracts we deliver and associated performance management • Support for Energy Bills Rebate 	<p>Ongoing throughout the year – on target.</p> <p>2021/22 review completed</p> <ul style="list-style-type: none"> • Northumberland Communities Together – Grant Allocation Processes (Significant Assurance) <p>2022/23 Work so far includes:</p> <ul style="list-style-type: none"> • Covid-19 Business Grant Funding • Capital Programme Management Arrangements • Arrangements for managing contracts we deliver and associated performance management • Support for Energy Bills Rebate <p>Work scheduled for second half of the year:</p> <ul style="list-style-type: none"> • Governance Review implications • Electoral Integrity Bill requirements • New partnership arrangements with Harrogate • Public Health Grant arrangements <p>Work no longer required:</p> <ul style="list-style-type: none"> • International Arrangements – external review commissioned

Audit and Assurance – Corporate and Cross Cutting

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Corporate and Cross Cutting	Pre-Submission Review of Grant Claims	There are a number of funding organisations that require an Internal Audit review prior to final claim submission. Internal Audit will undertake the necessary assurance checks as these grant submissions become due.	<p>Ongoing throughout the year. Additional unplanned work has been undertaken and we are aware of further certification work that will be required later in the year. Planned time budget is already exceeded. For all completed certifications the grant return was found to be compliant with the grant providers' audit requirements.</p> <p>Planned certification work:</p> <ul style="list-style-type: none"> • Local Transport Plan & associated grants – £23.4m - Complete • Bus Service Operators Grant - £0.5m - Complete • Supporting Families – £0.1m – Ongoing throughout the year • The Sele First School - £0.01m - Complete <p>Unplanned certification work completed:</p> <ul style="list-style-type: none"> • Covid 19 Capacity Fund - £1.3m • North East Rural Growth Network £7.3m • Test and Trace Contain Outbreak Management Fund - £13.1m • Public Health Funding for Additional Drug Treatment, Crime and Harm Reduction Activity - £0.35m • Green Homes - £1.86m • Digital Inclusion Project – review currently being undertaken

Audit and Assurance – Corporate and Cross Cutting (continued)

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Corporate and Cross Cutting	Follow up on Recommendations	Monitoring the implementation of Internal Audit recommendations in consultation with the service areas which have received these recommendations. During the year, Internal Audit will review the process benefitting from shared learning within the Internal Audit and Risk Management Service and against best practice to ensure recommendations are followed up and reported upon to Audit Committee in a timely, efficient and effective manner.	Ongoing throughout the year – on target.
	Annual Opinion	An annual opinion on the ‘adequacy and effectiveness of the framework of governance, risk management and control’ will be drafted and presented to the Chief Executive, Executive Team and Audit Committee, outlining the audit work performed during the year and summarising key themes. This will be timed to support production of the Council’s Annual Governance Statement.	Annual Opinion for 2021/22 complete.

Audit and Assurance – Corporate and Cross Cutting (continued)

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Corporate and Cross Cutting	Governance and Value for Money Reviews	<p>To review whether appropriate internal controls exist within a sample of significant business arrangements within Northumberland County Council. Where it is possible to assess the economy, efficiency and effectiveness of specific aspects of these arrangements, this will also be undertaken. Areas proposed to be reviewed under this heading in 2022/23 include:</p> <ul style="list-style-type: none"> • Governance arrangements over accountable body status for Borderlands and Future High Street Funds • Civil Contingencies & Business Continuity • Performance Management Framework • Information Governance • Recruitment and retention, processes governing changes to terms and conditions and how employees leave the organisation. • Delivery of Major Capital Projects – Follow-up review • Contract Management Arrangements - Follow-up review • Finance Assumptions - Asset Management Arrangements and Valuation of Assets • Exceptional Governance Matters – Management of Identified Risks • Ethical Governance arrangements • Advance Northumberland – shareholder governance arrangements • Northumberland Enterprises Holdings Limited – shareholder governance arrangements • Youth Services - Follow-up review • S106 Arrangements – Follow-up review 	<p>2021/22 reviews completed:</p> <ul style="list-style-type: none"> • Health & Wellbeing (Significant Assurance) • Arrangements for Managing Delivery of the Council’s Climate Change Action Plan (Significant Assurance) • Planning Procedures (Limited Assurance) <p>2022/23 Reviews underway:</p> <ul style="list-style-type: none"> • Governance arrangements over accountable body status for Borderlands and Future High Street Funds • Civil Contingencies & Business Continuity • Information Governance • Recruitment and retention • Ethical Governance Arrangements <p>Work scheduled for second half of the year:</p> <ul style="list-style-type: none"> • Performance Management Framework • Contract Management Arrangements - Follow-up review • Finance Assumptions - Asset Management Arrangements and Valuation of Assets • Exceptional Governance Matters – Management of Identified Risks • Advance Northumberland – shareholder governance arrangements • Youth Services - Follow-up review • S106 Arrangements – Follow-up review <p>Work reprogrammed to 2023/24 (to optimise timing or reflect developments)</p> <ul style="list-style-type: none"> • Delivery of Major Capital Projects – Follow up Review • Northumberland Enterprises Holdings Limited – shareholder governance arrangements

Audit and Assurance – Service Area Specific (continued)

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Education and Skills	Schools' Financial Value Standard (SFVS)	To co-ordinate schools in the completion of their mandatory returns, and provide assurance to the Section 151 Officer relating to their annual report to the Department for Education.	Commenced – on target.
	Schools & Other Educational Establishments	To assess, on a thematic basis, the application of controls associated with the discharge of responsibilities relating to delegated school budgets, within a sample of the County's schools on a risk assessed basis.	<p>2021/22 reviews completed:</p> <ul style="list-style-type: none"> • To provide assurance to the Council and Headteachers regarding the administration of School Local Accounts. Five schools were selected for the review, with individual final reports issued to each school (3 Significant and 2 Limited Assurance Opinions). • A central report to the County Council summarising the findings and themes from all five reviews provided (Significant Assurance). <p>2022/23 school reviews:</p> <ul style="list-style-type: none"> • Planning for the 2022/23 thematic reviews has commenced – on target.

Counter Fraud and Internal Control and Probity

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Counter Fraud	Pro-active anti-fraud work	To undertake pro-active anti-fraud and corruption work (including participation in the Cabinet Office’s National Fraud Initiative and performing internal data matching exercises); and to raise the awareness of counter fraud and corruption measures across the organisation.	Ongoing throughout the year – on target.
Internal Control and Probity	Core Financial Systems; Business Rates; Council Tax; Payroll; Creditor Payments; Cash and Bank; Debt and Income Management; Rent Assessment and Collection; Housing and Council Tax Benefit	The core financial systems encompass the main ways in which the Council either pays money out (Creditor Payments, Payroll, Housing & Council Tax Benefit) or receives monies in (Business Rates, Council Tax, Debt and Income Management, Rent Assessment and Collection). Each of these areas will be given some audit coverage in each financial year, with emphasis dictated by the organisation’s risk profile determined on an annual basis.	<p>2021/22 reviews completed</p> <ul style="list-style-type: none"> • Council Tax (Full Assurance) • Payroll (Limited Assurance) <p>2022/23 Reviews underway:</p> <ul style="list-style-type: none"> • Payroll • Debt and Income Management <p>Reviews scheduled for second half of the year:</p> <ul style="list-style-type: none"> • Business Rates • Creditors • Cash and Bank • Housing and Council Tax Benefits • Council Tax • Rent Assessment and Collection