

Advice & Programme Assurance

Heading	Auditable Area	Description / Audit Objectives	Progress Update
<p>Advice, Contingencies & Assurance</p>	<ul style="list-style-type: none"> • Advice & Guidance • Contingencies & Work Requests • Fraud & Special Investigations 	<p>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.</p>	<p>Advice & Guidance, Contingencies & Work Requests and Fraud & Special Investigations – All Complete.</p> <p>A number of additional and ad-hoc work items have been undertaken in these areas throughout the year, including:</p> <ul style="list-style-type: none"> • Procedures for the retention / deletion of email accounts; • Reviews in relation to potentially unlawful payments following s114 report (1 critical and 1 high priority recommendation), • Support to the ongoing review of the Council's Constitution and Finance and Contract Rules • Support to services regarding document retention and storage of electronic data, and maintaining separation of duties following changes to staff roles. • A number of investigations into potential fraud and theft; including alleged bank mandate fraud and falsification of Council documentation.

Advice & Programme Assurance (continued)

Heading	Auditable Area	Description / Audit Objectives	Progress Update
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>Complete – support has been provided in a number of areas/projects, including:</p> <p>2021/22 review completed:</p> <ul style="list-style-type: none"> • Northumberland Communities Together – Grant Allocation Processes - Significant Assurance (4 medium and 2 low priority recommendations) <p>2022/23 work undertaken:</p> <ul style="list-style-type: none"> • Covid-19 Business Grant Funding, including pre and post payment assurance and return to BEIS (provided advice and guidance to Finance) • Capital Programme Management Arrangements (Draft Report Issued) • Arrangements for managing contracts we deliver and associated performance management (Draft Report Issued) • Support for Energy Bills Rebates (provided advice and guidance to Finance) <p>In addition to those areas identified during the Audit Plan consultation process, support was also provided to a working group established to review the issues preventing the County Council complying with the Payment Card Industry Data Security Standards.</p> <p>The review of International Arrangements was not required following the commissioning of an external review. Work in relation to Governance Review implications has been included as an assurance review within the 2023/24 Strategic Audit Plan:</p>

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>Complete –Certification of £48.312m grant funding was completed. For all completed certifications the grant return was found to be compliant with the grant providers’ audit requirements.</p> <p>The following planned grant certification work has been completed:</p> <ul style="list-style-type: none"> • Local Transport Plan & associated grants – £23.426m • Bus Service Operators Grant - £0.500m • Supporting Families – £0.230m (4 planned certifications) • The Sele First School - £0.013m <p>The following unplanned grant certification was completed during the year (resulting in the planned time budget for this area of work being exceeded):</p> <ul style="list-style-type: none"> • Covid-19 Capacity Fund - £1.288m • Covid-19 Test and Trace Contain Outbreak Management Fund - £13.122m • North-East Rural Growth Network Capacity Funding Grant - £7.301m • Public Health Funding for Additional Drug Treatment Crime and Harm Reduction Activity- £0.350 m • Green Homes Grant 1 - £1.864m • Green Homes Grant 2 - £0.029m • Adult Weight Management Service - £0.118m • Biodiversity Grant - £0.043m • Supporting Families – £0.028m (additional certification requested by management)

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.	Complete – Reported to Audit Committee during the year.
	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.	Complete - 2021/22 opinion reported to Audit Committee in May 2022 and the 2022/23 Annual Opinion reported to Audit Committee in July 2023.

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"> • Review of Planning Procedures – Limited Assurance (2 high, 5 medium and 4 low priority recommendations) • Health & Wellbeing - Significant Assurance (4 medium and 5 low priority recommendations) • Arrangements for Managing Delivery of the Council’s Climate Change Action Plan - Significant Assurance (5 medium and 3 low priority recommendations) <p>2022/23 Reviews completed:</p> <ul style="list-style-type: none"> • Civil Contingencies & Business Continuity – Limited Assurance (9 medium and 1 low priority recommendation) <p>2022/23 Reviews pending:</p> <ul style="list-style-type: none"> • Information Governance (Draft Report Issued) • Ethical Governance Arrangements (Draft Report Issued) • Governance arrangements over accountable body status for Borderlands and Future High Street Funds • Recruitment and retention <p>Reviews reprogrammed to 2023/24:</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 • Delivery of Major Capital Projects – Follow up Review

			Work no longer required: <ul style="list-style-type: none">• 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.	Complete – Planned work for 2022/23 complete. All eligible schools submitted their assessments by the statutory deadline of 31 March 2023 and the required assurance statement was completed on behalf of the Executive Director of Transformation and Resources (s151 Officer) prior to the 31 May 2023 DfE submission deadline.
	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 school reviews:</p> <ul style="list-style-type: none"> • A review to provide assurance regarding the administration of School Local Accounts was completed with the fifth, and final, individual school report issued (Significant Assurance with 6 Medium and 1 Low priority recommendation) and a central report summarising the findings and themes from all five reviews (Significant Assurance with 3 medium and 2 low priority recommendations). <p>2022/23 school reviews:</p> <ul style="list-style-type: none"> • A review to provide assurance regarding the adequacy and effectiveness of controls and procedures in place to achieve value for money in schools. Five schools were selected for the review, with final reports issued to four schools (all four receiving Reasonable Assurance audit opinions), and a draft report to be discussed and agreed with the remaining school. The four final reports contain 14 medium and 12 low priority recommendations. A summary report summarising the findings will be issued once the remaining school report is finalised.

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.	Complete
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"> • Payroll - Limited Assurance (1 high, 3 medium and 4 low priority recommendations) <p>2022/23 Reviews pending:</p> <ul style="list-style-type: none"> • Payroll (Draft Report Issued) • Debt and Income Management • Creditors • Cash and Bank • Housing Benefit and Council Tax Support <p>Reviews reprogrammed to 2023/24:</p> <ul style="list-style-type: none"> • Business Rates • Council Tax • Rent Assessment and Collection