



Northumberland County Council

Audit Committee

27 September 2023

Annual Report from Audit Committee to Council

Report of Kevin McDonald, Head of Internal Audit & Risk Management

1. **Link to Key Priorities of the Corporate Plan**

The work of Audit Committee contributes to the achievement of all priorities in the Council's Corporate Plan. In particular, it supports the "Achieving Value for Money" priority of the Corporate Plan 2023-26.

2. **Purpose of report**

The purpose of this report is to present an Annual Report from Audit Committee to Council for 2022/23, for the agreement of Audit Committee.

3. **Recommendations**

- 3.1 It is recommended that Audit Committee agree the Audit Committee Annual Report for 2022/23, for presentation to Council.

4. **Background**

- 4.1 The Council's Audit Committee is a politically balanced Committee of full Council, with independent co-opted members, including an independent co-opted Chair. The Chartered Institute of Public Finance and Accountancy (CIPFA) views audit committees in local government as a key component of each local authority's governance framework.
- 4.2 CIPFA issues best practice guidance for the operation of Audit Committees in local authorities, and updated guidance was issued by CIPFA in October 2022. CIPFA's best practice guidance includes a requirement to prepare an annual report from the committee to Council. The guidance requires the annual report to detail the work of the committee, demonstrate how the committee has fulfilled its responsibilities, and provide assurance to Council over those areas within its terms of reference.
- 4.3 An annual report from Audit Committee to Council for 2022/23, in accordance with CIPFA's best practice guidance, is attached as **Appendix A**.

5. Options and reasons for the recommendations

5.1 The following decision options are available for consideration by Audit Committee:

Option 1

Audit Committee agrees the Audit Committee Annual Report for 2022/23.

Option 2

Audit Committee does not agree the Audit Committee Annual Report for 2022/23.

Option 1 is the recommended option. It is good practice recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) that Audit Committee prepare an annual report for presentation to Council, in order that Council is aware of the main governance matters which have been considered by Audit Committee during 2022/23 and the outcomes of the self-assessment and current review of Audit Committee arrangements.

6. Implications

Policy	<p>The Audit Committee contributes to the Council's governance framework, including the review of financial governance as appropriate.</p> <p>The role of Audit Committee is set out in the Council's Constitution and the Audit Committee's Terms of Reference.</p>
Finance and value for money	<p>Through its review of a range of audit, accounting and governance related items, the Audit Committee assesses the Council's use of financial resources and value for money.</p> <p>There are no financial implications arising from the recommendations set out in this report. Financial implications of matters reported to Audit Committee throughout the year are assessed and included as part of individual reports on the Committee's agenda during the year.</p>
Legal	<p>The Public Sector Internal Audit Standards and related Local Government Application Note, presume that local authorities will have an Audit Committee undertaking the purpose identified by CIPFA in its 2022 publication "Audit Committees: Practical Guidance for Local Authorities and Police". This report details Audit Committee's compliance with the requirements of CIPFA's guidance.</p>
Procurement	<p>There are no specific procurement implications within this report.</p>
Human resources	<p>There are no specific human resources implications within this report.</p>

Property	There are no specific property implications within this report.
Equalities Act: is a full impact assessment required and attached?	No - no equalities issues identified Equality Impact Assessment not required.
Risk assessment	There are no specific risk assessment implications within this report. Risks and opportunities identified in matters reported to Audit Committee are managed in accordance with the Council's established risk management processes.
Crime and disorder	There are no specific crime and disorder implications within this report.
Customer considerations	There are no specific customer consideration implications within this report.
Carbon reduction	There are no specific carbon reduction implications within this report.
Health and wellbeing	There are no specific health and wellbeing implications within this report.
Wards	All wards.

7. **Background papers**

Not applicable

8. **Links to other key reports already published**

CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022, and Audit Committees: Practical Guidance for Local Authorities and Police 2022 Edition, CIPFA, October 2022

Review of Audit Committee Arrangements Report to Audit Committee, Report of Head of Internal Audit & Risk Management, 30 November 2022

9. **Author and Contact Details**

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