

Strategic Audit Plan 2023/24 – Interim Monitoring Statement as at 30 September 2023

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 	<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>Ongoing throughout the year – on target. A number of additional, unplanned work items have been undertaken, including:</p> <ul style="list-style-type: none"> • Investigations into potential fraud; • Further reviews in relation to potentially unlawful payments following s114A report.
Programme Assurance	<p>New Systems / Methods of Service Delivery</p>	<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"> • Supporting the Strategic Change Programme • Replacement of Swift social care system • Supporting the Leisure procurement process • Development of Inequalities and Equalities Impact Assessments • Transfer of Youth Services to Locality Family Hubs • Northumberland Fire and Rescue Service – Continuous Improvement Plan and Performance Assurance Framework • Home to School Transport • Implementation of HR recruitment / application tracking system 	<p>Ongoing throughout the year – on target:</p> <p>2022/23 reviews:</p> <ul style="list-style-type: none"> • Capital Programme Management Arrangements (Draft Report Issued) • Arrangements for managing contracts we deliver and associated performance management (Draft Report Issued) <p>2023/24 Work undertaken:</p> <ul style="list-style-type: none"> • Supporting BEST – ongoing • Replacement of Swift social care system – ongoing • Supporting the Leisure procurement process – ongoing • Implementation of HR system recruitment / application tracking system – complete • An overview of controls with the new Treasury Management daily cash transfers system – complete (additional) • Adult Services Internal Visit Process – ongoing (additional) • School Purchase Order processes – ongoing (additional) • Review of financial management arrangements governing the Northumberland Line project (additional)

Heading	Auditable Area	Description / Audit Objectives	Progress Update
			<p>Reviews scheduled for second half of the year:</p> <ul style="list-style-type: none"> • Transfer of Youth Services to Locality Family Hubs • Home to School Transport • To support the Housing Service in developing controls in relation to new Housing Bill requirements (additional). <p>Reviews reprogrammed to 2024/25: The following reviews are to be reprogrammed to take place during 2024/25:</p> <ul style="list-style-type: none"> • Development of Inequalities and Equalities Impact Assessments • Northumberland Fire and Rescue Service – Continuous Improvement Plan and Performance Assurance Framework
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 within the Internal Audit and Risk Management Service 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. Work to review Internal Audit’s processes for monitoring the implementation of Internal Audit recommendations is ongoing and work is continuing with IS to develop a bespoke system to facilitate this.

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Corporate and Cross Cutting	Pre-Submission Review of Grant Claims	There is an increasing number of funding streams 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 – on target. Additional unplanned work has been undertaken and the allocated time budget has been exceeded. For all completed certifications the grant return was found to be compliant with the grant provider’s audit requirements:</p> <p>The following planned certification work has been completed:</p> <ul style="list-style-type: none"> • Local Transport Plan & associated grants – £23.426m • Bus Service Operator’s Grant – £0.500m • Supporting Families – £0.072m (2 of 4 planned certifications) <p>The following unplanned grant certification has been completed during the year to date:</p> <ul style="list-style-type: none"> • Home Upgrade Grant Phase 1 - £0.103m • Family Hubs Capital Grant - £0.036m • Northumberland Communities Together - £0.495m • Disabled Facilities Grant - £3.329m
Corporate and Cross Cutting	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.	<p>Complete. The 2022/23 Annual Opinion report was presented to Audit Committee in July 2023.</p>

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 2023/24 include:</p> <ul style="list-style-type: none"> • Adult Services – Direct Payment arrangements • Advance Northumberland – Revised Governance Arrangements for Council-owned companies • Contract Management Arrangements – Follow-up review • Corporate Compliance: <ul style="list-style-type: none"> ○ Performance Management Framework ○ Statutory Compliance Requirements • Exceptional Governance Matters: <ul style="list-style-type: none"> ○ Implementation and embeddedness of actions from the Caller Action Plan ○ Ethical Governance Arrangements ○ Policy Framework • Finance Assumptions - Asset Management Arrangements and Valuation of Assets • Multiple Large Scale Capital Schemes – Follow-up review • Planning – Follow up reviews of Planning Procedures and S106 Agreements 	<p>2022/23 Reviews:</p> <ul style="list-style-type: none"> • Governance arrangements over accountable body status for Borderlands (Reasonable Assurance) • Information Governance (Draft Report Issued) • Ethical Governance Arrangements (Draft Report Issued) • Recruitment and Retention (ongoing) <p>2023/24 Work undertaken:</p> <ul style="list-style-type: none"> • Adult Services – Direct Payment arrangements – ongoing • Performance Management Framework – ongoing • Implementation and embeddedness of actions from the Caller Action Plan – ongoing <p>Reviews scheduled for second half of the year:</p> <ul style="list-style-type: none"> • Policy Framework • Financial Assumptions – Asset Management Arrangements and Valuation of Assets • S106 Agreements – Follow-up review • Children’s Service Personalised Budgets (additional) <p>Reviews reprogrammed to 2024/25: The following reviews are to be reprogrammed to take place during 2024/25:</p> <ul style="list-style-type: none"> • Ethical Governance • Advance Northumberland – Revised Governance Arrangements • Multiple Large Scale Capital Schemes – Follow-up review • Contract Management Arrangements – Follow-up review • Statutory Compliance Requirements • Planning Procedures – Follow-up review

Heading	Auditable Area	Description / Audit Objectives	Progress Update
Information Services	Systems and Governance Reviews	<p>To determine whether the systems and procedures in operation are functioning satisfactorily and are in accordance with legislation and Council policy. In particular, to determine whether:</p> <ul style="list-style-type: none"> The systems and procedures comply with good practice and all legal, statutory and regulatory body requirements, and meet business needs; All transactions are completely and accurately recorded and traceable; Access to information and facilities is controlled and restricted to authorised users according to their needs; The potential for fraud and error are minimised; The systems and procedures are effectively administered and supported; All staff have been correctly trained to the level that will allow them to properly fulfil their duties; The systems are available to serve the needs of the business; The systems and procedures provide complete and accurate management information; and Upgrades and changes to systems and procedures are properly resourced and managed to meet clearly stated and agreed business objectives. <p>For 2023/24, specific ICT audit coverage will be prioritised to include following up previously issued Limited Assurance audit opinions, including BACS, Hardware & Software Management, Oracle Fusion and IS Change and Incident Management.</p> <p>To undertake independent review of the Authority's compliance with recognised standards prior to submission for accreditation or re-accreditation:</p> <ul style="list-style-type: none"> Payment Card Industry Data Security Standard (PCIDSS) Public Service Network (PSN) Compliance 	<p>2022/23 Reviews:</p> <ul style="list-style-type: none"> IS Data Storage (Limited Assurance) IS Business Continuity & Disaster Recovery (Limited Assurance) Cyber Security (Limited Assurance) IS Retrieval and Access Rights (Limited Assurance) Network Management (Quality Review stage of audit prior to issuing draft report) <p>2023/24 Reviews</p> <ul style="list-style-type: none"> Support to IS re complying with Payment Card Industry Data Security Standard (PCIDSS) requirements - ongoing <p>Reviews scheduled for second half of the year:</p> <ul style="list-style-type: none"> Pre-submission review of the PCIDSS re-accreditation application Pre-submission review of the Public Service Network (PSN) Compliance return BACS Follow-up Hardware & Software Follow-up <p>Reviews reprogrammed to 2024/25:</p> <p>Following discussions with the Director of IS a number of the planned follow-up reviews will be re-programmed into 2024/25 to provide more optimum timing of review. This includes the planned follow-up reviews of Oracle Fusion and IS Change and Incident Management.</p>
	Accreditation pre-submission reviews		

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.	<p>2022/23 Submission 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.</p>
	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>2023/24 Submission Planned Work will commence as soon as the SFVS documentation for 2023/24 is issued by the DfE.</p> <p>2022/23 Reviews Completed: To review controls and procedures in place to achieve value for money in schools, five schools were selected for review. Final reports were issued to five schools, all receiving Reasonable Assurance audit opinions, and containing 19 medium and 15 low priority recommendations. A summary briefing note summarising the findings from these reviews was also issued. Several common issues were identified and an update and self-assessment checklist will be issued to all schools.</p> <p>2023/24 School thematic reviews are currently being planned.</p>
	Schools & Other Educational Establishments	<p>To provide advice and support on issues of probity and internal control, on school and other educational establishment financial governance related issues, as requested. This may include, for example:</p> <ul style="list-style-type: none"> • Support in verifying aspects of financial arrangements in the case of any planned school closures or transfer to academy status; • Support in verifying aspects of financial arrangements in the case of any planned transfer of elements of service provision; or • Support to schools within the Schools Intervention and Support Programme. 	<p>No requests for support received during the year to date.</p>

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
Key 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 key 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>2022/23 Reviews:</p> <ul style="list-style-type: none"> • Payroll (Reasonable Assurance) • Debt and Income Management (Draft Report Issued) <p>2023/24 Reviews Completed</p> <ul style="list-style-type: none"> • Cash and Bank (Reasonable Assurance) • Creditor Payments (Quality Review stage of audit prior to issuing draft report) <p>2023/24 Reviews Underway</p> <ul style="list-style-type: none"> • Council Tax • Business Rates • Housing Benefit and Council Tax Support <p>Reviews scheduled for second half of the year:</p> <ul style="list-style-type: none"> • Payroll • Rent Assessment and Collection