



Northumberland

County Council

Audit Committee

Wednesday, 27 March 2024

Audit Committee Work Programme 2024/25

Report of Head of Internal Audit and 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 propose a programme of core business for the Audit Committee for 2024/25, in accordance with its Terms of Reference as set out in the Council's Constitution.

3. Recommendations

3.1 It is recommended that Audit Committee agrees:

- 1) the proposed 'core business' work programme set out within the report, for 2024/25;
- 2) that it may be necessary to change or adapt the proposed reports to be considered, to ensure optimum timing of consideration of governance issues, and to respond to emerging trends during the year; and
- 3) that the Committee will receive additional reports on any ad-hoc items of business arising during the year, as these relate to its responsibilities under its Terms of Reference, in the usual way.

4. Background

4.1 An Audit Committee work programme is developed annually to drive the frequency and duration of meetings, ensuring the Committee receive adequate coverage of assurance reports whilst maintaining an appropriate focus on business concerns and minimising the resource requirements in their preparation and presentation.

- 4.2 The work programme is also useful to officers in planning, monitoring and managing reporting throughout the year. Accordingly, the previous work programme has been reviewed to identify a proposed work programme for 2024/25.
- 4.3 This updated programme reflects known changes in service delivery; ensures that legal requirements relating to governance, risk and control obligations can be met; and aims to ensure that the Audit Committee receives information at the optimum times during the year to properly perform its role as set out in the Constitution and its Terms of Reference to ensure the Committee is properly able to discharge its duties effectively and efficiently, strengthening the Council's overall governance arrangements.
- 4.4 At its meeting on 4 November 2020 full Council agreed that a Group Audit Committee for all entities within the County Council's accounting group boundary would be established, and that the County Council's Audit Committee would be designated the Group Audit Committee. The County Council's Constitution was updated to reflect this and incorporate Terms of Reference for the Group Audit Committee.
- 4.5 Internal Audit will continue to present an update of its work in relation to the Council's active group entities to each scheduled meeting of the Audit Committee. The active companies within the Council's group currently relate to those within the Advance Northumberland Group of Companies.
- 4.6 The work programme recognises that it is also necessary to update the Audit Committee on an ad-hoc basis, as relevant and topical areas arise during the year. For several years, the work programme has proved very helpful in planning, monitoring and managing reporting to the Audit Committee and, accordingly, has been reviewed to identify a proposed work programme for 2024/25, set out below.

Constitution and Terms of Reference

- 4.7 The Council's Constitution, updated in May 2023 and incorporating the Terms of Reference for the Audit Committee, sets out that the Audit Committee provides assurance on the adequacy of the risk management framework and internal control environment of the Council, has oversight of the financial reporting process and oversees the Council's internal and external audit processes. The Constitution also sets out that the Committee acts as the parent Group Audit Committee for all entities within the County Council accounting group boundary with responsibility for maintaining governance oversight of all group entities.
- 4.8 The Committee's Terms of Reference identify a number of clear roles for the Audit Committee to discharge, throughout the course of the year. Some aspects of the Committee's business are time-bound in nature (e.g. relating to the Council's Accounts, or agreeing future plans of work), whilst other items can reasonably be considered at any point during the year allowing some flexibility in planning the work programme of the Committee. The Committee's Terms of Reference establish a separate set of roles for the Committee to discharge its Group Audit Committee responsibilities.

Identification of Core Business Areas

- 4.9 The Audit Committee's responsibilities as set out in the Constitution can reasonably be expected to form the basis of the core business of the Audit Committee. The work programme is reviewed annually in consultation with lead report authors within

the Council, and the external auditor, to ensure it continues to be based upon the Committee's responsibilities as set out in the Constitution and to ensure that reports are scheduled to reach the Audit Committee at the optimum time during the year.

Proposed Annual Work Programme

- 4.10 The following programme of the core business of the Committee for 2024/25 is proposed. This sets out the suggested timing and frequency of reports in the coming year and ensures that the responsibilities defined in the Constitution can be met. The proposed programme will help to ensure that the Committee continues to receive necessary information at the right time during the year.
- 4.11 The work programme has been prepared in consultation with officers in Internal Audit and Risk Management, Finance, Democratic Services and the external (local) auditor, Mazars LLP.
- 4.12 The work programme should be treated as a helpful guide, and it may be necessary to alter or amend the proposed timing during the year as work progresses. Where this is the case, the relevant report author will be responsible for informing the Chair of the Audit Committee, and Democratic Services.

Month	Internal Audit, Risk Management & Corporate Fraud	Corporate Finance	External Audit	Reports from Other Service Areas
May 2024	<ul style="list-style-type: none"> • Annual Report from Chief Internal Auditor and Opinion on the Framework of Governance, Risk Management and Control • Key Outcomes from Internal Audit Assignments • Final Outturn Report (showing performance in achieving the previous year's Strategic Audit Plan from Internal Audit) • Update on Internal Audit work in relation to active group entities 	<ul style="list-style-type: none"> • Annual Governance Statement 2023/24 • Northumberland County Council – Consideration of 'Going Concern Status' for the Statement of Accounts for the year ended 31 March 2024 	<ul style="list-style-type: none"> • Audit Progress Report 	
July 2024	<ul style="list-style-type: none"> • Risk Management Update • Corporate Fraud Annual Report • Strategic Audit Plan Monitoring Report • Update on Internal Audit work in relation to active group entities 	<ul style="list-style-type: none"> • NCC Statement of Accounts 2023/24 • Treasury Management Annual Report 2023/24 	<ul style="list-style-type: none"> • Audit Strategy Memorandum 2023/24 	
September 2024	<ul style="list-style-type: none"> • Annual Report from Audit Committee to Council • Update on Internal Audit work in relation to active group entities 		<ul style="list-style-type: none"> • Final Audit Completion Report 2022/23 • Annual Audit Letter 2019/20 • Annual Audits Report 2020/21 to 2022/23 	<ul style="list-style-type: none"> • FPS Local Pension Board Annual Report • Education & Safeguarding Performance – Review of External Inspection Reports •
November 2024	<ul style="list-style-type: none"> • Key Outcomes from Internal Audit Assignments • Strategic Audit Plan Monitoring Report • Update on Internal Audit work in relation to active group entities 	<ul style="list-style-type: none"> • Treasury Management In-year Update Report 	<ul style="list-style-type: none"> • Audit Progress Report 	

Month	Internal Audit, Risk Management & Corporate Fraud	Corporate Finance	External Audit	Reports from Other Service Areas
January 2025	<ul style="list-style-type: none"> • Risk Management Update • Corporate Fraud Update • Strategic Audit Plan Monitoring Report • Approach to preparing the Strategic Audit Plan 2025/26 • Update on Internal Audit work in relation to active group entities 	<ul style="list-style-type: none"> • Statement of Accounts 2024/25 - Timetable and Policies • Changes to the Code of Practice for 2024/25 • Treasury Management Strategy Statement for the Financial Year 2025/26 • Minimum Revenue Provision (MRP) • Treasury Management Practices (TMP) • Prudential Indicators (if available) 	<ul style="list-style-type: none"> • Audit Progress Report 	
March 2025	<ul style="list-style-type: none"> • Strategic Audit Plan 2024/25 • Annual Audit Committee Work Programme • Annual Review of Audit Committee Effectiveness • Update on Internal Audit work in relation to active group entities 	<ul style="list-style-type: none"> • Group Boundary Review 2024/25 	<ul style="list-style-type: none"> • Final Audit Completion Report 2023/24 	<ul style="list-style-type: none"> • Education & Safeguarding Performance – Review of External Inspection Reports

5. Options open to the Council and reasons for the recommendations

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

Option 1

Audit Committee agrees the Work Programme set out in this report, and that it may be necessary to change or adapt the proposed reports to be considered and that the Committee will receive additional reports on any ad-hoc items of business arising during the year, as these relate to its responsibilities under its Terms of Reference.

Option 2

Audit Committee does not agree the Work Programme set out in this report.

Option 1 is the recommended option. The proposed approach has been designed to ensure the Audit Committee covers its main areas of responsibility as set out in its Terms of Reference agreed in the Council's Constitution.

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.</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".</p>
Procurement	<p>There are no procurement implications arising directly from this report.</p>
Human resources	<p>There are no human resources implications arising directly from this report.</p>
Property	<p>There are no property implications arising directly from this report.</p>

The 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 risk implications arising directly from this report.
Crime and disorder	There are no crime and disorder implications arising directly from this report.
Customer considerations	There are no direct customer considerations arising from this report.
Carbon reduction	There are no carbon reduction implications arising directly from this report.
Health and wellbeing	There are no health and wellbeing implications arising directly from this report.
Wards	All.

7. Background papers

Northumberland County Council Constitution, May 2023

8. Links to other key reports already published

Not applicable.

9. Author and Contact Details

Kevin McDonald, Head of Internal Audit and Risk Management (Chief Internal Auditor)

Email: Kevin.McDonald@northumberland.gov.uk

Tony Candlish, Group Assurance Manager

Email: Tony.Candlish@northumberland.gov.uk