



# Northumberland County Council

Audit Committee

Thursday, 27 March 2025

## **Audit Committee Work Programme 2025/26**

**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 2025/26, 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:

- a) the proposed 'core business' work programme set out within the report, for 2025/26.
- b) 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.
- c) 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 2025/26.
- 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 appropriate meetings 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 2025/26, set out below.

### **Constitution and Terms of Reference**

- 4.7 The Council's Constitution, updated in September 2024 and incorporating the Terms of Reference for Audit Committee, sets out that the Audit Committee has a responsibility for oversight and direction on the way the Council manages its finances, how it manages its approach to risk, and of the "control environment". The Constitution also sets out that the Committee is designated Group Audit Committee for all entities within the County Council accounting group boundary and has a particular role in respect of the audit and oversight of the Council's wholly owned companies. Group Audit Committee's Terms of Reference specify the role of the Committee is to maintain governance oversight in respect 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 2025/26 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, Forvis 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
June 2025	<ul style="list-style-type: none"> <li>• Annual Report from Chief Internal Auditor and Opinion on the Framework of Governance, Risk Management and Control</li> <li>• Key Outcomes from Internal Audit Assignments</li> <li>• Final Outturn Report (showing performance in achieving the previous year's Strategic Audit Plan from Internal Audit)</li> <li>• Update on Internal Audit work in relation to active group entities</li> </ul>	<ul style="list-style-type: none"> <li>• Annual Governance Statement 2024/25</li> <li>• NCC Statement of Accounts 2024/25</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Strategy Memorandum 2024/25</li> </ul>	
July 2025	<ul style="list-style-type: none"> <li>• Risk Management Update</li> <li>• Corporate Fraud Annual Report</li> <li>• Strategic Audit Plan Monitoring Report</li> <li>• Annual Report from Audit Committee to Council</li> <li>• Update on Internal Audit work in relation to active group entities</li> </ul>	<ul style="list-style-type: none"> <li>• Treasury Management Annual Report 2024/25</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Progress Report</li> </ul>	

Month	Internal Audit, Risk Management & Corporate Fraud	Corporate Finance	External Audit	Reports from Other Service Areas
September 2025	<ul style="list-style-type: none"> <li>• Update on Internal Audit work in relation to active group entities</li> </ul>		<ul style="list-style-type: none"> <li>• Audit Completion Report 2024/25</li> <li>• Auditor's Annual Report 2024/25</li> </ul>	<ul style="list-style-type: none"> <li>• FPS Local Pension Board Annual Report</li> <li>• Education &amp; Safeguarding Performance – Review of External Inspection Reports</li> </ul>
November 2025	<ul style="list-style-type: none"> <li>• Key Outcomes from Internal Audit Assignments</li> <li>• Strategic Audit Plan Monitoring Report</li> </ul>	<ul style="list-style-type: none"> <li>• Treasury Management In-year Update Report</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Progress Report</li> </ul>	
January 2026	<ul style="list-style-type: none"> <li>• Risk Management Update</li> <li>• Corporate Fraud Update</li> <li>• Strategic Audit Plan Monitoring Report</li> <li>• Approach to preparing the Strategic Audit Plan 2026/27</li> <li>• Update on Internal Audit work in relation to active group entities</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Accounts 2025/26 - Timetable and Policies</li> <li>• Changes to the Code of Practice for 2025/26</li> <li>• Treasury Management Strategy Statement for the Financial Year 2026/27</li> <li>• Minimum Revenue Provision (MRP)</li> <li>• Treasury Management Practices (TMP)</li> <li>• Prudential Indicators (if available)</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Progress Report</li> </ul>	
March 2026	<ul style="list-style-type: none"> <li>• Strategic Audit Plan 2026/27</li> </ul>	<ul style="list-style-type: none"> <li>• Group Boundary Review 2025/26</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Strategy Memorandum 2025/26</li> </ul>	<ul style="list-style-type: none"> <li>• Education &amp; Safeguarding Performance – Review</li> </ul>

<b>Month</b>	<b>Internal Audit, Risk Management &amp; Corporate Fraud</b>	<b>Corporate Finance</b>	<b>External Audit</b>	<b>Reports from Other Service Areas</b>
	<ul style="list-style-type: none"><li>• Annual Audit Committee Work Programme</li><li>• Annual Review of Audit Committee Effectiveness</li></ul>	<ul style="list-style-type: none"><li>• Annual Governance Statement 2025/26</li><li>• Consideration of 'Going Concern Status' for the Statement of Accounts for the year ended 31 March 2026</li></ul>		of External Inspection Reports

## 5. Options open to the Audit Committee 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

<b>Policy</b>	The Audit Committee contributes to the Council's governance framework, including the review of financial governance as appropriate. The role of Audit Committee is set out in the Council's Constitution and the Audit Committee's Terms of Reference.
<b>Finance and value for money</b>	Through its review of a range of audit, accounting and governance related items, Audit Committee assesses the Council's use of financial resources and value for money. There are no specific financial implications arising from the recommendations set out in this report.
<b>Legal</b>	The Public Sector Internal Audit Standards, Global Internal Audit Standards, and related Local Government Application Notes, 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".
<b>Procurement</b>	There are no specific procurement implications within this report.
<b>Human resources</b>	There are no specific human resources implications within this report.
<b>Property</b>	There are no specific property implications within this report.
<b>The Equalities Act: is a full</b>	No - no equalities issues identified Equality Impact Assessment not required.

<b>impact assessment required and attached?</b>	
<b>Risk assessment</b>	There are no specific risk assessment implications within this report.
<b>Crime and disorder</b>	There are no specific crime and disorder implications within this report.
<b>Customer considerations</b>	This report has been prepared for the consideration of Audit Committee.
<b>Carbon reduction</b>	There are no specific carbon reduction implications within this report.
<b>Health and wellbeing</b>	There are no specific health and wellbeing implications within this report.
<b>Wards</b>	(All Wards);

**7. Background papers**

- Northumberland County Council Constitution, September 2024

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

Not applicable.

**9. Author and Contact Details**

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