

Report 3: Annual Assurance Framework

1. Purpose of Report

The purpose of this report is to provide an overview of the assurance processes in place within the Authority and asks members to approve the overall annual assurance framework for the year ending 31 March 2024.

2. Recommendations

The Authority is recommended to:

- a. endorse the assurance framework set out in this report;
- b. approve the Annual Governance Statement as at Appendix 1;
- c. note the internal audit annual report 2022/23 as at Appendix 2;
- d. approve the internal audit Strategic Plan 2023/24 – 2025/26 as at Appendix 3; and
- e. approve the Authority Review Group work programme for 2023/25 as at Appendix 4.

3. Implications

- a. Financial: None
- b. Equalities: None
- c. Link to Business Plan: Overall assurance and the system of internal control is an integral part of all aspects of the Business Plan and of maintaining sound governance as an Authority Fit for the Future (Outcome 6 of the Business Plan).

4. Background

- a. The Assurance Framework brings together the key processes which provide assurance to members that effective systems are in place to manage key areas of activity and the delivery of the Authority's priorities.
- b. The Assurance Framework includes processes of audit, review and continuous learning to manage financial management; performance management; health and safety; human resource management; governance; risk management and equality, diversity and inclusion.
- c. Higher levels of assurance are provided by external parties in areas of External Audit; Internal Audit; and Statutory Advisers.

5. Regulatory Levels of Assurance

- a. Northumberland National Park Authority receives a high level of regulatory assurance from: External Audit (Ernst & Young); Internal Audit (Newcastle City Council) and Statutory Advisers (Monitoring Officer and Chief Finance Officer)

- b. The Annual Governance Statement, (part of the Annual Statement of Accounts), should also be considered within the context of the overall assurance framework. The Annual Governance Statement to be published alongside the 2022/23 Annual Accounts is attached at Appendix 1 to this report for approval. This was considered at the Finance and Audit Group meeting on the 24th May 2023.
- c. The Internal Audit Annual Report for 2022/23 is attached at Appendix 2 to this report, to note. The Head of internal audit concluded the Authority had an adequate and effective Governance, Risk and Control framework in place for 2022/23. The audit work undertaken in year has identified further improvements to the system of control which will be implemented in the coming 12 months.
- d. The Internal Audit Strategic Plan 2023/24 – 2025/26 is attached at Appendix 3 to this report for approval. The strategy was agreed in consultation with the Chief Executive, the Director of Business Development and the Head of Business Support and was presented by the internal audit lead to the Finance and Audit Group at their May meeting where some changes in the timing of audits within the three year plan were proposed and agreed.
- e. The results of the External Audit of the 2022/23 Annual Accounts will be presented to the September Authority meeting.

6. Other Means of Assurance

Non-Statutory Member Review

- a. A feature of Northumberland National Park Authority's assurance framework is the Review Group. The role of the Review Group is to provide high support and high challenge across any area of the Authority's work.
- b. The Review Group operates a forward rolling timetable. The plan aims to complement that of the internal audit service and other existing assurance systems and focus on key priority areas providing opportunities for performance review and continuous learning.
- c. The Authority is asked to consider and endorse the 18 month forward programme of Review as detailed in Appendix 4.

Finance and Audit Group

- d. The Finance and Audit Group meet quarterly prior to each full Authority meeting to provide a steer and scrutinise in further detail finance, risk and audit related reports. This provides assurance to the members of the Full Authority that such items are discussed in sufficient detail before a recommendation is put to them.

Strategic Risk Register

- e. The Strategic Risk Register is a process enabling the Authority to set the risk appetite and defines strategic risks, levels of risk and likelihood of the risk occurring. The risk register is a living document and is regularly updated by Leadership Team and reported to both Finance and Audit group and full Authority. A full review of the Strategic Risk Register was undertaken recently to take account of the Business Plan 2023 – 2026, approved in March 2023. A

member workshop was held in May 2023 to enable detailed input from members to the process. A separate report to seek approval of the new Risk Register is included at Report 6 on this Agenda.

Health and Safety, Human Resource Management and Equality

- f. The Authority has external service level agreements in place to ensure it has access to high quality health and safety and human resource advisers. Human Resource (HR) activity is reported to the Authority via regular reports from the HR Officer. The HR advice service level agreement is provided by Durham County Council.
- g. Health and Safety issues are addressed through a workplace Health and Safety Working Group and issues are raised with the Authority via the Leadership Team. Staff and volunteer training is planned to ensure that all key operational health and safety issues are adequately addressed. Member training took place in March 2023 to ensure members are fully aware of their roles and responsibilities with regard to this area. Expert Health and Safety advice is provided by the Peak District National Park Authority.
- h. The Authority regularly assesses all areas of its work for equality impacts and amends or adopts its policies and programmes to ensure ongoing compliance with equality legislation. Officers report to members on any equality impacts of the work of the Authority.

7. Conclusions

- a. Members are fully engaged in setting the assurance framework and agreeing much of the detailed focus, particularly internal audit via the Finance and Audit Group and via the Review process.
- b. Members are asked to consider, comment on, and endorse the assurance framework as set out in this report.

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