Item 4: ANNUAL ASSURANCE FRAMEWORK

1. Purpose of Report
   a. To provide an overview of the various assurance processes which operate within Northumberland National Park Authority and asks members to agree the detail of the overall annual assurance framework for the financial year ending 2018/19.

2. Recommendations
   a. endorse the assurance framework set out in this report;
   b. note the internal audit annual report 2017/18 as at Appendix 1;
   c. approve the internal audit strategy 2018/19 – 2020/21 as at Appendix 2; and
   d. approve the Authority Review Group work programme for 2018/19 as at Appendix 3.

3. Implications
   a. **Financial**
      None
   b. **Equalities**
      None

4. Background
   a. The Assurance Framework brings together the key corporate processes which help 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 to manage: financial management; performance management; health and safety; human resource management; governance; risk management; and equality.
   c. The Annual Governance Statement is included in the Annual Statement of Accounts (Item 3 on this Agenda) but should also be considered within the context of the overall assurance framework.
   d. Higher levels of assurance are provided by external parties in areas of External Audit; Internal Audit; and Statutory Advisers.
   e. In addition, the Authority has a range of performance processes for ensuring that its delivery is effective, efficient and focussed on agreed priorities. These include:
      i. State of the Park reporting and annual action planning to manage delivery of the National Park Management Plan;
      ii. Performance reporting and key corporate performance indicators to manage delivery of the annual Corporate Plan;
      iii. Quarterly Financial Reporting; and
      iv. Quarterly project reporting on high profile initiatives

5. Regulatory Levels of Assurance
   a. Northumberland National Park Authority receives a high level of regulatory assurance from: External Audit (Ernst & Young); Internal Audit (RSM Risk
Item 4: Annual Assurance Framework

Assurance Services to March 2018 and Newcastle City Council from April 2018) and Statutory Advisors (Monitoring Officer and Chief Finance Officer).

b. The Internal Audit report for 2017/18 is attached at Appendix 1 to this report. This was produced by our outgoing provider RSM Risk Assurance Services Ltd and was discussed at the June Finance and Audit Group meeting. The Head of internal audit concluded the Authority has an adequate and effective framework for Risk Management, Governance and Internal Control. However, their work identified further enhancements to the framework of risk management, governance and internal control to ensure it remains adequate and effective.

c. The Internal Audit Strategy 2018/19 – 2019/20 is attached at Appendix 2 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 June meeting for agreement.

d. The results of the External Audit of the Annual Accounts were presented as Item 3 on this Agenda.

6. Other Means of Assurance

Non Statutory Member Review

a. A particular feature of Northumberland National Park Authority’s assurance framework is the role of the Review Group to provide high support and high challenge across any area of the Authority’s work.

b. The Review Group operate a forward rolling timetable to be determined at the Annual Meeting. The plan aims to complement that of the internal audit service and other existing assurance systems and focus on key priority areas.

c. The Authority is asked to consider and endorse the forward programme of Review as detailed in Appendix 3.

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 and audit related reports to give members of the Full Authority assurance items are being 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 levels of risk and likelihood of the risk occurring over a three year planning period. Where appropriate the Strategic Risk Register sets actions to reduce the likelihood of the risk happening and / or actions to reduce the impact should the risk actually occur. Leadership Team discuss the actions agreed on a quarterly basis. Where the risk remains high the Leadership Team informs the Authority as part of the quarterly performance report.

f. Exceptionally in 2017/18 a Strategic Risk Register was not formally adopted and consequently reporting to the Authority did not occur. This has been rectified going
forward with the presentation of the current Strategic Risk Register, included at Item 7 on this Agenda.

**Health and Safety and Human Resource Management**

g. The Authority ensures it has external 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. External HR advice has recently been market tested and will now be provided by Northumberland County Council with a 3 year Service Level Agreement now in place.

h. 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. External Health and Safety advice is provided by the Peak District National Park Authority through a service level agreement. This will be subject to market testing during 2018/19.

7. **Conclusions**

   a. Members have the ability to design some of the detail of the assurance framework to address any gaps, particularly internal audit via the Finance and Audit Group and the Review process.

   b. Members are asked to endorse the assurance framework as set out in this report.

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**Background papers:** None