Item 4: ANNUAL ASSURANCE FRAMEWORK

1. **Purpose of Report**

The report provides an overview of the various assurance processes in place within the Authority and asks members to approve the overall annual assurance framework for the year ending 31 March 2020.

2. **Recommendations**

   a. endorse the assurance framework set out in this report;
   b. note the internal audit annual report 2018/19 as at Appendix 1;
   c. approve the internal audit strategic plan 2019/20 – 2021/22 as at Appendix 2; and
   d. approve the Authority Review Group work programme for 2019/20 as at Appendix 3.

3. **Implications**

   a. Financial: None
   b. Equalities: None

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 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 Operational Plan;
      iii. Quarterly Financial Reporting; and
      iv. Quarterly project reporting on high profile initiatives, for example, The Sill.

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 Advisors (Monitoring Officer and Chief Finance Officer).
   b. The Internal Audit Annual Report for 2018/19 is attached at Appendix 1 to this report. This is the first produced by our new provider Newcastle City Council. This
was discussed at the June Finance and Audit Group meeting. The Head of internal audit concluded the Authority had an adequate and effective Governance, Risk and Control framework in place for 2018/19. The audit work undertaken in year has identified further improvements to the system of control can be made.

c. The Internal Audit Strategic Plan 2019/20 – 2021/22 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 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.

c. Following a review of governance by the Review Group in February 2019, it is proposed to reduce the number of Review meetings from four per annum to three.

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

Finance and Audit Group

e. 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

f. 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. The 2018/19 – 2020/21 Strategic Risk Register was agreed in July 2018 to run alongside the remainder of the current Business Plan period. This has been re-visited and updated for the remaining two years. This was discussed at the Finance and Audit Group in June and as a result an amended risk register is included at Item 7 on this Agenda. 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.

Health and Safety, Human Resource Management and Equality

g. 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. HR advice is provided by Northumberland County Council.
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.

i. 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 engaged with the assurance framework have the ability to design some of the detail, particularly internal audit via the Finance and Audit Group and via 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