

AUDIT COMMITTEE

Monday, 25 September 2023

6.00 pm

Committee Rooms 1-2, City Hall

Membership:	Councillors Chris Burke (Chair), David Clarkson, Thomas Dyer, Gary Hewson, Clare Smalley, Calum Watt and Emily Wood (Vice-Chair)
Substitute member(s):	Councillors Natasha Chapman, Martin Christopher, Pat Vaughan and Aiden Wells
Independent Member:	Jane Nellist
Officers attending:	Democratic Services, Joanne Crookes, Jaclyn Gibson and Amanda Stanislawski.

A G E N D A

SECTION A	Page(s)
1. Confirmation of Minutes - 17 July 2023	3 - 8
2. Declarations of Interest	
Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary.	
3. External Audit: 2021/22 and 2022/23 Audit Progress Report	To Follow
4. Annual Complaints Summary Report 2022-2023	9 - 16
5. Revised Internal Audit Plan 2023/24	17 - 42
6. Audit Committee Work Programme	43 - 54

This page is intentionally blank.

Present: Councillor Chris Burke (*in the Chair*)

Councillors: David Clarkson, Gary Hewson, Clare Smalley,
Rachel Storer, Calum Watt and Emily Wood

Independent Member: Jane Nellist

Apologies for Absence: Councillor Thomas Dyer

10. Confirmation of Minutes -6 June 2023

RESOLVED that the minutes of the meeting held on 6 June 2023 be confirmed and signed by the Chair.

11. Declarations of Interest

No declarations of interest were received.

12. Statement of Accounts 2022/23

Jaclyn Gibson, Chief Finance Officer:

- a) presented the draft Statement of Accounts for the financial year which ended 31 March 2023, together with a short summary of the key issues reflected in the statutory financial statements for scrutiny
- b) highlighted the summary of key issues within the below areas in the Financial Statements:
 - The Comprehensive Income and Expenditure Statement
 - The Balance Sheet
 - Cross Cutting Key Issues
- c) recommended that Audit Committee scrutinise the draft Statement of Accounts
- d) invited members questions and comments.

Members discussed the contents of the report in further detail.

Question: Referred to note 22 in the balance sheet in relation to Assets Held for Sale and commented that it was incorrect as the opening balance was different to the end balance.

Response: This would be updated.

Question: Referred to the Digital City Agenda and asked for clarification of what this was and how it would be achieved.

Response: A response from Major Developments would be provided following the meeting.

Question: Referred to grant funding that had been made available to address issues of poor insulation and heating and asked who would be eligible for the grants.

Response: The grants could be used for both rented properties and for homeowners. However, the Council primarily used the grants for homeowners.

Comment: Referred to the help and support advice, in relation to the cost of living crisis, that had been communicated primarily through the website and social media channels and asked how this information was provided to those who did not want or have access to the internet or social media.

Response: A paper based leaflet had been produced which provided advice on the cost of living crisis and distributed to organisations such as Age UK.

Question: Referred to the increase in the pension contribution and asked if this would change in future

Response: The employers pension contribution was reviewed every three years and could increase or decrease depending on the latest triennial revaluation. The employees contribution did not form part of this process.

Question: Asked if there were plans to use the Mutually Agreed Resignation Scheme (MARS) in the future.

Response: There were no plans at the moment to offer the scheme.

RESOLVED that the Statement of Accounts be received and comments made by the Committee be noted.

13. Internal Audit Progress Report

Amanda Stanislawski, Audit Manager:

- a) presented the Internal Audit Progress Report to Audit Committee, incorporating the overall position reached so far and summaries of the outcome of audits completed during the period February 2023 to June 2023, as detailed at Appendix A
- b) highlighted that Audit Committee held the responsibility for receiving a regular progress report from Internal Audit on the delivery of the Internal Audit Plan as a key requirement of public sector internal audit standards
- c) detailed the content of the report covering the following main areas:
 - Progress against the plan
 - Summary of Audit work
 - Current areas of interest relevant to the Audit Committee
- d) invited questions and comments

Members discussed the contents of the report in further detail.

Question: Referred to the audit in relation to the People Strategy and asked how the Council had engaged with staff.

Response: Work with the Organisational Development Board had taken place which included staff surveys. It was recommended that a staff survey be undertaken on an annual basis.

Question: Expressed concern that officers were leaving the authority and asked if feedback had been received on why they were leaving.

Response: This audit was undertaken at a strategic level. An audit on staff retention and recruitment would be completed later in the year.

Question: Asked for more information on the professional development process.

Response: Professional development was discussed and documented as part of staff appraisals.

Question: Asked if there was a question relating to aspirations in the appraisal.

Response: There was a section which included development needs.

Question: Asked if the contract for provision of general audit and specialist IT audit support was a permanent solution to resolve the resources issue.

Response: The contract was put in place for 1 year whilst the vacant positions were recruited to. The contractor was the same as the Council had used last year. The IT audit support was historically a bought in service due to it's specialist nature.

Question: Referred to the audit of De Wint Court Extra Care accommodation and asked why there were 20 recommendations raised in the report, given that it had only recently opened.

Response: The procedures in place were effective, the recommendations were following a settling in period where new measures were needed that had not been considered previously. This was not unusual for a new scheme.

Question: Asked if Officers checked if the recommendations had been implemented.

Response: Yes, Officers checked with the responsible officers to ensure that the recommendations were implemented with a sample checked for evidence.

RESOLVED that the report be accepted and the monitoring arrangements be continued

14. Internal Audit Recommendations Follow Up

Amanda Stanislawski, Audit Manager:

- a) presented an update to Audit Committee on outstanding agreed actions and revised Recommendations/Agreed Action Follow-up Protocol.
- b) referred to Appendix A attached to the report which provided details of relevant audits, outstanding recommendations, agreed actions and the current position.
- c) invited members' questions and comments.

Jane Nellist, Independent Member referred to the new process for the monitoring of outstanding issues and asked how this was working?

Amanda Stanislawski, Audit Manager confirmed that the new process was having an impact and the number of outstanding recommendations had reduced from six to three for those over a year old.

RESOLVED that the revised Recommendation/Agreed Action Follow-Up Protocol be agreed.

15. External Audit Progress Report

Jaclyn Gibson, Chief Finance Officer:

- a) provided the External Audit progress report to Audit Committee which gave an update on progress in delivering their responsibilities as external auditor to the City of Lincoln Council
- b) advised that the External Audit progress report attached at Appendix A of the report covered the following areas:
 - Audit progress
 - Audit planning update and progress report: and
 - A summary of recent relevant reports and publications for information
- c) gave an update on the status of the Statement of Accounts for 2021/22 and explained that due to a national issue regarding the impact on delayed 2021/22 audit opinions of the triennial Pension Fund valuations, this had seen material movements in the estimated 31/3/2022 net liability valuation, largely due to updated membership details. The Finance Team were currently working through this and it was hoped that the audit would be concluded by the end of August 2023.

The committee considered the contents of the report.

RESOLVED that the content of the report be noted.

16. Audit Committee Work Programme 2023/24

Amanda Stanislawski, Audit Manager

- a) presented a report to inform members of the Audit Committee on the work programme for 2023/24 as detailed at Appendix B of the report
- b) referred to paragraph 3 of the report which highlighted the changes to the work programme
- c) advised that the Audit Committee Terms of Reference was attached at Appendix A of the report for information

The committee considered the contents of the report.

RESOLVED that the contents of the Audit Committee work programme 2023/24 be noted.

17. Risk Management Annual Update

Jaclyn Gibson, Chief Finance Officer:

- a) reported on the risk management framework adopted by the council and risk management activity during the last 12 months
- b) advised that the Council's Risk Management Strategy was presented for members information, it was based on a risk appetite methodology approach to the management of the Council's risks, to reflect the environment in which it operated

- c) explained that due to Covid-19 pandemic there was a need to prioritise resources and consequently some actions due in 2021/22 were postponed until 2022/23, these were:
- A review of the Risk Management Strategy and Framework
 - Communication and training on the Risk Management Framework
 - Benchmarking activity with other Lincolnshire Districts
- d) advised that a key element of the Council's management of its risks involved the development and monitoring of the key strategic risks which could affect the Council's ability to achieve its priorities during the year; the Council's Strategic Risk Register currently identified thirteen strategic risks as detailed within the report and associated appendices
- e) outlined the framework of the risk management strategy in further detail, covering the following main topic areas:
- Risk Management Strategy
 - Formulation of the Strategic Risk Register
 - Formulation of the Directorate (Operational) Risk Registers
 - Training
 - Risk Management Benchmarking
 - Greater Lincolnshire Risk Management Group
 - Internal Audit
- f) reported that an Internal Audit of the Council's risk management arrangements undertaken during 2021/22 had concluded that the overall level of assurance opinion was substantial.

The committee considered the contents of the report.

RESOLVED that the risk management framework adopted by the Council and the risk management activity undertaken during the year 2022/23 be noted.

18. Exclusion of Press and Public

RESOLVED that the press and public be excluded from the meeting during consideration of the following item(s) of business because it was likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

19. Risk Management Annual Update - Appendix B

Only Appendix B Strategic Risk Register was contained here as exempt information.

RESOLVED that the risk management framework adopted by the Council and the risk management activity undertaken during the year 2022/23 be noted.

This page is intentionally blank.

AUDIT COMMITTEE

25 SEPTEMBER 2023

SUBJECT: ANNUAL COMPLAINTS SUMMARY REPORT 2022-2023
DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR: JOANNE CROOKES, CUSTOMER SERVICES MANAGER

1. Purpose of Report

- 1.1 To present an annual complaints report including details from the Annual Review of Local Authority Complaints issued by the Local Government and Social Care Ombudsman (LGSCO) and the decisions of the Housing Ombudsman Service (HOS).
- 1.2 To report on the overall number of complaints received by the Council on a Directorate basis for the full year 2022-2023, including response times and the percentage of complaints which are upheld.

2. Background

- 2.1 The council's complaints procedure includes two levels in response to formal complaints. Once the complaint has been considered and responded to by two separate officers the complainant is advised that if they are not satisfied with the final response, they can seek redress from the LGSCO. The LGSCO will investigate both the merits of the complaint and the way that the council dealt with it.
- 2.2 Complaints relating to the landlord function of the council, as a provider of social housing, are escalated to a separate authority, namely the Housing Ombudsman Service.
- 2.3 In July 2020 the Housing Ombudsman published a Complaint Handling Code (CHC), and all registered social landlords were required to complete a self-assessment and publish the findings. The CHC sets out best practice in complaint handling and requires that compliant organisations:
 - Clearly define what a complaint is.
 - Make the complaints procedure accessible and ensure that residents are aware of it and how to use it, including their right to access the appropriate Ombudsman services.
 - Have a good structure to the procedure - only two stages are necessary.
 - Set out clear timeframes for responses.
 - Ensure fairness in complaint handling with a process focussed on the customer.
 - Take action to put things right with appropriate remedies.
 - Create a positive complaint handling culture through continuous learning and improvement.
 - Demonstrate learning in annual reports.

- 2.4 As a result of this guidance, and in consultation with our Resident Involvement Panel, we introduced time targets for the handling of complaints. The timescales are:
- Initial acknowledgement within 5 days
 - Level 1 complaints to be responded to within 10 working days, and
 - Level 2 complaints to be resolved within 20 working days.

3. Internal Formal Complaints – Annual Performance

- 3.1 The number of complaints received over the year has increased on the previous year, and the previous five years. Please see the figures in the table below at 3.3. There were some council services who had suspended their operations for several months in the year 2020-2021, due to Covid restrictions and this will have reduced the potential for something to go wrong in that time and consequently kept complaints low.

- 3.2 Following the publication of the Housing Ombudsman's Complaint Handling Code we no longer report on the average time taken to respond to complaints. Our new measure, introduced at the start of the 2021-2022 year, is the percentage of complaints resolved within the agreed target time of 10 or 20 days for level one and level two complaints respectively. The Local Government and Social Care Ombudsman (LGSCO) guidelines are less specific. In their published best practice guidance for the public on how to complain, it indicates that local authorities should reply to customers within a reasonable time which should normally be within 12 weeks.

3.3

Year	Number of complaints	Average response time
2018-2019	291	7.6 days
2019-2020	338	7.4 days
2020-2021	260	8.1 days
2021-2022	392	66% within target
2022-2023	459	70% within target

4. Breakdown of Complaints

- 4.1 Of the 459 complaints received for 2022-2023 the broad categories they relate to are set out in the table below. The figures for the previous 2 years are included for comparative purposes.

4.2

Service area or responsibility	2020-2021	2021-2022	2022-2023
Repairs & Maintenance	79	166	199
Tenancy issues	49	67	75
Housing Solutions	25	64	51
Parking	4	7	39
Council Tax / NNDR	18	27	22
Housing Investment	10	6	17
Community Services	12	7	15
Planning and building control	9	5	9
Private Housing	5	2	7
Events (Christmas Market)	2	10	7
PPASB service	16	13	5
Customer Services	2	2	2
Legal Services	3	0	2
Property Services	0	1	2
Civic & Democratic Services	0	0	2
Major developments	3	3	1
Environmental Health	2	1	1
Recreation and Leisure	3	0	1
Bus Station	0	1	1
Bereavement Services	1	0	1
Central Market and Cornhill	12	0	0
Benefits	4	4	0
Licensing	1	1	0
Human Resources	0	1	0
Total complaints	260	392	459

- 4.3 Upheld complaints: Of the 459 complaints responded to in 2022-2023, 55% (254) were upheld. This is an increase on the percentage upheld in the previous two years which was 49% and 40% respectively. In instances where a complaint is upheld customers are offered an explanation and an apology. In certain circumstances they may also be offered some other form of redress. Additionally, the officer upholding the complaint completes a feedback form for the directorate complaint monitoring officer outlining lessons learned, training needs and any recommended changes to procedures.
- 4.4 The lessons learned are reported through each DMT by the Directorate monitoring officer. DMT are therefore fully aware of the complaints received. Where any changes to procedure are required or potential policy developments are needed these are discussed and taken forward as appropriate.

5. Local Government and Social Care Ombudsman Annual Review Report

- 5.1 The LGSCO Advice team provides comprehensive information and advice to both the public and local authorities on complaints. It also produces an annual review of local government complaints which includes an overview of trends, followed by statistical tables detailing the numbers of complaints received from each local authority area broken down into general service areas. This data is published on their website.
- 5.2 The second data set details the number of decisions made and the outcome of those complaints which the LGSCO has undertaken to investigate fully. In terms of outcome the only data published is whether the investigation has led to the complaint being upheld or not upheld. Details of the complaints themselves, the decision and any recommendations are now only available in the form of individual published decisions as they are released throughout the year.
- 5.3 In the year to 31 March 2023 the LGSCO made decisions on 13 new complaints about City of Lincoln Council services. This is in line with the previous two years, which saw 11 and 12 complaints respectively moving to the Ombudsman stage.

The general service areas of these were as follows:

Service Area	2020-2021	2021-2022	2022-2023
Environmental Services	4	1	1
Housing	3	3	7
Revenues and Benefits	2	6	3
Corporate Services	1	0	0
Highways and Transport	1	0	2
Planning and Development	1	1	0
Totals	12	11	13

- 5.4 Three of the complaints were referred back for local resolution: These had not been through our own complaints procedure, and we had therefore not had the opportunity to investigate or resolve the complaint before the customer involved a third party in the issue. In effect they are not LGSCO complaints.
- 5.5 Four of the complaints were closed after initial enquiries: These complaints are where the Ombudsman has decided that it could not or should not investigate the complaint; usually because the complaint is outside LGSCO's jurisdiction, and they cannot lawfully investigate it. The early assessment of a complaint may also show there was little injustice to a complainant that would need an LGSCO investigation of the matter, or that an investigation could not achieve anything, either because there was no fault, or the outcome a complainant wants is not one that the LGSCO could achieve, for example overturning a court order.
- 5.6 In five cases there was advice given: These are cases where the LGSCO would not look at a complaint because they had previously looked at the same complaint from the complainant, or another complaint handling organisation or advice agency was best placed to help them.

There was just one complaint which was deemed appropriate for a full

investigation. This compares with two investigations undertaken in the previous year and three for the year before that.

- 5.7 This fully investigated complaint was upheld. This is reported and published as an “Uphold rate” of 100%.
- 5.8 The complaint upheld by the LGSCO was as follows:
- 5.9 The complaint was decided in June 2022 and involved the Revenues and Benefits Shared Service
- 5.10 Summary: The complainant complained that the Council failed to advise her to claim universal credit after she submitted a claim for Housing Benefit. The Council was at fault as it failed to respond to the claimant’s correspondence which meant she missed out on housing payments she was entitled to. The remedial action that we were directed to take was a written apology and financial redress of £1,676.75.

6. Housing Ombudsman Service Complaints

- 6.1 Tenancy related complaints i.e., those which are classed as a landlord function, are referred to The Housing Ombudsman Service (HOS), rather than being dealt with by the LGSCO.
- 6.2 In 2022-2023 there was just one complaint fully investigated by the HOS. This was upheld as follows:

The tenant complained that void recharges for the property she had vacated were unfair because they related to garden maintenance and clearance. The tenant had disabilities and had applied for help from the gardening service because she was unable to maintain the garden. The HOS found fault with the council and ordered the following remedy:

- A written apology to the tenant for the failure identified in the investigation.
- £100 compensation. To acknowledge the inconvenience caused by the inconsistent response to the complaint.
- A review of the recharge for the garden works to establish if some or all of the recharge relates to work that would have been covered by the assisted gardening service, that amount deemed to be invalid and to be cancelled (or refunded if already paid)

7. Complaint Trends

- 7.1 In the full year to 31 March 2023 there has been an increase in the number of complaints received compared to the previous year.
- 7.2 Complaints from our tenants about repairs to their homes, continue to be our most common complaint. A part of the increase is due to the publicity about damp and mould and its effect on the health of residents.
- 7.3 Complaints about responsive repairs, tenancy issues, housing investment and

parking and community services have all increased on the previous year.

- 7.4 The PPASB team complaints, complaints about Events, Benefits and Major Developments have all seen a notable reduction in the number of complaints received.

8. Compliments

- 8.1 On a more positive note, despite the current challenges and pressures, the council continues to receive regular compliments from the public. These tend to acknowledge the professionalism of staff and occur across all service areas. Residents often take the time to appreciate the care and consideration demonstrated by our staff.

9. Organisational Impacts

Strategic Priority: High Performing Services

Finance – There are no direct financial implications arising from this report.

Legal – There are no direct legal implications arising from this report.

Equality and diversity – The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

To ensure that we deliver our Equality Duty we accept complaints from customers via all communication channels. Customers can complain in person, verbally, in writing or via our online complaints template. Customers who need assistance to log a complaint can get help from Customer Services to ensure that they are heard. All complaints received are dealt with equally regardless of how they are made.

Community engagement and communications. We welcome feedback from customers and clearly promote the Complaints procedure on our website and in our public buildings.

10. Recommendation

Members to consider and comment on the complaints report for 2022-2023

Is this a key decision?

No

Do the exempt information categories apply?

No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

No

How many appendices does the

None

report contain?

List of Background Papers:

None

Lead Officer:

Joanne Crookes, Customer Services Manager
Email: jo.crookes@lincoln.gov.uk

This page is intentionally blank.

AUDIT COMMITTEE

25 SEPTEMBER 2023

SUBJECT:	REVISED INTERNAL AUDIT PLAN 2023/24
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	AMANDA STANISLAWSKI, AUDIT MANAGER

1. Purpose of Report

- 1.1** To advise Audit Committee of a change in the number of days in the Audit Plan and to seek views on audit coverage in the second half of the year and to approve the revised Audit Plan for 2023/24.

2. 2023/24 Audit Plan

- 2.1** Following the departure of the Principal Auditor and Auditor and the inability to recruit, the current Audit Plan (Appendix 1) needs to be amended to reflect a lower level of resource. There has also been additional work associated with the recruitment and future of the service which was not included in the previous plan resource calculation.
- 2.2** The revised plan has been reduced by 32 days, with other savings in resources made through reducing support to Assurance Lincolnshire and sharing the Housing Benefit Subsidy work with the Revenues Team. Appendix 2 is a copy of the revised plan together with additional information.
- 2.3** The plan will be resourced through the purchase of days from Julia Raftery Consulting Ltd, purchase of specialist IT days from Audit One, days from the casual Auditor and the Audit Manager. However, if the positions are filled some of the audits may be able to be reinstated or costs reduced.
- 2.4** Recruitment to the posts is currently in progress, a verbal update will be provided at the meeting. Work is also in progress to look at building in a career grade to enable more scope for recruitment if the posts are not recruited to or for any future vacancies.
- 2.5** Set out below are the anticipated changes to be made to the original plan:-

Proposed to be deferred until 2024/25 Audit Plan:

- Business Continuity
- CCTV
- Fleet

Proposed to be removed:-

- Electoral Registration

Appendix 2 provides the rationale behind these changes.

- 2.6 The revised plan focuses on core financial audits and other key areas to enable internal audit to provide an annual opinion on the governance, risk and control environment at the year end.
- 2.7 Appendix 1 is a copy of the original plan as agreed in March 2023. The revised plan is shown as Appendix 2.

3. Organisational Impacts

3.1 Finance (including whole life costs where applicable)

The costs incurred through the outsourcing of a number of audits in the Annual Plan and a loss of income (from a reduced number of days provided to the Assurance Lincolnshire partnership) will be partially funded through the vacancy savings accruing until the new staff are appointed; we are currently forecasting a small overspend.

3.2 Legal Implications including Procurement Rules

There are no direct legal implications arising as a result of this report.

3.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

There are no direct E and D implications arising as a result of this report.

4. Recommendation

- 4.1 Audit Committee are asked to consider the proposed amendments to the Audit Plan, identify any amendments which it considers appropriate, and approve a revised plan for the year.

Is this a key decision? Yes/No

Do the exempt information categories apply? Yes/No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? Yes/No

How many appendices does the report contain? Two

List of Background Papers:

None

Lead Officer:

Amanda Stanislawski, Audit Manager
Email: amanda.stanislawski@lincoln.gov.uk

This page is intentionally blank.

Internal Audit

2023/24 Plan



City of Lincoln Council
March 2023

Contents

The Planning Process

Page 1

Introduction

Developing the plan

Updating the plan

Delivery and Focus

Page 2

Delivering the plan

Audit focus

Annual internal audit opinion

Appendices

Page 4

A – Internal audit plan

B – Areas not on the audit plan

C – Head of internal audit's opinion

D – Working protocols

E – Our quality assurance framework

The contacts at Assurance Lincolnshire are:

Amanda Stanislawski

Audit Manager (Head of Internal Audit)

Amanda.stanislawski@lincoln.gov.uk

Ellen Williams

Principal Auditor

Ellen.Williams@lincoln.gov.uk

The Planning Process

Introduction

This report sets out the Internal Audit Plan as at 1st April 2023. The plan details the activities to be audited and the indicative scope for each audit. The draft plan gives you an opportunity to comment on the plan and the priorities that we have established.

Our audit plan delivers assurance within agreed resources of 310 days, covering the period April 23 to March 24. This includes 300 days of internal resource and 10 days specialist IT resource.

The plan may be amended throughout the year to reflect changing assurance needs.

In Appendices A to E we provide for you information details of:

- Auditable Activities
- How the draft plan achieves the requirements of the Audit and Accounts Committee and Head of Internal Audit
- Our Working Protocols and Performance
- Our Quality Assurance Framework

Developing the plan

The internal audit plan has been developed using various sources including our external intelligence, local knowledge and the meetings held with Assistant Directors and the Senior Leadership Team as a whole. **Figure 1** shows the key sources of information that has helped inform the plan.

We have prioritised our audit work taking account of the impact an activity will have on the Council if it fails. The criteria for determining priority are:

- **Significance** - how important is the activity to the Council in achieving its objectives, key plans and in managing its key risks. We look at both financial loss and strategic impact.
- **Sensitivity** - how much interest would there

be if things went wrong and what would be the reputational and political impact.

- **Level of Assurance** – we assess the current level of assurance evaluating reliability and contribution to the Head of Internal Audit annual opinion on governance, risk and control.
- **Time**– when it will happen (this will determine when the best time to do the Audit is).

Figure 1 – Key sources of information



Updating the Plan

Through the year we will collect business intelligence that identifies emerging audits which could be included in the plan according to priority.

The primary source of business intelligence will be the regular liaison meetings between our team and the nominated liaison contact, other sources of intelligence will include:-

- Committee reports
- Key stakeholders
- Risk registers
- Officer groups

Delivery and Focus

Delivering the Plan

The audit plan has been developed to enable us to respond to changes during the year. Whilst every effort will be made to deliver the plan, we recognise that we need to be flexible and prepared to revise audit activity – responding to changing circumstances or emerging risks. The plan is therefore a statement of intent – our liaison meetings with senior management will enable us to firm up audit activity during the year.

The aim is to deliver the audits included in the plan in accordance with the schedule which will be devised once the plan is agreed. The schedule will be drawn up following liaison with the various auditees and Assistant Directors. Resources will then be allocated accordingly to the audits at the specified times. It is therefore important that any changes required to the audits or the schedule are notified to Internal Audit as soon as possible to avoid abortive time being spent on audits and for us to reallocate resources.

The Council's Internal Audit Plan is **310 Days**.
The core team who will be delivering your Internal Audit plan are:

Head of Internal Audit / Audit Manager
Amanda Stanislawski

Principal
Ellen Williams

Auditor
Karen Atkinson / contracted support

Audit Focus for 2023/24

In the following table we provide information on key audit areas and the rationale for their inclusion in the audit strategy and plan.

Appendix A outlines the various audits to be undertaken within each area. Appendix B contains those areas which we have not been able to include in the plan, but management may wish to consider whether they should be included.

Area	Reason for inclusion
Financial Governance	Providing assurance that key financial controls are in place and operating effectively during the year across all areas of the Council. This work provides the Section 151 Officer with a key element of his assurance that the Council has effective arrangements for the proper administration of its financial affairs.
Governance & Risk	Providing assurance that key governance controls are in place and are operating effectively. These cross cutting audits focus on the Council's second line of assurance - corporate rather than service level systems.
Critical Activities	Our discussions with Assistant Directors identified some critical activities where a potential audit would provide independent assurance over the effectiveness of risk management, control and governance processes.
Project Assurance	There are a number of critical projects identified by the Council.
ICT	Technology and associated threats and opportunities continue to evolve at a pace. The effectiveness of ICT has a

Area	Reason for inclusion
	significant impact on how well the Council works. We will seek to provide assurance that key controls comply with industry best practice and are operating effectively.
Follow Up	<p>We will carry out spot checks to ensure agreed actions are implemented to provide assurance that identified control improvements have been effectively implemented and the risks mitigated.</p> <p>Working with management we also track the implementation of agreed management actions for all audit reports issued.</p>
Combined Assurance	Working with management we co-ordinate the levels of assurance across the Council's critical activities, key risks, projects and partnerships – producing a Combined Assurance Status report for management.
Consultancy Assurance	At the request of management, we undertake specific reviews where they may have some concern or are looking for some advice on a specific matter or around governance, risk and controls for a developing system. Such reviews are not normally given an audit opinion.

Annual Internal Audit Opinion

We are satisfied that the level and mix of resources - together with the areas covered in the plan - will enable the Head of Internal Audit to provide their annual internal audit opinion.

Appendix A – Internal Audit Plan 2023/24

Our proposed planned audits are listed below.

Audit Area	Assurance Sought	Assurance Map RAG Rating Risk	Internal Audit Risk Assessment	Strategic Risk Register	Corporate Priority	Days
Financial Governance						
VAT/Tax	Assurance that VAT has been correctly accounted for and claims submitted in-line with HMRC requirements.	G	12			8
Insurance	Processes in place ensure that the responsibility for insurance is clearly defined and sustainable, adequate cover is in place, compliance with internal procedures and claims are dealt with promptly.	G	11			8
Council Tax	There are effective arrangements in place which ensure that council tax due to the Council is correctly identified, calculated, requested and accounted for. Refunds, discounts, exemptions and write-offs are correctly applied.	G	9			10
Creditors	Assurance that there are effective processes and procedures in place which ensure payments are made to the correct suppliers in a timely manner and in accordance with the Council's Financial Procedure Rules.	G	9			10
Housing Rents	To review the processes in place which ensure that voids are managed effectively reducing the loss of income. Rent is charged correctly to the correct people, collected promptly, accounted for accurately and arrears are managed effectively in accordance with policies.	A	8			10
NNDR	To carry out a review of the key controls to provide assurance that NNDR is accurately charged and promptly collected in accordance with procedures. Refunds, discounts, exemptions and write-offs are correctly applied.	G	9			5
Treasury Management	To carry out a review of the key controls to provide assurance that separation of duties are maintained, system access is restricted, procedure rules are adhered to and monitoring and reporting undertaken.	G	8			5

Audit Area	Assurance Sought	Assurance Map RAG Rating Risk	Internal Audit Risk Assessment	Strategic Risk Register	Corporate Priority	Days
Governance and Risk						
Contract Management	To review the processes in place for managing contracts throughout the Council.	A	12	✓		12
Governance Health Check	Health check of COLC against the 7 governance characteristics within the Centre of Governance and Scrutiny's Governance, Risk and Resilience Framework.	N/A	N/A			10
Business Continuity	Review to ensure there is a process and plans in place for all relevant areas. The revised plans take on board lessons learned from the pandemic.	A	10			6
Counter Fraud	NFI, strategy, policy, health check, partnership, training, money laundering, identity.	N/A	N/A			20
Electoral Registration	Review of the maintenance of the electoral register and implementation of new legislation.	R	10			8
Critical Activities						
Housing Strategy and New build / new homes	The Council has a plan in place that includes the delivery of new homes which is realistic and adequately resourced. There are processes in place which ensure that any conditions of funding are adhered with.	A	12		✓	10
CCTV	Review of the processes in place to ensure that the service complies with the regulatory requirements, is appropriately resourced and has processes in place for maintaining and sharing information in response to incidents. Equipment is maintained and secure.	G	12			8
Fleet	Review to ensure that the fleet is procured and managed in accordance with the policies and procedures. There are controls in place to ensure that fuel and consumables are used on council fleet vehicles and policies on private use of fleet vehicles are in place.	A	12			10
Neighbourhood Management and Regeneration	There are structures, processes and plans/strategies in place which ensure that neighbourhood management is effective and achieves its intended outcomes now and in the future.	A	11			8

Audit Area	Assurance Sought	Assurance Map RAG Rating Risk	Internal Audit Risk Assessment	Strategic Risk Register	Corporate Priority	Days
Staff Recruitment, Retention and Talent Management	Staff recruitment, selection and retention processes ensure compliance with the relevant legislations, policies and procedures. Processes in place to address the long term vacancies and 'grow' staff.	A	7	✓		10
Performance Management Follow Up	To follow-up the implementation of recommendations made in the previous Limited assurance report to ensure they have been completed and the assurance level improved.	N/A	N/A			5
Programme / Project Assurance						
Housing IT	System Implementation Gateway reviews	A	9			8
Western Growth Corridor	To continue to provide assurance that appropriate partnership governance and programme management arrangements are in place for the relevant Phase.	A	10	✓		10
UK Shared Prosperity	The processes in place for the governance and management of the Fund including the management of the Expressions of Interest for projects.	A	12			8
ICT						
Cyber Security	To provide assurance that the key areas of cyber security have been addressed in accordance with the National Cyber Security Centre 10 steps.	A	N/A	✓		10
Digital	To ensure security of on-line services (web-site/forms/applications etc)	N/A	N/A			5
Access Control	To provide assurance over the processes in place for controlling access to systems, network and suppliers remote access control arrangements.	N/A	N/A			8
Follow-up						
Follow-ups	Follow-up of recommendations made for the progress report and in detail on a sample basis.	N/A	N/A			5
Combined Assurance						
Combined Assurance	Updating the assurance map and completing the Combined Assurance report for management.	N/A	N/A			10
Days		227				

Non-Audit	
Advice and liaison	
Annual Report	
Audit Committee	
Review IA Strategy and Planning	
Days	48

Grand Total	Total
HB Subsidy Testing	35
Total Internal Audit Days	310

Appendix B –Areas not included in the current plan

These are the areas which are not on the plan but are important.

Auditable Areas	Assurance Sought	Assurance Map RAG Rating Risk	Internal Audit Risk Assessment	Strategic Risk Register	Corporate Priority	Management Request
Corporate Asset Management	There is an up-to-date Strategic Asset Management plan in place which is appropriately communicated.	A	8			
Customer Services and Contact Centre		A	11			
HRA Business Plan		G	11			
Economic and geopolitical uncertainty				✓		
New Telephony System		G	12			
Greyfriars		G	11			
IT Strategy and Infrastructure		G	8			
IT System Acquisition, development and maintenance		A	6			
Cloud Computing		A	6			
IT Operations Security		A	8			
Tree Management		R	9			

Appendix C – Head of Internal Audit's Opinion

Our work is carried out in conformance with the UK Public Sector Internal Audit Standards. These require that the scope of Internal Audit covers the whole range of the Council activities – seeking to provide an annual internal audit opinion on the governance, risk and internal control environment of the Council which has been established to:

- Achieve strategic objectives
- Ensure effective and efficient operational systems and programmes.
- Safeguard assets and interests of all kinds (including risks that relate to work it undertakes through partnerships)
- Ensure the reliability and integrity of financial and operational information.
- Ensure economic, efficient and effective use of council resources.
- Ensure compliance with established policies, procedures, laws, regulations and contracts.

Our Internal Audit Strategy

It is important that the Internal Audit function focusses its work on what matters most to you – providing insight, assurance and added value to the Council. Whilst we have a plan in place this is flexible and may be changed during the year enabling greater flexibility and responsiveness – ensuring each piece of work is the right one, delivered at the right time. The plan is therefore more dynamic and responsive – essential for an effective Internal Audit service.

Our internal audit activity and plan has been driven by the Council's key objectives within the corporate plan, your key risks and critical service areas identified as part of the Combined Assurance Map.

We aim to align our work with other assurance functions – seeking to look at different ways of leveraging assurance to help us to maximise the best use of the Internal Audit resource and other assurance functions in the Council.

By adopting this approach, it is possible to give the Council comfort that there is a comprehensive risk and assurance framework with no potential gaps. We are then able to use our audit planning tool to target resources. This will minimise duplication of effort through sharing and coordinating activities with management and other management oversight functions.

We have identified the level of assurances in place by using the "Three lines of assurance" model – See **Figure 2**.

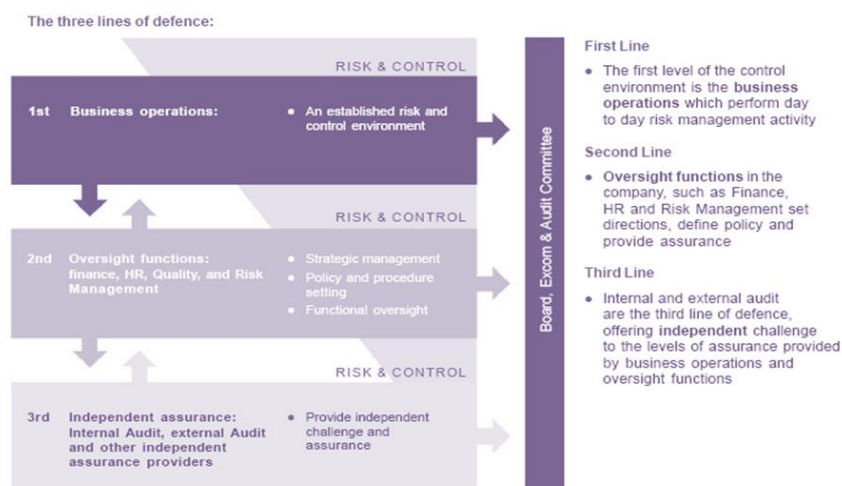


Figure 2 – The three lines of defence

Our Internal Audit Strategy also seeks to co-ordinate our work with other assurance providers where we can. In particular we liaise with External Audit to ensure the Council gets the most out of its combined audit resource.

Appendix D – Working Protocols

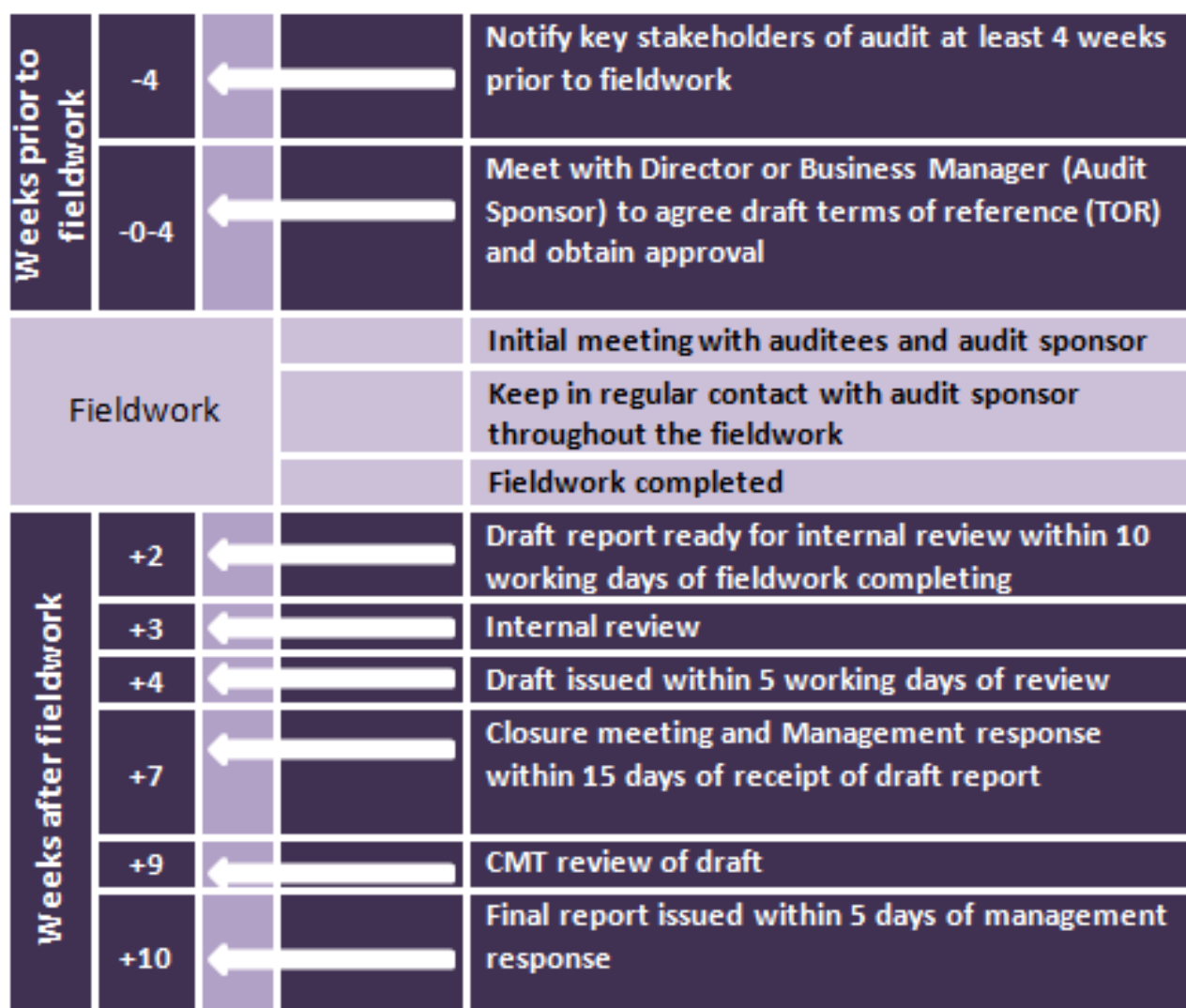
Our approach to delivering of internal audit work is based on a clear protocol detailed in the Audit Charter. How this works in practice is set out at the bottom.

Our performance is monitored by the Section 151 Officer and the Audit Committee - measured against 3 key areas:

- Delivery of planned work.
- Timeliness (contemporary reporting).
- Quality and Impact of work (communicating results / added value).

Strong communication is fundamental to quality delivery and maintaining trusting relationships. We keep management informed in accordance with agreed protocols including:

- Agreeing potential audit work for the forthcoming year
- Providing quarterly updates to evaluate progress and discuss activities and priorities for the next quarter.
- For individual audit engagements we hold planning meetings in person (our preference) by phone or email to discuss and agree the terms of reference and scope of our work.
- We keep you informed of key findings during the audit and upon conclusion we hold a debrief meeting in person to discuss our findings and any outstanding issues.
- We communicate the results of our audit work in a clear and concise way – securing management action where control improvements are needed.



Appendix E – Our Quality Assurance Framework

Quality is built into the way we operate – we have designed our processes and procedures to conform to best practice applicable to Internal Audit – in particular the UK Public Sector Internal Audit Standards and the CIPFA Local Government Application Note.

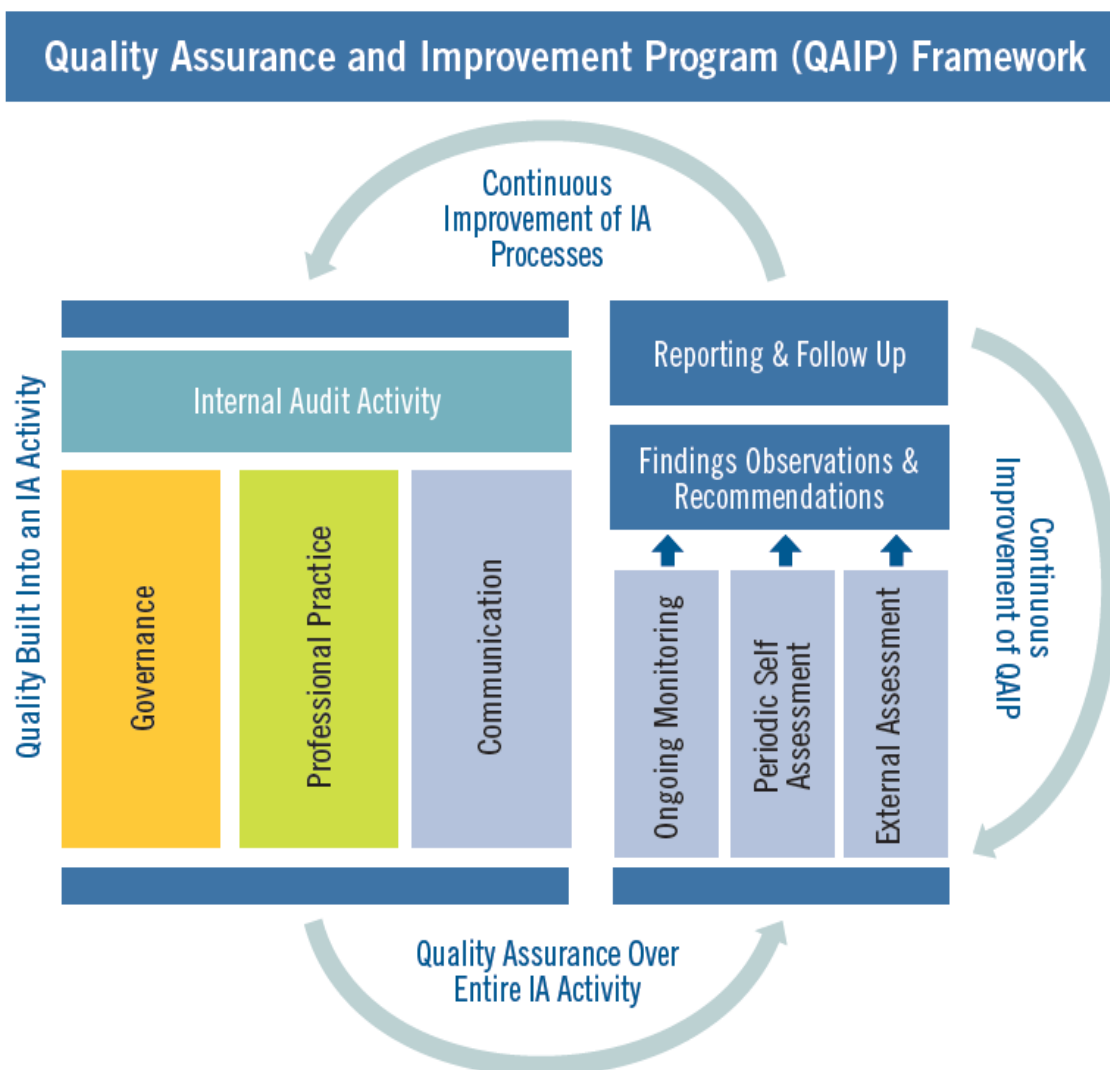
Our audit team offers a wide depth of knowledge and experience gained across different organisations. We promote excellence and quality through our audit process, application of our Quality Assurance Framework and our training and development programme.

Our Quality Assurance Improvement Programme incorporates both the internal (self) and external assessments – this is a mandatory requirement and the Head of Audit reports annually on the results and areas for improvement. Our internal assessments must

cover all aspects of internal audit activity – **The diagram below** shows how we structure our internal assessments to ensure appropriate coverage.

We use a number of ways to monitor our performance, respond to feedback and seek opportunities to improve. Evidence of the quality of our audits is gained through feedback from auditees and the results of supervision and quality assurance undertaken as part of our audit process.

Our Internal Audit Charter sets out the nature, role, responsibilities and authority of the Internal Audit service within the Council – this was approved by the Audit Committee and was reviewed in 2019 (and 2020) following the planned revision of the CIPFA Local Government Application Note.



Internal Audit

Revised 2023/24 Plan



City of Lincoln Council
September 2023

Contents

The Change Process

Page 1

Introduction

Appendices

Page 2

A – Internal audit plan

B – Changes made to the plan

The contacts at Assurance Lincolnshire are:

Amanda Stanislawski

Audit Manager (Head of Internal Audit)

Amanda.stanislawski@lincoln.gov.uk

Introduction

As stated within the original plan it is usual to revise the plan mid-year to reflect the current risk environment and also align the remainder of the plan with the resources available. This process ensures that the work completed remains focussed on the areas of greatest value whilst remaining sufficient to support the annual audit opinion.

This year continues to be challenging due to the level of vacancies within the team and the recruitment process. We have anticipated that the resources within the Team will not be up to full capacity this financial year due to the time taken to recruit and for the successful candidates to be in post and fully inducted. In the interim we have appointed a contractor to complete some days which has reduced the number of days which have had to be removed from the plan.

We have also had support from the Housing Benefit Subsidy and Quality Control Team to complete the subsidy review which has also reduced the number of days to be removed. The plan has been reduced from 310 days to 278 days.

The process used to prioritise the work has included an assessment of the risk, both financial and non-financial and has drawn on intelligence from across the council.

Appendix A details the revised plan. Those audits highlighted are already in progress.

Appendix B details the changes made to the plan and the rationale behind the changes.

The impact of the vacancies has been reduced due to the reduction in the external work undertaken. The consequence of this will be a reduction in income for the current year. The savings in salary will contribute

towards this and also the additional resources brought in to ensure that the plan coverage is sufficient.

Annual Internal Audit Opinion

We are satisfied that the level and mix of resources - together with the areas covered in the plan - will enable the Head of Internal Audit to provide their annual internal audit opinion.

Appendix A – Internal Audit Plan 2022/23

Our proposed planned audits are listed below.

Audit Area	Assurance Sought	Assurance Map RAG Rating Risk	Internal Audit Risk Assessment	Strategic Risk Register	Corporate Priority	Management Request
Financial Governance						
VAT/Tax	Assurance that VAT has been correctly accounted for and claims submitted in-line with HMRC requirements.	G	12			8
Insurance	Processes in place ensure that the responsibility for insurance is clearly defined and sustainable, adequate cover is in place, compliance with internal procedures and claims are dealt with promptly.	G	11			8
Council Tax	There are effective arrangements in place which ensure that council tax due to the Council is correctly identified, calculated, requested and accounted for. Refunds, discounts, exemptions and write-offs are correctly applied.	G	9			10
Creditors	Assurance that there are effective processes and procedures in place which ensure payments are made to the correct suppliers in a timely manner and in accordance with the Council's Financial Procedure Rules.	G	9			10
Housing Rents	To review the processes in place which ensure that voids are managed effectively reducing the loss of income. Rent is charged correctly to the correct people, collected promptly, accounted for accurately and arrears are managed effectively in accordance with policies.	A	8			10
NNDR	To carry out a review of the key controls to provide assurance that NNDR is accurately charged and promptly collected in accordance with procedures. Refunds, discounts, exemptions and write-offs are correctly applied.	G	9			5
Treasury Management	To carry out a review of the key controls to provide assurance that separation of duties are maintained, system access is restricted, procedure rules are adhered to and monitoring and reporting undertaken.	G	8			5

Audit Area	Assurance Sought	Assurance Map RAG Rating Risk	Internal Audit Risk Assessment	Strategic Risk Register	Corporate Priority	Days
Governance and Risk						
Contract Management	To review the processes in place for managing contracts throughout the Council.	A	12	✓		12
Governance Health Check	Health check of COLC against the 7 governance characteristics within the Centre of Governance and Scrutiny's Governance, Risk and Resilience Framework.	N/A	N/A			10
Counter Fraud	NFI, strategy, policy, health check, partnership, training, money laundering, identity.	N/A	N/A			20
Critical Activities						
Housing Strategy and New build / new homes	The Council has a plan in place that includes the delivery of new homes which is realistic and adequately resourced. There are processes in place which ensure that any conditions of funding are adhered with.	A	12		✓	10
Neighbourhood Management and Regeneration	There are structures, processes and plans/strategies in place which ensure that neighbourhood management is effective and achieves its intended outcomes now and in the future.	A	11			8
Staff Recruitment, Retention and Talent Management	Staff recruitment, selection and retention processes ensure compliance with the relevant legislations, policies and procedures. Processes in place to address the long term vacancies and 'grow' staff.	A	7	✓		10
Performance Management Follow Up	To follow-up the implementation of recommendations made in the previous Limited assurance report to ensure they have been completed and the assurance level improved.	N/A	N/A			5
Programme / Project Assurance						
Housing IT	System Implementation Gateway reviews	A	9			8
Western Growth Corridor	To continue to provide assurance that appropriate partnership governance and programme management arrangements are in place for the relevant Phase.	A	10	✓		10
UK Shared Prosperity	The processes in place for the governance and management of the Fund including the management of the Expressions of Interest for projects.	A	12			8

Audit Area	Assurance Sought	Assurance Map RAG Rating Risk	Internal Audit Risk Assessment	Strategic Risk Register	Corporate Priority	Days
ICT						
Cyber Security	To provide assurance that the key areas of cyber security have been addressed in accordance with the National Cyber Security Centre 10 steps.	A	N/A	✓		10
Digital	To ensure security of on-line services (web-site/forms/applications etc)	N/A	N/A			5
Access Control	To provide assurance over the processes in place for controlling access to systems, network and suppliers remote access control arrangements.	N/A	N/A			8
Follow-up						
Follow-ups	Follow-up of recommendations made for the progress report and in detail on a sample basis.	N/A	N/A			5
Combined Assurance						
Combined Assurance	Updating the assurance map and completing the Combined Assurance report for management.	N/A	N/A			10
Days		195				

Non-Audit	
Advice and liaison	
Annual Report	
Audit Committee	
Review IA Strategy and Planning	
Days	48

Grand Total	Total
HB Subsidy Testing	35
Total Internal Audit Days	278

Appendix B – Changes made to the Plan

Following our assessment of risk and review of business intelligence from across the council, the following changes have been made to the audits listed below. Information on the rationale for each change has also been included.

Audit	Change	Rationale
Business Continuity	Postponed to Q1 2024/25	Requested Q4 to give time for bedding in. Moving to Q1 will not have a significant impact.
Fleet	Postponed to 2024/25	Delays in the receipt of vehicles.
CCTV	Deferred	Lower priority.
Electoral Registration	Removed	Requested removal by management as the Electoral Commission provides assurance in this area.

This page is intentionally blank.

AUDIT COMMITTEE**25 SEPTEMBER 2023**

SUBJECT:	AUDIT COMMITTEE WORK PROGRAMME 2023/24
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	AMANDA STANISLAWSKI, AUDIT MANAGER

1. Purpose of Report

- 1.1 To provide details of the Audit Committee work programme for 2023/24.

2. Background

- 2.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) identifies the purpose of an Audit Committee, in its Practical Guidance for Local Authorities and Police 2022 Edition, as providing an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.
- 2.2 In local authorities, audit committees are necessary to satisfy the wider requirements for sound financial and internal control. Accounts and Audit (England) Regulations 2015 state 'the relevant authority must ensure that it has a sound system of internal control which; facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk'.
- 2.3 With a known work plan, and appropriate and timely learning and development for Members, the committee will be well prepared, and members will gain the knowledge and experience needed to carry out their role effectively.
- 2.4 The Audit Committee approves a work programme each year and monitors progress against it. Any changes to the work programme are reporting to the Committee.

3 2023/24 Work Programme

- 3.1 The proposed work programme for 2023/24 based on the Committee's Terms of Reference and cyclical reporting, is attached at Appendix B. Since last reporting to this Committee, the following changes have been made to the work programme (as shown in red/italics in Appendix B):
- Assessment of going concern Status
 - Statement of Accounts (including Annual Governance Statement) (Final)
 - External Audit Completion report (22/23)

The work has not yet been completed by External Audit and therefore these will all now be presented at a future meeting of the Committee once the audit of the Accounts is complete.

The meeting on 12th September was cancelled due to room availability, with the meeting on 25th September originally set up to review the final accounts being reinstated as a general meeting.

3.2 A copy of the Audit Committee's Terms of Reference is attached at Annex A

4. Learning and Development

4.1 CIPFA identify a key characteristic of an effective Audit Committee as having a membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role. There is a range of knowledge and experience that audit committee members can bring to the committee which will enable it to perform effectively. No one committee member is expected to be an expert in all areas. There are however some core areas of knowledge which committee members need to acquire in addition to the need for regular briefings and training.

4.2 Members need to consider annually their learning and development plan to support them in delivery of their roles. During 2023/24 the following training is scheduled/has been provided:

- 6th June 2023 – Local Government Financial Statements - Provided
- 17th July 2023 – Audit Committee Effectiveness – Provided
- 16th August 2023 – Risk Management (All Members) - Provided
- 30th January 2024 – Treasury Management
- TBC – Counter Fraud Training

5. Organisational Impacts

5.1 Finance (including whole life costs where applicable)

There are no direct financial implications arising as a result of this report.

5.2 Legal Implications including Procurement Rules

There are no direct legal implications arising as a result of this report.

5.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

There are no direct E and D implications arising as a result of this report.

6 Risk Implications

6.1 By identifying the key topics to be considered at the Audit Committee meetings and receiving appropriate learning and development sessions in respect of their roles and responsibilities, Audit Committee Members can undertake their duties effectively and deliver them to a high standard, thereby adding to:

- the robustness of the risk management framework;
- the adequacy of the internal control environment and
- the integrity of the financial reporting and annual governance of the Council.

7. Recommendation

7.1 Audit Committee are asked to comment on and agree the updated work programme for 2023/24.

Is this a key decision? Yes/No

Do the exempt information categories apply? Yes/No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? Yes/No

How many appendices does the report contain? Two

List of Background Papers: None

Lead Officer:

Amanda Stanislawski, Audit Manager
Email: amanda.stanislawski@lincoln.gov.uk

This page is intentionally blank.

Audit Committee terms of reference (Constitution)

9.1 Audit Committee

The Council will appoint an Audit Committee.

9.2 Composition

Audit Committee

- (a) The Audit Committee will comprise of seven Councillors and one independent member
- (b) The seven councillors of the Audit Committee should include the Chair of Performance Scrutiny Committee.
- (c) A member of the Executive may not be a member of this Committee

9.3 Statement of purpose

- (a) The Audit Committee will have the following roles and functions:
- (b) The audit committee is a key component of the City of Lincoln's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- (c) The purpose of the Audit Committee is to provide independent assurance to the Council members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the City of Lincoln's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- (d) To decide upon and authorise allowances to the Committee's Independent Member.

Governance, risk and control

- (a) To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- (b) To engage with relevant committees to help support ethical values and reviewing arrangements to achieve those values as appropriate

- (c) To appoint Lead Member to monitor and oversee Information Governance practices within the Council along with the Information Governance Board.
- (d) To monitor the effectiveness of the Authority's risk management Arrangements (development and operation),
- (e) To monitor the Council's anti-fraud and anti-corruption arrangements (including an assessment of fraud risks);
- (f) To monitor the counter-fraud strategy, actions and resources.
- (g) To monitor progress in addressing risk-related issues reported to the committee.
- (h) To maintain an overview of the Council's constitution in respect of contract procedure rules and financial procedure rules;
- (i) To review any issue referred to it by the Chief Executive, a Strategic Director, Monitoring Officer, Chief Financial Officer or any Council body as the Chair considers appropriate within the general Terms of Reference of the Committee
- (j) To review the Authority's assurance statements, including the Annual Governance Statement prior to approval, ensuring it properly reflects the risk environment and supporting assurances (including internal audit's annual opinion on governance, risk and control)
- (k) To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- (l) To review the Council's arrangements for corporate governance, including the local Code of Corporate Governance and agreeing necessary actions to ensure compliance with best practice (the good governance framework, including the ethical framework)
- (m) To review the governance and assurance arrangements for significant partnerships or collaborations.
- (n) To consider the Council's compliance with its own and other published standards and controls;
- (o) To report and make recommendations to Executive or Council on major issues and contraventions;
- (p) To have rights of access to other Committees of the Council and to strategic functions as it deems necessary.
- (q) To receive on an annual basis a report on the Treasury Management Strategy before approval by the Executive and Full Council.

- (r) To be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Internal audit

- (a) Receive and consider the annual report and opinion of the Internal Audit Manager including conformance with Internal Audit Standards
- (b) Review a summary of internal audit activity including internal audit reports on the effectiveness of internal controls, seeking assurance that action has been taken where necessary on the implementation of agreed actions;
- (c) To consider summaries of specific internal audit reports as requested by the Audit committee.
- (d) To Approve (but not direct) internal audit's risk-based annual audit plan including resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those sources.
- (e) Audit Committee Chair to approve significant interim changes to the risk based internal audit plan and resource requirements followed by report to Audit Committee.
- (f) To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- (g) To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments
- (h) To monitor audit performance, including QAIP results and any nonconformance with PSIAS and LGAN.
- (i) To consider whether the non-conformance is significant enough that it must be included in the AGS
- (j) Consider the annual review of effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations
- (k) To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years
- (l) To receive reports outlining the action taken where the Audit manager has concluded that management has accepted a level of risk that may be

unacceptable to the authority or there are concerns about progress with the implementation of agreed actions

- (m) To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.
- (n) To have the right to call any officers or Members of the Council as required to offer explanation in the management of internal controls and risks.
- (o) To approve the internal audit charter.

External audit

- (a) To consider the reports of external audit and inspection agencies, including the external auditor's annual letter, relevant reports, and the report to those charged with governance
- (b) To consider specific reports as agreed with the external auditor.
- (c) To advise and recommend on the effectiveness of relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted;
- (d) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- (e) To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.
- (f) To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- (g) To commission work from internal and external audit, as required, and as resources allow;

Financial reporting

- (a) The Audit Committee, as the Committee "Charged with Governance" should consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts
- (b) To review the annual statement of accounts. The Committee should consider whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

- (c) The Committee will monitor management action in response to any issues raised by external audit 151

Accountability arrangements

- (a) To report to full council on an annual basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

9.4 Proceedings of the Audit Committee

- (1) The Audit Committee must conduct its proceedings in accordance with Rules 6-8, 12.3 to 12.7, 14 -17 and 18-28 (but not Rule 23.1 or 26 of the Council Procedure Rules set out in Part 4 of this Constitution.

9.5 Quorum

Audit Committee

The quorum for any meeting of the Audit Committee shall be three Councillors.

This page is intentionally blank.

**AUDIT COMMITTEE
AUDIT WORK PROGRAMME FOR 2023/24**

Meeting dates	Audit Items – Revised Agenda	Training
6 th June 2023	<ul style="list-style-type: none"> • Annual Internal Audit Report • Annual Fraud & Error Report • Information Governance Update • Annual Governance Statement (Draft) • External Audit – Progress Report • Audit Committee Work Programme 	Local Government Financial Statements
17 th July 2023	<ul style="list-style-type: none"> • Statement of Accounts (Draft) • Internal Audit Progress Report • Audit Recommendations Follow Up Report • Risk Management Annual Update • External Audit – Progress Report 	Audit Committee Effectiveness
12 th Sept 2023	<i>Cancelled due to room availability. Replaced with previously cancelled meeting on 25th September which was scheduled pending confirmation of the date for the completion of the unaudited Statement of Accounts.</i>	
25 th Sept 2023	<ul style="list-style-type: none"> • Assessment of Going Concern Status • Statement of Accounts (including Annual Governance Statement) (Final) • External Audit – Audit Completion report (22/23) • External Audit – Annual Auditor's Report 2021/22 • Annual Complaints Report • Internal Audit Revised Audit Plan • Audit Committee Work Programme 	
Date to be confirmed	<ul style="list-style-type: none"> • Assessment of Going Concern Status • Statement of Accounts 22/23 (including Annual Governance Statement) Final • External Audit – Audit Completion report (22/23) 	

APPENDIX B

Meeting dates	Audit Items – Revised Agenda	Training
12 th Dec 2023	<ul style="list-style-type: none"> • Internal Audit progress Report • Audit Recommendations Follow Up Report • Six Month Fraud & Error Report • Review of Effectiveness of Internal Audit • Review of Effectiveness of Audit Committee • Audit Committee Terms of Reference • Information Governance update • External audit – Annual Audit letter (22/23) • Audit Committee Work Programme 	
31 st Jan 24	<ul style="list-style-type: none"> • Internal Audit Progress Report • Treasury management Policy and Strategy • Anti Bribery Policy • Counter Fraud Policy/Strategy • External Audit – Audit Strategy Memorandum (23/24) • Audit Committee Work Programme 	Treasury Management
21 st Mar 24	<ul style="list-style-type: none"> • Internal Audit Progress Report • Audit Recommendations Follow Up Report • Internal Audit Strategy and Plan 22/23 • Statement on Accounting Policies • IAS19 – Assumptions • External Audit Inquiries • Partnership Governance • CIPFA Financial Management Code • Audit Committee Work Programme 	
Date to be agreed		Counter Fraud Training

A private meeting between the Audit Committee and internal and external audit managers can be arranged outside of the meeting agenda times.