

Present:	Councillor Annie Currier (<i>in the Chair</i>)
Councillors:	Thomas Dyer, Gary Hewson and Pat Vaughan
Independent Member:	Dave Carter and Jane Nellist
Apologies for Absence:	Councillor Emily Wood, Councillor Calum Watt, Councillor Callum Roper and Councillor Clare Smalley

20. Appointment of Chair

It was proposed, seconded and RESOLVED that Councillor Annie Currier be appointed Chair for the meeting.

Councillor Dyer requested that it be formally recorded that he was against the appointment of Councillor Currier as Chair. He was disappointed that neither the Chair or Vice Chair were in attendance at the meeting. He felt that it was inappropriate to appoint Councillor Currier as Chair as she was a newly elected Councillor and the Audit Committee required competence and consistency. He further added that the meeting could have been moved to an alternative date so that the Chair and Vice-Chair could be in attendance.

The Chief Finance Officer advised that the Chair and Vice-Chair had requested that the meeting be moved to an alternative date, however, at the time it was not possible due to the scheduled work programme.

21. Confirmation of Minutes - 15 July 2024

RESOLVED that the minutes of the meeting held on 15 July 2024 be confirmed and signed by the Chair as a true record.

22. Declarations of Interest

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'External Audit: Progress Report'. His Granddaughter worked in the Finance Department at City of Lincoln Council.

23. 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 against the audit plan up to 31 August 2024, 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

d. invited members questions and comments.

Question: Western Growth Corridor had previously been discussed at Audit Committee and had been identified as a significant risk to the Council. Would it be reported to Audit Committee as an individual item rather than being reported as part of the internal progress report?

Response: The Western Growth Corridor was included in the Audit Plan and would be reported through to Audit Committee via the Internal Audit Progress report.

External Audit Response: The Western Growth Corridor arrangements were considered by external audit during the value for money risk assessment and there was no significant risks identified within the governance arrangements.

Question: Why had the Western Growth Corridor Audit been postponed to Quarter 3?

Response: Major Developments were approached to undertake the Audit, however, at that time they could not accommodate an audit due to their workloads as they were focussed on delivering phase1a of the project.

Question: Were Officers satisfied with the current staffing level within the team?

Response: Yes, an experienced Principal Auditor had been appointed and he was able to provide support to the Audit Manager.

Question: What were the sickness percentage levels within the Audit Team and how did this compare to previous years?

Response: A response would be provided following the meeting.

RESOLVED that the report be accepted.

24. Revised Internal Audit Plan 2024/25

Amanda Stanislawski, Audit Manager:

- presented to Audit Committee the revised Audit Plan for 2024/25 which included a change in the number of days in the Audit Plan and sought views on audit coverage in the second half of the year
- explained that the revised plan had been reduced by 28 days, with other savings in resources being made through reducing support to Assurance Lincolnshire
- advised that the following audits had been removed from the plan and the rationale behind the changes were included at Appendix 1 of the report:
 - Project Management
 - Housing Strategy
 - Western Growth Corridor -2 (2023/24)
- added that further changes may be made to the revised plan due to the results of a review currently being undertaken by Corporate Management Team. Any changes would be reported to Audit Committee
- stated that the revised plan would still enable the Audit Manager to provide an annual internal audit opinion

- f. invited members questions and comments.

Question: How much had been spent on agency/contractor support in 2024/25?

Response: An answer would be provided following the meeting.

Question: Did the audit plan contain all of the available days for the team? If not, what were the remaining days spent on?

Response: The rest of the time was taken up by training, sickness, annual leave, general admin and other work such as whistleblowing. A full-time trainee had been appointed to the team which replaced a previous part time position. Quite a lot of time was allocated to the trainee for learning and development. A detailed breakdown would be provided following the meeting.

Comment: It was disappointing that the number of days in the audit plan had to be reduced.

Response: The reduction in the number of audit days was due to staff vacancies. The team was now fully staffed and once the trainee was up and running there would be more hours available. Also, support to Assurance Lincolnshire was no longer required which would allow for more audit hours next year.

Comment: The Western Growth Corridor Audit had been removed from the first quarter. Members were keen to see the audit and the Major Developments Team needed to make time for it.

Response: There should not be an issue completing the Audit going forward. The team were focussed on delivering phase 1a of the project during quarter 1 which was the reason for the delay.

Question: Was City of Lincoln Council above the average number of audit days compared to other Councils?

Response: Yes.

Question: Was there anything that the Audit Committee could do to support Officers in making progress with Audits?

Response: Not at present. Officers were currently reviewing the process to improve how audits were progressed. Officers would include suggestions within the report if they felt that support was required from the Audit Committee.

RESOLVED that the revised Audit Plan 2024/25 be approved.

25. Whistleblowing Policy and Guidance

Amanda Stanislawski, Audit Manager:

- a. presented the Council's current whistleblowing policy and guidance
- b. explained that the current whistleblowing policy had been updated to correct paragraph numbering and some rewording and reformatting. There had been no material change to content
- c. highlighted that the councils whistleblowing policy was part of a range of counter fraud policies which were reviewed every two years (or sooner if required)
- d. stated that a whistleblower was generally a term used for a person who worked in or for an organisation and raised an honest and reasonable

concern about a possible fraud, crime, danger or other serious risk that could threaten colleagues, service users, customers, members of the public or the success and reputation of an organisation

- e. referred to a copy of the policy and guidance at Appendix A of the report and highlighted the marked changes
- f. invited members questions and comments.

RESOLVED that the updated Whistleblowing Policy and Guidance be approved.

26. Learning and Development Plan for Members of the Audit Committee

Jaclyn Gibson, Chief Finance Officer:

- a. presented the proposed Learning and Development plan for members of the Audit Committee, to ensure that committee members were adequately trained and prepared to effectively undertake their role
- b. explained the CIPFA Audit Committee Guidance (2022) and Self-Assessment as detailed in paragraph 3 of the report and summarised the survey responses received
- c. further explained that in response to the feedback a review of the learning and development plan had been undertaken
- d. proposed that the Learning and Development Plan set out at table 4.2 of the report be used to support elected members and independent committee members to effectively undertake their role
- e. invited committees questions and comments.

The Chair commented that it was a good, comprehensive training package that was on offer to Members. How would Officers ensure that the training was completed and what support would be provided to those that had not attended training?

The Chief Finance Officer responded that a training register would be kept, published and reported to Audit Committee annually. The training slides would be circulated to members who were not able to attend training. Individual briefing sessions with Officers would also be available to those that were unable to attend. It was important to ensure that members of Audit Committee were well trained.

RESOLVED that the Learning and Development Plan be noted.

27. Review of the Effectiveness of the Audit Committee

Amanda Stanislawski, Audit Manager:

- a. presented the progress made on implementing the actions that arose from the review of effectiveness of the Audit Committee against the 2022 CIPFA guidance in December 2023
- b. advised that there were 19 actions within the Action Plan with 11 of these implemented to date, full details were contained at paragraph 3 of the report

- c. explained that one remaining action was to maintain a register of training sessions provided to the Committee and to report to Committee annually, the register was contained at Appendix B of the report
- d. further explained that following this committee, the Action Plan monitoring could be signed off, there would be four remaining actions which had exceeded their implementation dates. These were all being progressed but had taken longer to implement than originally anticipated
- e. invited members questions and comments.

Members considered the contents of the report and commented that substitute members did not want to attend training sessions in person directly before a meeting if they were not sitting on the committee that evening. Would it be possible to provide a link so that they could dial into the training session remotely?

The Chief Finance Officer responded that all options would be explored to provide the best options for training.

RESOLVED that

- 1) The progress on the action plan and outstanding actions be noted.
- 2) Members be encouraged to attend future training events and their attendance be monitored annually.

28. Addressing the Local Audit Backlog in England

Jaclyn Gibson, Chief Finance Officer:

- a. presented the Audit Committee with an update on the Government's response to the Addressing the Local Audit Backlog in England: Consultation
- b. gave an overview of the original proposed audit backstop dates included in the consultation that was presented to the last meeting of Audit Committee
- c. summarised the Government Response To Addressing the Local Audit Backlog Consultation as detailed at paragraph 3 of the report and explained that on the 30 July 2024 the new Government set out a written statement with a new backstop date of Friday 13 December 2024 for all outstanding external audits up to and including 2022/23
- d. further explained that for 2023/24 the audit deadline would be 28 February 2025, if these deadlines were not met, accounts would be published with a disclaimer or modified opinion
- e. referred to paragraph 4 of the report and set out the implications for the Council stating that at this stage City of Lincoln Council were in a more favourable position as all financial accounts up to and including 22/23 had been completed by external audit
- f. invited members questions and comments.

RESOLVED that the Addressing the Local Audit Backlog in England consultation and the potential implications for the Council be noted.

29. External Audit: Progress Report

Rashpal Khangura, KMPG:

- a. presented the External Audit Progress Report to provide Audit Committee with an update on progress in delivering responsibilities of the external auditors
- b. referred to the External Audit progress report attached at Appendix A covering the following areas:
 - Valuation of Land and Buildings
 - Valuation of Investment Properties
 - Management Override of Controls
 - Valuations of Post Retirement Benefit Obligations
- c. summarised that there were no significant risks to report
- d. requested that members note the contents of the report and the attached appendix
- e. invited member's questions and comments.

Dave Carter, Independent Member referred to the control deficiency in respect of the review process for reviewing journals and asked what was the concern?

The External Auditor responded that this related to the review process that Management had in place. The available evidence did not show a clear audit trail to evidence that an appropriate review process had taken place before the journal was posted. It was not an uncommon risk to find in Local Government and External Audit were not concerned but were required to report it.

RESOLVED that the contents of the External Audit Planning Update and Progress report be noted.

30. Audit Committee Work Programme

Jaclyn Gibson, Chief Finance Officer:

- a. presented a report to inform members of the Audit Committee on the work programme for 2024/25 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
- d. invited members questions and comments.

RESOLVED that the contents of the Audit Committee work programme 2024/25 be noted.