

## AUDIT COMMITTEE

**Monday, 23 September 2024**
**6.00 pm**
**Committee Rooms 1-2, City  
Hall**

Membership: Councillor(s) Emily Wood (Chair), Calum Watt (Vice-Chair), Annie Currier, Thomas Dyer, Gary Hewson, Callum Roper and Clare Smalley

Substitute member(s): Councillors Pat Vaughan and Aiden Wells

Independent Members: Dave Carter and Jane Nellist

Officers attending: Democratic Services, Jaclyn Gibson and Amanda Stanislawski

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## A G E N D A

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

1. **Confirmation of Minutes - 19 March 2024**

RESOLVED that the minutes of the meeting held on 19 March 2024 be confirmed and signed by the Chair as a true record.

2. **Declarations of Interest**

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Statement of Accounts 2023/24'. His Granddaughter worked in the Finance Department at City of Lincoln Council.

3. **Annual Governance Statement 2023/24**

Michelle Hoyles, Business Manager Corporate Policy and Transformation:

- a. presented a report to inform Audit Committee that the Annual Governance Statement (AGS) had been prepared, a copy of which was attached at Appendix A of the report
- b. explained that as required by statute the AGS would be appended to the Council's Statement of Accounts
- c. advised that no new significant issues had been identified for inclusion in the AGS 2023/24, and as such the document concluded that governance arrangements at City of Lincoln Council remained effective
- d. explained that during the annual review, six governance issues, whilst not meeting the threshold to be 'significant' were identified for monitoring over the coming year in order that they could be addressed. These related to the following areas:
  - Contract Management
  - IT Asset Management
  - Lincoln Project Management Model
  - Use of Support Services
  - Capacity of frontline support services and recruitment challenges
  - Lincoln Performance Management Framework
- e. advised that the new RAG rating for the seven CIPFA core principals were detailed in part 2 of the AGS
- f. referred to part 3 of the AGS and advised that there was one action which related to Lincoln Project Management Model, on the basis that the other five

governance issues proposed for monitoring already had actions in place through other mechanisms

g. invited members questions and comments.

**Question:** With reference to core principle E in relation to staff retention and recruitment, which areas of the Council were most affected?

**Response:** It was mainly professional services or technical areas that were affected for example, Audit, Legal, Finance and Building Control. Recruitment had recently improved in some areas.

**Question:** Would the AGS report need updating due to the recent recruitment of the Principal Auditor?

**Response:** The report would not be updated as it was prepared at a point in time for the previous Audit Committee which was cancelled due to the pre-election period because of the General Election.

RESOLVED that the contents of the Annual Governance Statement 2023/24 be noted and incorporated into the Council's draft Statement of Accounts.

#### **4. Change to Order of Business**

RESOLVED that the order of business be changed to run as follows:

- Information Governance Statement
- Risk Management
- Exclusion of Press and Public
- Information Governance Statement – Appendix A
- Risk Management - Appendix B
- Inclusion of Press and Public
- The agenda to continue unchanged from Item 4 onwards

#### **5. Information Governance Update**

Sally Brooks, Data Protection Officer:

- a. presented a report to update Audit Committee on progress made with Information Governance monitoring the Council's compliance with data protection legislation including the General Data Protection Regulation, the Data Protection Act 2018 and the Freedom of Information Act 2000
- b. highlighted that update reports were submitted to Audit Committee on a bi-annual basis. The last report was provided on 12 December 2023
- c. provided details of the following key areas:
  - Data Protection Training (Risk 1)
  - Data Protection Reform ( Risk 3- Policies and Procedures)
  - Retention and Disposal of Personal Data ( Risk 5)
  - Data Subject's Rights (Risk 8)
  - Freedom of Information Requests
  - Annual Governance Statement (AGS)
- d. invited members questions and comments.

**Question:** Was the Freedom of Information service a cost to the Council and if so, how much did it cost?

**Response:** Freedom of Information was a statutory duty and there was a cost associated with resource and staffing. There was not a specific budget as it was included as part of employees day to day job role. A log was kept on how much staff time was spent on freedom of information requests, however, this was not equated to how much it cost.

**Question:** How would AI be used throughout the Council and what was the timeline for having AI policies in place?

**Response:** AI would be a useful tool across many areas of the Council. There was a tool within the Office 365 suite that could be used in the future, but this would not be authorised until the policies were implemented by the Council. There was a lot of ongoing research into AI to ensure that it could be used and that the policies in place were effective.

RESOLVED that the content of the report be noted.

## **6. 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, had recently been reviewed 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 the Strategic Risk Register for 2023/24 was initially formulated by the Corporate Leadership Team and presented to Executive and Performance Scrutiny Committee. The initial register contained 14 risks, which remained constant throughout 2023/24 as detailed at paragraph 4.2 of the report
- d. 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 (Appendix A)
  - Formulation of the Directorate (Operational) Risk Registers
  - Training
  - Risk Management Benchmarking
  - Greater Lincolnshire Risk Management Group
  - Internal Audit
  - Work Programme 2024/25
- e. reported that there was an audit scheduled to be completed in 2024/25 in quarter 2 with the following scope:
  - To ensure there was a risk management strategy in place which was up to date and embedded and that Risk Registers were complete, reviewed and contained appropriate mitigating actions

- f. requested members consideration on the content of the report.

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

**7. 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.

**8. Information Governance Update - Appendix A**

Minute number 5 included details of the discussion associated with this item.

*(Only Appendix A Information Governance Risk Register was contained here as exempt information.)*

RESOLVED that Appendix A (Exempt Information) be accepted.

**9. Risk Management Annual Update - Appendix B**

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

RESOLVED that Appendix B (Exempt Information) be accepted.

**10. Inclusion of Press and Public**

RESOLVED that the press and public be included back into the meeting.

**11. 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 15 May 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. updated that an Auditor and a Principal Auditor had been recruited to the team
- e. invited members' questions and comments:

**Question:** With reference to the Contract Management audit, were Officers satisfied that the actions had been undertaken?

**Response:** Yes, Officers were satisfied that the actions were being undertaken.

**Question:** Referred to the IT Asset Management audit and commented that some of the key observations overlapped with the IT Cyber Security audit for example mobile phones had been identified within the Asset Management audit as a significant risk so if mobile phones were not adequately secure then this increased the risk of cyber security attacks.

**Response:** The Asset Management audit was a specific audit with a narrow scope looking purely at the management of IT assets including inventories and security. The Cyber Security audit looked at the wider aspects of cyber security covering governance, training, network and risk. Whilst it did include some aspects of device management it was purely from a cyber security angle.

**Question:** Did Officers require any support from the Audit Committee?

**Response:** No support was required at present.

**Question:** Had guidance been produced on what constituted as a high risk contract?

**Response:** Yes, a process had been developed and was being rolled out across the Council.

**Question:** Was it possible that when staff left the authority that assets were not being returned?

**Response:** There was a process in place for staff leaving the authority but this was an issue across the authority and was being addressed.

**Question:** Were the actions within the staff recruitment, selection and retention audit being implemented?

**Response:** Yes, most had been implemented and were making good progress.

RESOLVED that the report be accepted.

## **12. Audit Recommendations Follow Up Report**

Amanda Stanislowski, Audit Manager:

- a. presented an update to Audit Committee on outstanding agreed actions
- b. referred to Appendix A attached to the report which provided details of relevant audits, outstanding recommendations, agreed actions and the current position/explanation from the Service Manager
- c. explained that within the report there were currently 1 High action and 35 Medium actions remaining to be implemented, there were no overdue actions for limited or low reports
- d. advised that there were 3 reports where the actions had all been implemented. These were Housing Benefit Subsidy, NNDR and Treasury Management
- e. invited members questions and comments.

**Question:** The chasing up of outstanding actions was time consuming for Audit staff. In cases where no progress was being made, would it be appropriate to request that the Service Manager attend Audit Committee to answer why the outstanding issues had not been implemented?

**Response:** This could be an option for those that had not responded to requests by the Audit Team. It could be raised with the Chair when the report was being prepared for the next meeting.

**Comment:** Concerned that some of the outstanding actions were long overdue.

**Response:** There were valid reasons for why the outstanding actions were overdue.

The Chair suggested that the Service Manager for Housing Allocations and Homelessness be invited to attend a future meeting of Audit Committee if the outstanding recommendations had not been addressed before hand.

RESOLVED that

1. updates on Audit Recommendations report be noted.
2. the Service Manager for Housing Allocations and Homelessness be invited to attend a future meeting of Audit Committee if the outstanding recommendations had not been addressed before hand.

### **13. Internal Audit Annual Audit Report**

Amanda Stanislawski, Audit Manager:

- a. presented the Annual Internal Audit Report to the Audit Committee for comments
- b. explained that the purpose of the Annual Internal Audit Report as outlined at Appendix A was to provide a summary of Internal Audit work undertaken during 2023/24, timed to support the Annual Governance Statement by providing an opinion on the organisation's governance, risk management and internal control environment
- c. highlighted that:
  - The three areas, Governance, Risk, Internal Control and Financial Control, where there had been the highest level of assurance had been provided. They were working well having no concerns that significantly affected the governance framework and successful delivery of the Council priorities.
  - Internal control was assessed as performing adequately – some improvements were identified over the Council's Governance, Risk and Control Framework. This was due to a number of factors which included there being two Limited Assurance reports and resource capacity which could have an impact on the internal control environment
- d. explained that there had been no restrictions on the scope of the work to be undertaken; the reduction in time due to vacancies within the team throughout the year had been covered through the employment of consultants and removal of items from the plan



- e. advised that the performance of the Internal Audit Service remained good with 87% of the revised plan being completed and a high level of customer satisfaction. Performance had been impacted due to capacity in some areas including audit span and the ability to chase management responses.
- f. invited members questions and comments.

**Question:** Some audits had been removed from the plan due to the capacity within the Audit team. Would these be looked at for future audits?

**Response:** Yes, they would be risk assessed and prioritised and would be included in the audit plan if necessary.

**Question:** Now that the Audit Team was fully staff, would the whole audit plan be covered?

**Response:** Yes, subject to no further changes within the Team.

**Question:** Only 30% of management responses were received within 10 days. Therefore responses were not being received. Was it time consuming for the Audit Team to chase responses?

**Response:** The delay in responses was due to staff capacity across the authority. The Audit Team would have more time to chase responses now that it was fully staffed.

RESOLVED that the contents of the report and appendices be noted.

#### 14. Internal Audit Annual Fraud Report

Amanda Stanislawski, Audit Manager:

- a. presented a report to update Audit Committee on the performance against the 2023/24 Counter Fraud Work Plan and the outcomes of pro-active fraud work and investigations
- b. summarised the number of fraud cases during 2023/24 compared to the previous year and advised that overall, there had been a general increase in cases this year
- c. gave an overview of the progress that had been made against completing the actions within the Counter Fraud Action Plan as detailed at paragraph 3.2 of the report
- d. advised that the fraud risk register contained 24 risks, none were red, 12 were amber and 12 were green. The highest rated were IT/Data/ Cyber Fraud and Council Tax
- e. invited members questions and comments.

**Question:** When would the Fraud Training for members take place?

**Response:** It was scheduled for October 2024.

**Question:** Why had there been an increase in most cases this year?

**Response:** There had been an improvement in data sources available which allowed for better data matching.

**Question:** Why had whistleblowing decreased? Were staff concerned about reporting?

**Response:** Whistleblowing related to reports from the public for example reporting single person discount claims. This needed re- categorising within the report.

RESOLVED that the contents of the report be noted.

## **15. Counter Fraud Policy and Strategy**

Amanda Stanislawski, Audit Manager:

- a. presented a report to update Audit Committee on the performance against the 2023/24 Counter Fraud Work Plan including the outcomes of pro-active fraud work and investigations and the fraud risk register
- b. summarised the number of fraud cases during 2023/24 compared to the previous year and advised that overall, there had been an increase in most cases this year. Details were provided at paragraph 3.1 of the report
- c. gave an overview of the progress that had been made against completing the actions within the Counter Fraud Action Plan as detailed at paragraph 3.2 of the report
- d. further updated members on the following areas of work that were still in progress. These included Single Person Discount Rolling Review, Self Assessment against the Counter Fraud Strategy and Counter Fraud Training
- e. invited members questions and comments.

RESOLVED that the contents of the report be noted.

## **16. Addressing the Audit Backlog in England**

Jaclyn Gibson, Chief Finance Officer updated that since the publication of the Audit Agenda there had been a change in Government and work could not be continued on this until the new Government announced their policy. It was still useful to provide the following information to committee:

- a. presented the Audit Committee with a summary of the recent consultation undertaken by the Department for Levelling Up, Housing and Communities (DLUHC) for addressing the Local Audit backlog in England
- b. detailed the background to the local audit back log and advised that a consultation and proposal was issued on 8 February 2024 to clear the audit backlog for English councils. The General Election was called before the results of the consultation were released
- c. gave an overview of the proposed package of measures within the consultation as detailed at paragraph 3 of the report
- d. advised that the Council was in a favourable position compared to many other authorities as all financial accounts up to and including 2022/23 had been completed by external audit and it had received a positive value for money statement up to 2022/23

- e. 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.

**17. Statement of Accounts 2023/24 (Draft)**

Jaclyn Gibson, Chief Finance Officer:

- a. presented the draft Statement of Accounts for the financial year which ended 31 March 2024, 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.

**Comment:** The Council's financial position looked positive.

**Response:** Yes, the Council performed well in 2023/24. There was a contribution to the reserves and an underspend on both the Housing Revenue Account and General Fund. However, it was uncertain times at present and Officers remained cautious.

**Question:** What assets were disposed of apart from Right to Buys?

**Response:** It was only Right to Buys disposed of in 2023/24, there were no other sale of assets that year.

**Question:** How were the inconsistencies with the use of Lincoln Project Management Model on projects being addressed?

**Response:** The project governance arrangements would be reviewed and updated, to ensure that all projects were being implemented in full accordance with the Lincoln Project Management Model (LPMM) and that use of the LPMM was consistent. The LPMM would be reviewed over the coming year.

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

**18. External Audit: Draft Value for Money Risk Assessment**

Rashpal Khangura, KMPG, External Audit:

- a. presented a report to receive and comment upon the External Audit Value for Money Risk Assessment for the year ending 31 March 2024, which assessed whether there were any significant weaknesses in the Council's arrangements to secure Value for Money

- b. outlined the risk assessment processes which included obtaining an understanding of the key processes that the Council had in place, including financial management, risk management and partnership working arrangements
- c. explained that KPMG had evaluated the design controls in place for a number of the Council's systems, reviewed reports from external organisations and internal audit and performed inquiries of management
- d. advised that no significant risk had been identified for any of the relevant domains of Financial Sustainability, Governance and Improving economy, efficiency and effectiveness
- e. invited members questions and comments.

RESOLVED that the content of the Draft Value for Money Risk Assessment be noted.

## 19. **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. updated that two Independent Members would formally be appointed to the Audit Committee at Council on 16 July 2024 and would be in attendance at the September Audit Committee
- e. invited members questions and comments.

**Question:** Would the Audit Committee's Terms of Reference be updated to reflect the changes to the membership of the committee?

**Response:** The Terms of Reference had been updated and would be agreed at Council on 16 July 2024.

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

**AUDIT COMMITTEE**

**23 SEPTEMBER 2024**

<b>SUBJECT:</b>	<b>INTERNAL AUDIT PROGRESS REPORT</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE &amp; TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>AMANDA STANISLAWSKI, AUDIT MANAGER</b>

**1. Purpose of Report**

- 1.1 To present the Internal Audit Progress Report to the Audit Committee, incorporating the overall position reached so far, and summaries of the outcomes of audits completed during the period.

**2. Background**

- 2.1 The Internal Audit progress report attached (Appendix A) covers the following areas:-
- Progress against the plan
  - Summary of Audit work
- 2.2 The report highlights progress against the audit plan up to 31 August.

**3. Progress Report**

- 3.1 Four reports have been issued since the previous Progress Report in June. These include VAT/Tax (High), Governance Health Check (Substantial), Housing Benefit Subsidy (Substantial) and Online Services (Substantial). We have also completed the first Follow-up spot check review which provided a positive opinion. Summaries of these reports are included within the Appendix.
- 3.2 Performance data shows a number of indicators are currently below the annual targets. The reasons for this are included within the report but some are also skewed due to the low numbers and nature of the audits. Overall completion of the plan is on target.

**4. Organisational Impacts**

**4.1 Finance (including whole life costs where applicable)**

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

**4.2 Legal Implications including Procurement Rules**

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

**4.3 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.

## **5. Recommendation**

- 5.1 The Audit Committee is asked to review and comment on the content of the latest Internal Audit Progress Report.

**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?** One

**List of Background Papers:** None

**Lead Officer:** Amanda Stanislowski, Audit Manager  
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# Internal Audit Progress Report

**City of Lincoln Council  
September 2024**



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## Role of Internal Audit

The requirement for an internal audit function in local governance is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

*'Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.'*

The Global Internal Audit Standards 2024 state the purpose of Internal Audit as:-

*Internal auditing strengthens the organisation's ability to create, protect, and sustain value by providing the board\* and management with independent, risk based, and objective assurance, advice, insight and foresight.*

*Internal auditing enhances the organisation's:-*

- *Successful achievement of its objectives.*
- *Governance, risk management, and control processes.*
- *Decision making and oversight.*
- *Reputation and credibility with its stakeholders.*
- *Ability to serve the public interest.*

*Internal auditing is most effective when:-*

- *It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest*
- *The internal audit function is independently positioned with direct accountability to the board\*.*
- *Internal auditors are free from undue influence and committed to making objective assessments.*

\*Board – Highest level body charged with governance i.e. The Audit Committee.



## The Purpose of the Report

In accordance with the Internal Audit Standards and the Internal Audit Charter, the Head of Internal Audit is required to provide a written status report to Senior Management and Members summarising:

- the status of live internal audit reports.
- an update on progress against the internal audit plan.
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact of the Head of Internal Audits annual opinion.

Assurance opinions are categorised as follows:

<p><b>High</b></p> <p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p> <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p>	<p><b>Substantial</b></p> <p>Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.</p>
<p><b>Limited</b></p> <p>Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives</p>	<p><b>Low</b></p> <p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high</p>



## Performance Dashboard

Performance is measured against a number of different performance measures. The results of which are included below covering the period to 31 August 2024:-

Description	Actual 2023/24	Target 2024/25	Current	Status	Explanation	Change from previous report
Plan Completed	87%	95% / 85% (High/ Low Target)	23%	On target	Quarter 1 was on target and we are currently above our low target of 20% for Quarter 2.	N/A
Audits completed within 2 months	27%	80%	50%	Below target	There have only been two audits completed so far this year. One of these was the subsidy review which is not expected to be completed within two months.	N/A
Draft Report Issued within 10 days	77%	100%	50%	Below target	Two reports were not issued on time. One was due to delays in the review and revision process and the other was due to the election process restricting availability of the auditee and the workload of the Audit Manager.	N/A
Management Response received within 10 days	30%	100%	33%	Below target	Two responses were received within time. The remaining four took between 20 and 67 working days.	N/A
Final Report Issued within 5 days	57%	100%	75%	Below target	Two reports were not issued within time. One was due to annual leave of staff and the other due to the contractor requiring additional clarification and sign-off.	N/A
Customer satisfaction	Excellent	Good to excellent	Excellent	On target	Two returned.	N/A

Performance is measured quarterly against annual targets and is therefore at a very early point in the audit plan cycle. This has led to the performance indicators for audit span and issuing draft reports becoming skewed due to the low numbers involved. Staff resources have also impacted on some of the performance indicators with leave and other workload increasing the turnaround time.

Management responses continue to be delayed despite raising our concerns and chasing. We are therefore implementing a new process which will ensure closure meetings are held and responses obtained at that point rather than afterwards.

The completion of the plan is also now reported as part of the strategic performance monitoring process and has quarterly targets.

## Update on Internal Audit Activity

Since the last progress report, four audits have been finalised resulting in one High assurance, VAT/Tax and three Substantial assurance reports, Governance Health Check, Housing Benefit Subsidy and Online Services. Summaries of these are provided in the following sections of the report. We have also completed the first quarterly follow-up spot check and found that the actions were implemented as reported except one which was no longer relevant as the guidance had changed. Progress on the remaining work from the 2023/24 plan and the work within the 2024/25 plan are also included within the following sections of the report.

Other work has also been completed with the administration of the whistleblowing referrals, recruitment of the Independent Member, supporting the work undertaken at the crematorium and reviewing performance against the new Internal Audit Standards.

## Planning and Resourcing

Audits within the 2024/25 plan have been scheduled in and the schedule circulated to Managers. This was also included within the first quarterly reports to the Departmental Management Team meetings.

Work has been undertaken to produce the revised plan for the second half of the year to take into account the vacancies, sickness and unplanned work undertaken during the year to date. This also provides an opportunity to review what is being looked at and ensure that it remains relevant. A revised plan is being submitted to the Audit Committee for review in September.

The plan completion is currently on target with one of the largest audits being completed in the first six months (Housing Benefit Subsidy). The remaining audits for the first two quarters are underway or being planned.

The Principal Auditor started in July so the Team is now fully staffed.



## Analysis of Audit Reviews

The schedule includes those transferred from the 2023/24 plan as well as those within the 2024/25 plan.

Audit	Start Planned date	Start Actual date	End Actual date	Current Status	Assurance Rating
2023/24 – VAT/Tax	N/A	Nov-23	Apr-24	Complete	High
2023/24 – Council Tax	N/A	Jan-24	N/A	Fieldwork	N/A
2023/24 – Governance Healthcheck	N/A	Feb-24	May-24	Complete	Substantial
2023/24 – Western Growth Corridor - 2	Jan-24	Apr-24	N/A	Fieldwork - paused	N/A
2023/24 – Access Control	Feb-24	Sept-24	N/A	Fieldwork	N/A
Housing Benefit Subsidy	Q1-Q2	May-24	Jul-24	Complete	Substantial
Follow-ups	Q1-Q4	Aug-24	N/A	Q1 Complete	N/A
2023/24 – UK Shared Prosperity	Q2	Not started	N/A	Planning	N/A
Business Continuity	Q2	N/A	N/A	Terms of Reference drafted	N/A
Risk Management	Q2	Jul-24	N/A	Draft Report	N/A
Fleet	Q2	Aug-24	N/A	Fieldwork	N/A
Housing Assistance	Q2	N/A	N/A	Planning meeting booked Sept 11	N/A
Western Growth Corridor - 3	Q2	N/A	N/A	Not started – Postponed to Q3	N/A
ICT Support and Helpdesk service	Q2	N/A	N/A	Planning	N/A
Debtors	Q3	N/A	N/A	Planning	N/A
Housing Benefit and Council Tax Support	Q3	N/A	N/A	Not started	N/A
Corporate Planning – Vision 2030	Q3	N/A	N/A	Not started	N/A
Housing Strategy	Q3	N/A	N/A	Not started	N/A



Audit	Start Planned date	Start Actual date	End Actual date	Current Status	Assurance Rating
Market Operations	Q3	N/A	N/A	Not started	N/A
Homelessness	Q3	N/A	N/A	Not started	N/A
Parking Services	Q3	N/A	N/A	Terms of Reference drafted.	N/A
Protection of vulnerable people	Q3	N/A	N/A	Not started	N/A
Towns Fund	Q3	N/A	N/A	Not started	N/A
IT Strategy and Infrastructure	Q3	N/A	N/A	Not started	N/A
Budget Management	Q4	N/A	N/A	Not started	N/A
Project Management	Q4	N/A	N/A	Not started	N/A
Contract Management Follow-up	Q4	N/A	N/A	Not started	N/A
Planned Maintenance	Q4	N/A	N/A	Not started	N/A
GSW26	Q4	N/A	N/A	Not started	N/A



## Executive Summaries of 'High' or 'Substantial' Assurance Opinions

The table below provides a summary of the high or substantial assurance reports published since the last progress report. It also contains any management updates and progress made since the report was issued.

Audit Review Title: VAT/Tax				
Audit Sponsor/Director	Assurance Opinion	Management Actions		
Chief Finance Officer / Chief Executive	High	High 0	Medium 1	Low/Advisory 2
<b>Summary of Key Observations:-</b>  <p>The audit found that there were robust systems of control in operation, ensuring that VAT is appropriately and accurately accounted for. A number of areas of good practice were identified including procedures in place, experienced staff, checking and approval of VAT returns and procurement card purchases, clearly documented calculations, standard templates and mandatory fields within the finance system.</p> <p>A single recommendation was made to strengthen the general information available to Budget Holders on VAT accounting, including setting out key processes and associated roles and responsibilities more clearly within documented guidance and updating VAT-related training. This was already recognised by the Council as an area needing strengthening. Development of a finance manual/ handbook and provision of Budget Holder training is planned within the coming year to remedy this matter, with both to include guidance on VAT.</p>				

Audit Review Title: Online Services				
Audit Sponsor/Director	Assurance Opinion	Management Actions		
Assistant Director – Strategic Development / Chief Executive	Substantial	High 0	Medium 3	Low/Advisory 0
<b>Summary of Key Observations:-</b>  <p>There are robust and effective arrangements in place for the administration and management of the Council's online services. There is a contract in place with the provider including the terms of service which details responsibilities such as data confidentiality, back-up and compliance with Data Protection legislation. There are also password and account lockout policies to prevent unauthorised access to customer data.</p>				



The recommendations made concern ensuring that the website is subject to annual external penetration testing and annual IT disaster recovery testing and that PCI-DSS accreditation is obtained to ensure that the Council retains the ability to process card transactions. Actions have been agreed for all and will be followed up through the follow-up process.

**Audit Review Title: Governance Health Check**

Audit Sponsor/Director	Assurance Opinion	Management Actions		
City Solicitor / Chief Executive	Substantial	High 0	Medium 5	Low/Advisory 3

**Summary of Key Observations:-**

There are good governance arrangements in place with responsibility being well understood. There are processes in place for signing-off Committee reports, completing the Annual Governance Statement, project management, risk management and whistleblowing. There were a number of areas of good practice including:-

- The future priorities for the Council are set out within its 2025 Vision statement which was informed through consultation with staff, residents, businesses and those working in the city. Service plans and key performance indicators are closely aligned to these.
- There are Codes of Conduct in place for both staff and Councillors setting out responsibilities with training undertaken on these for new starters.
- Matters of interest and importance are communicated internally with both staff and members through briefing notes and videos.
- Training and development is in place and monitored for staff through their annual appraisal and 1-2-1 meetings.
- The Council consults with various relevant external groups when making decisions e.g. Lincoln Citizens panel, residents, tenants etc.
- There are a number of Scrutiny Committees in place including Performance Scrutiny.

The recommendations made were to draw up a Communications plan for the Council as a whole, improving the training records of Councillors, reviewing the responsibility for overseeing training and development for Councillors, updating the constitution to reflect the current practice of the Select Scrutiny Committee and completing a self-assessment or external assessment of the effectiveness of the Scrutiny Committees. All have been agreed and target dates set for implementation.





Audit Review Title: Housing Benefit Subsidy				
Audit Sponsor/Director	Assurance Opinion	Management Actions		
Assistant Director - Shared Revenues & Benefits / Chief Executive	Substantial	High 0	Medium 8	Low/Advisory 0
<p><b>Summary of Key Observations:-</b></p> <p>This is the annual work carried out to verify that the correct parameter figures had been input into the Housing Benefits system and check a sample of cases selected by the External Auditors for accuracy.</p> <p>There were a number of areas of good practice including the recording and referencing of supporting documentation used in the calculations and the experience and knowledge of the Benefits and Subsidy Officers.</p> <p>The areas where errors were found included self-employed income, claim start date, room rate change, deductions from payslips and inputting of Personal Independence Payments (PIP). The errors resulted in total overpayments of £75.75 over 2 cases and total underpayments of £791.31 over 3 cases.</p> <p>The recommendations made included improvements to the maintenance of the in-house calculators, ensuring checking of claims processed by trainees are completed within the subsidy year, ensuring every quality assurance sample includes self employed claims, quarterly monitoring of claims with a shared room rate and claims containing both standard and enhanced PIP. Further recommendations were made around providing training for staff for ATLAS system uploads and payslip deductions, action was agreed to provide a Memo to staff reminding them of the process. The agreed actions will be monitored through the normal follow-up process.</p>				

## Other Matters of Interest

The following includes a summary of matters that will be of particular interest to Audit Committee members.



### **Councillor's guide:- Improvement and assurance framework for Local Government (Aug 2024)**

Councils are responsible for their own performance and improvement. However there has not been a document or framework which sets out, in one place, the various required components of local government assurance, how they all fit together, how to use them effectively and what improvement support is available to help. This framework aims to achieve all of this. It provides details of what assurance is, accountability, the three lines model and the key principles of what good looks like. There is also reference to how members contribute towards the assurance of the Council. [Councillor's guide: Improvement and assurance framework for local government | Local Government Association](#)



### **Code of Practice on Good Governance for Local Authority Statutory Officers (Jun 2024)**

CIPFA, LLG and SOLACE have collaborated to produce the Code of Practice on Good Governance. The document sets the expectations for the local government roles of Head of Paid Service, Chief Finance Officer and Monitoring Officer. The Code recognises these three roles as being the key roles in advising the authority and implementing decisions. Research had shown that where these three roles fail to work collaboratively within an open working relationship, the risk to the council in terms of failure is high. [Code-of-Practice-on-Good-Governance-for-Statutory-Officers-June-2024.pdf \(solace.org.uk\)](#)



### **Value for Money Audits: Lessons for Local Authorities (Jul 2024)**

Grant Thornton carried out a review of the annual reports they had issued in 2022/23. They pulled together the recommendations made under similar themes and significance. The reports showed an escalation in significant weaknesses in financial sustainability and rising rates of significance in arrangements for financial governance, internal control, performance management and procurement. [Value for money audits: lessons for local authorities | Grant Thornton](#)



### **Code of Practice for the Governance of Internal Audit in UK Local Government (Aug 2024)**

Following the publication of the Global Internal Audit Standards, CIPFA is publishing a revised set of standards for Local Government to replace the current Public Sector Internal Audit Standards. This Code will supplement the revised standards providing a clear roadmap to support internal audit teams, audit committees and senior management. The document is expected to be issued for consultation in the autumn for implementation by 1 April 2025. [CIPFA to introduce a Code of Practice for the Governance of Internal Audit in UK Local Government](#)

**AUDIT COMMITTEE**

**23 SEPTEMBER 2024**

<b>SUBJECT:</b>	<b>REVISED INTERNAL AUDIT PLAN 2024/25</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE &amp; TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>AMANDA STANISLAWSKI, AUDIT MANAGER</b>

**1. Purpose of Report**

- 1.1 To advise the 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 2024/25.

**2. Background**

- 2.1 In line with good practice the Audit Plan is frequently reviewed and amended to reflect the current risk environment and priorities. A full formal review of the plan covering both resources and environmental changes is completed half way through the year and reported to CMT and the Audit Committee. Interim changes are reported through the Progress Reports.

**3. 2024/25 Audit Plan**

- 3.1 Since the original plan was drawn up there have been a number of changes to the resources available. Following the unexpected departure of the Principal Auditor at the end of February there was a vacancy in the team until July and also additional unplanned work, sickness and training support. Some of this has been covered through external contractors but there remains a shortfall in days. This has meant that the current Audit Plan as approved in March 2024 needs to be amended to reflect a lower level of resource.

The revised plan has been reduced by 28 days, with savings in resources made through reducing support to Assurance Lincolnshire. Appendix 1 is a copy of the revised plan together with additional information.

- 3.2 Set out below are the anticipated changes to be made to the original plan:-

The following audits have been removed:-

- Project Management
- Housing Strategy
- Western Growth Corridor -2 (2023/24)

Appendix A provides the rationale behind these changes.

- 3.3 Further changes may be made to the revised plan in light of the results of a review currently being undertaken by the Corporate Management Team and any other changes which occur within the next six months. These changes will be reported within the Progress Reports unless they are significant when a further separate report will be presented to the Audit Committee.
- 3.4 The revised plan will still enable the Audit Manager to provide an Annual internal audit opinion.

#### **4. Organisational Impacts**

##### **4.1 Finance (including whole life costs where applicable)**

The costs incurred through the additional hours of the Auditor post, outsourcing of a number of days and a loss of income (from days provided to the Assurance Lincolnshire partnership) will be partially funded through the vacancy savings; we are currently reviewing other potential income streams but are forecasting an overspend this year.

##### **4.2 Legal Implications including Procurement Rules**

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

##### **4.3 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.

#### **5. Recommendation**

- 5.1 The 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?**

One

**List of Background Papers:**

None

**Lead Officer:**

Amanda Stanislawski, Audit Manager  
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# Internal Audit

## Revised 2024/25 Plan



**City of Lincoln Council**  
**September 2024**



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## The Change Process

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Introduction

## Appendices

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A – Internal audit plan

B – Changes made to the plan

### The contact is:

Amanda Stanislawski

Audit Manager (Head of Internal Audit)

[Amanda.stanislawski@lincoln.gov.uk](mailto:Amanda.stanislawski@lincoln.gov.uk)



## Summary

As stated within the original plan it is usual to fully review 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.

Since the original plan was drawn up there have been a number of changes made in response to the resources available. The Team has suffered the impact of vacancies since 2021/22 and also the suspension of the plan during the Covid pandemic. This has meant that a number of areas have not been audited within the preferred timeframes. In this respect the decision was taken to add on the audits which were not started from the 2023/24 plan to the 2024/25 plan, increasing the overall days to 342.5 (310 from the 2024/25 plan + 32.5 carried over from the 2023/24 plan).

We were successful in appointing to the Principal role in July. However the team has experienced a reduction in the number of audit days available due to increased time spent on recruitment, sickness, assisting the crematorium review and implementing processes for compliance with the new standards. The deficit has been reduced through the cessation of the provision of days to the County Council.

Following the inability to recruit to the part time Auditor role a decision was taken to amend the post to a full time career grade post. This means that the Team now consists of three full-time members of staff, which is an increase of 25%. However in the interim this increase covers training of the Auditor and induction of the Principal.

To account for the reduction in available audit days the plan has been reduced from 342.5 days to 314.5 days. The following audits have been removed:-

- Project Management
- Housing Strategy
- Western Growth Corridor -2 (2023/24)

These have been selected through a process used to prioritise the work including an assessment of the risk, both financial and non-financial, and has drawn on intelligence from across the council. Discussions with the auditees has also found that there are capacity issues within service areas which have led to audits either being recommended for removal or moved to a different quarter for completion.

The Audit Plan is not static and is reviewed throughout the year with changes reported to the Audit Committee. The Corporate Management Team are currently completing a review which may require future changes to be made to the plan.

Appendix A details the revised plan.

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

## 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 – Revised Internal Audit Plan 2024/25

Revised plan for 2024/25 incorporating changes and audits carried over from the 2023/24 plan.

Audit Area	Assurance Sought	In Progress	Assurance Map RAG Rating Risk <sup>1</sup>	Internal Audit Risk Assessment <sup>2</sup>	Strategic Risk Register	Corporate Priority	Management Request	Days
<b>Financial Governance</b>								
Council Tax (2023/24)	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				6
Budget Management	Budgets are produced in line with the financial policies, approved, monitored and action taken on variances. Budgets are managed in line with Financial Procedure rules.		G	N/A	✓			8
Debtors	Debtors are raised appropriately, authorised with processes in place to collect payment. Write-offs and credit notes are authorised.		G	N/A				8
Housing Benefits and Council Tax Support – Key control	There are controls in place to ensure that HB and CTR is paid to the right people at the right time and for the correct amount. Local agreements are approved.		G	N/A				8
<b>Governance and Risk</b>								
Governance Healthcheck	Health check against the governance characteristics within the Centre of Governance and Scrutiny's Governance, Risk and Resilience Framework.	✓	G	11				1
Business Continuity	Business continuity plans are in place for all relevant areas, communicated and up to date.	✓	A	9	✓			8
Corporate Planning – Vision 2030	There are robust processes in place for the development of the corporate plan. The corporate plan is supported by evidence and links to the performance and service planning etc – golden thread.		N/A	N/A	✓			8
Counter Fraud	NFI, strategy, policy, health check, partnership, training, money laundering, identity.	✓	A	9				20

Audit Area	Assurance Sought	In Progress	Assurance Map RAG Rating Risk <sup>1</sup>	Internal Audit Risk Assessment <sup>2</sup>	Strategic Risk Register	Corporate Priority	Management Request	Days
Risk Management	There is a risk management strategy in place which is up to date and embedded. Risk registers are completed, reviewed and contain appropriate mitigating actions.	✓	G	8	✓			10
Contract Management F/U	To review the recommendations made and ensure implemented with evidence of improvement.		A	8				8
<b>Critical Activities</b>								
Market Operations	The processes put into place contain the necessary controls and ensure that the objectives of the Market are achieved.		A	10	✓	✓	✓	10
Planned Maintenance	There is a programme of maintenance in place to ensure housing properties are maintained as required by regulations. The plan is adequately resourced both financially and capacity.		G	11		✓		10
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
Homelessness	Review of the homelessness service to ensure that it complies with regulations, objectives and performance, including the determination of applications.		G	11		✓		10
Parking Services	Review of the income collection processes and the strategy.	✓	G	12		✓		8
Housing Assistance (DFGs etc)	Review of the processes in place for Disabled Facilities Grants, Decent Homes and Security Grants.	✓	A	9		✓		10
Protection of vulnerable people	The processes and procedures in place for safeguarding, prevent, domestic violence, hate crime and modern slavery comply with recent legislation and are embedded throughout the Council.		G	8		✓		10

Audit Area	Assurance Sought	In Progress	Assurance Map RAG Rating Risk <sup>1</sup>	Internal Audit Risk Assessment <sup>2</sup>	Strategic Risk Register	Corporate Priority	Management Request	Days
<b>Programme / Project Assurance</b>								
Western Growth Corridor - 3	Gateway review to provide assurance that appropriate partnership governance and programme management arrangements remain in place.		A	11	✓		✓	10
UK Shared Prosperity (2023/24)	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
GSW26	Assurance over the arrangements in place over the re-tendering of the contract.		G	11		✓		10
Towns Fund	Following on from the review in 2021/22 to provide assurance that appropriate arrangements remain in place for governance and programme management of the fund. Including spend and performance.		G	11		✓		10
<b>ICT</b>								
Access Control (2023/24)	To provide assurance over the processes in place for controlling access to systems, network and suppliers remote access control arrangements.	✓	N/A	N/A				7.5
Strategy and Infrastructure	To give assurance that policies and processes are appropriate for Councils current and future requirements; ICT strategy, management and board oversight, budget, infrastructure planning and risk management		A	N/A				10
ICT Support and helpdesk service	An assessment of the effectiveness of the ICT Service desk function using both assessment of key metrics and staff interviews. Objective: An assessment of the effectiveness of the ICT Service desk function using both assessment of key metrics and staff interviews.	✓	G	N/A				8
<b>Follow-up</b>								
Follow-ups	Follow-up of recommendations made for the progress report and on a sample basis.	✓	N/A	N/A				5

Audit Area	Assurance Sought	In Progress	Assurance Map RAG Rating Risk <sup>1</sup>	Internal Audit Risk Assessment <sup>2</sup>	Strategic Risk Register	Corporate Priority	Management Request	Days
<b>Combined Assurance</b>								
Combined Assurance	Updating the assurance map and completing the Combined Assurance report.	✓	N/A	N/A				10
<b>Days</b>								<b>231.5</b>

<b>Non-Audit</b>	
Advice and liaison	
Annual Report	
Audit Committee	
Review IA Strategy and Planning	
<b>Days</b>	<b>48</b>

<b>Grand Total</b>	<b>Total</b>
<b>HB Subsidy Testing</b>	<b>35</b>
<b>Total Internal Audit Days</b>	<b>314.5</b>

## Notes

<sup>1</sup> This was the rating provided during the assurance mapping process. There are three levels used to indicate the level of assurance given Red, Amber or Green the definitions are provided below:-

- Red - Low level of confidence and / or high risk currently facing the area. Management action still required.
- Amber - Medium level of confidence and / or medium risk currently facing the area with most management actions implemented.
- Green - High level of confidence and / or low risk currently facing the area with management action implemented.

<sup>2</sup> Each activity is assessed over a number of criteria resulting in an overall score. These scores are banded into R, A or G which signifies the level of inherent risk attributed to the activity. The criteria are:-

- Value / Volume - This assessment is based on either the cost to the council, the volume of transactions that the activity is handling or a combination of the two.
- Significance - This assessment reflects how important the activity is to the authority and its residents.
- Audit Rating – This is based on when the area was last audited and the outcome of the audit.
- Sensitivity/Profile - This assessment is about the impact if things went wrong, how much interest would there be and how much would this impact on reputation.
- Changes to people/systems – This assessment considers the changes within the area

which could impact on the level of risk.

## 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	Assurance Sought	Assurance Map RAG Rating Risk	Internal Audit Risk Assessment	Change	Rationale
Project Management	There is a project management framework in place and used. The framework includes consideration of capacity and resources.	<b>A</b>	<b>11</b>	Removed from the 2024/25 plan (10 days).	There is insufficient capacity to accommodate this audit within the Service area. There are a number of other audits being undertaken involving this service area and the Manager is leaving in October.
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.	<b>G</b>	<b>11</b>	Removed from the 2024/25 plan (8 days).	Completion of the revised Housing Strategy has been delayed due to staff changes. It is not expected to be in a position to audit until at least Quarter 4.
Western Growth Corridor – 2 (2023/24)	To continue to provide assurance that appropriate partnership governance and programme management arrangements are in place for the relevant Phase.	<b>A</b>	<b>10</b>	Removed from the revised 2024/25 plan (10 days).	Capacity within the Audit Team delayed the audit and now the Project Team are at a critical stage and not able to accommodate the review. As there is already a review programmed for Q4 this one has been removed.

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**AUDIT COMMITTEE**

**23 SEPTEMBER 2024**

<b>SUBJECT:</b>	<b>WHISTLEBLOWING POLICY AND GUIDANCE</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE &amp; TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>AMANDA STANISLAWSKI, AUDIT MANAGER</b>

**1. Purpose of Report**

- 1.1 To update the Whistleblowing policy and guidance.

**2. Background**

- 2.1 The Council's whistleblowing policy is part of range of counter fraud policies which are reviewed every two years (or sooner if required). The policy was last reviewed in August 2022 where there was little change made.
- 2.2 A Whistleblower is generally a term used for a person who works in or for an organisation and raises 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 the organisation.
- 2.3 UK law protects employees from dismissal, harassment or victimisation if such treatment occurs as a result of having made a whistle-blowing disclosure considered to be in the public interest. If workers bring information about a wrongdoing to the attention of their employers or a relevant organisation, they are protected in certain circumstances under the Public Interest Disclosure Act 1998. This is commonly referred to as '*blowing the whistle*'. The law that protects whistleblowers is for the public interest - so people can speak out if they find malpractice in an organisation. Blowing the whistle is more formally known as '*making a disclosure in the public interest*'.

**3. Policy and Guidance**

- 3.1 The Council's current whistleblowing policy has been updated to correct paragraph numbering and some rewording and reformatting. There have been no material changes to the content.
- 3.2 A copy of the policy and guidance is attached at Appendix A with the changes marked.

**4. Organisational Impacts**

**4.1 Finance (including whole life costs where applicable)**

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

**4.2 Legal Implications including Procurement Rules**

There are no direct legal implications arising as a result of this report; however the policy helps ensure compliance with UK law.

#### 4.3 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

Due to the nature of this report there are no direct equality, diversity or human rights implications.

#### 5. Recommendation

5.1 Audit Committee are asked to approve the updated policy and guidance.

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 report contain?	One
List of Background Papers:	None

Lead Officer:

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# **Whistleblowing Policy and Guidance**

**September 2024**

**Version 1.07**

## Document Control

Organisation	City of Lincoln Council
Title	Whistleblowing Policy and Guidance
Author	Amanda Stanislawski Audit Manager / Claire Burroughs Human Resources Manager
Owner/Responsible Officer	Carolyn Wheater City Solicitor (Monitoring Officer)
Consultation	Audit Committee
Version	1.07
Next Review Date	August 2026

Review Arrangements: Every two years

## Document Amendment History

Revision	Originator	Date	Description
1.01		Sept 2013	
1.02		July 2015	
1.03		September 2015	
1.04		December 2017	
1.05	John Scott	March 2020	Formatting and update names and websites.
1.06	Amanda Stanislawski	August 2022	Re-numbering paragraphs, update names and websites.
1.07	Amanda Stanislawski	September 2024	Minor changes made to wording in some paragraphs and re-numbered the paragraphs.

## Introduction

1. A Whistleblower is generally a term used for a person who works in or for an organisation and raises 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 the organisation. This reporting is sometimes called whistleblowing. You should take prompt action to raise concerns if you believe something is wrong.
2. The Whistleblowing law is contained in the Public Interest Disclosure Act 1998 (PIDA – amended by the Enterprise and Regulatory Reform Act 2013). Public bodies, such as this Council, are required to have a Whistleblowing policy and to ensure that employees raising the concern has legal protection from harassment or victimisation because of the disclosure. This is called a ‘protected disclosure.’
3. You can use our Whistleblowing arrangements if you are a:-
  - Councillor
  - Council employee/Worker
  - Contractor
  - Partner
  - Member of the public
4. We want you to feel that it is safe and acceptable to tell us about your concerns so that we can investigate and take action as soon as possible. We want to assure you that there is no reason to remain silent; your decision to talk to us may be difficult but, if you believe what you are saying is true, you have nothing to fear as you are following the Council's Code of Conduct and helping to protect colleagues, the users of our services and the residents of Lincoln.
5. We will not tolerate any harassment or victimisation of whistleblowers and we will take action to protect those who raise concerns. PIDA protects workers\* from dismissal, harassment or victimisation if such treatment occurs as a result of having made a qualifying whistle-blowing disclosure considered to be in the public interest. ~~Members of the public~~ Those who raise concerns and are not classed as workers\* are not legally protected by PIDA, so we do offer the option for the person making the allegations to withhold their identity at the time concerns are raised.  
*\*A worker is someone with a contract or other arrangement to do work or services such as an employee or an agency worker.*

## Scope

6. Qualifying disclosures are disclosures of information where the worker the person raising the concern reasonably believes that one or more of the following matters is either happening, has taken place, or is likely to happen in the future.
  - A criminal offence, for example fraud
  - The breach of a legal obligation
  - A miscarriage of justice
  - A danger to the health and safety of any individual
  - Risk of or actual damage to the environment

- Deliberate attempt to conceal any of the above - you believe someone is covering up wrongdoing

You can also report suspected fraud or corruption (which could be a breach of a legal obligation)

7. If a worker is going to make a disclosure it should be made to the employer first, or if they feel unable to use the organisations procedure the disclosure should be made to a prescribed person (see paragraph 47), so that employment rights are protected. Workers who 'blow the whistle' on wrongdoing in the workplace can claim unfair dismissal if they are dismissed or victimised for doing so.

6. ~~You can also use our whistleblowing reporting arrangements if you are a contractor, supplier, partner or member of the public. Protection however only applies to our workers. You may have concerns or information which you think we should know about or look into. You should, however, normally follow the Corporate Complaints process if your concern is about a particular service that we have provided you.~~

8. Our Whistleblowing arrangements do not replace the following:

- Corporate Complaints Procedure
- Disciplinary Policy
- Grievance Policy
- Dignity at Work Policy
- Child Protection Safeguarding reporting
- Adult Care Safeguarding reporting

These policies and reporting procedures should be used where applicable. Our Whistleblowing arrangements are not intended to give you a further opportunity to pursue a grievance or complaint once you have exhausted the relevant employment procedures.

## **Protection and Confidentiality**

9. You are protected in law from harassment and bullying when you raise a legitimate concern. We will not tolerate any harassment or victimisation (including informal pressure) and we will take action to protect you when you raise a concern believed to be in the public interest. We will take disciplinary or corrective action should anyone attempt to victimise the whistleblower or prevent concerns being raised.
10. You shouldn't be victimised if you report something. This means that your job and opportunities for future promotion or training shouldn't be put at risk because you've raised a real concern, as long as you do this in the proper way.
11. If you're instructed to cover up a wrongdoing, the person who tells you to do this is committing a disciplinary offence. If you're told not to raise or follow up any concern, even by a person in authority such as a manager, you shouldn't agree to stay silent. You should report the matter following this guidance.
12. We will respect your confidentiality as far as we can but there are times when we cannot guarantee this, for example, where if the whistleblowing relates to a criminal offence or if there are child protection or adult safeguarding issues. You must say

straight away if you do not want anyone else to know it was you who raised the concern.

13. You will not have a say in how your concern is dealt with. The Council (or the prescribed person) can keep you informed about the action they've taken, but they cannot give you much detail if they have to keep the confidence of other people.
14. If we proceed to a formal investigation, we may require you to give evidence along with other workers and witnesses; we are, in some circumstances, able to do this without disclosing the identity of the whistleblower. A statement from you may also be required as part of criminal or disciplinary proceedings – this depends on the nature of the concern.
15. If you ask us to treat the matter in confidence, we will do our utmost to respect your request however, it is not possible to guarantee confidentiality. We will attempt to ensure the whistleblower's identity is not disclosed to third parties. If the information you provide includes personal information about another person, then that person may be entitled to access it under subject access provisions of the Data Protection Act. The whistleblower's identity will not be disclosed unless the law allows or compels us to do so. If we are in a position where we cannot maintain confidentiality and so have to make disclosures, we will discuss the matter with you first.
16. If your whistleblowing disclosure results in an internal investigation and you provide a witness statement under that process, your statement may be used for disciplinary purposes. This means your statement may be given to the subject as part of a disciplinary hearing. A worker subject to the disciplinary process can also ask to see personal information held about them at any time under the subject access provisions of the Data Protection Act – this may include information within your statement. If it is possible to provide access to personal information within your statement without revealing any information about you, we will do so.
17. If your statement is not required for disciplinary purposes, it will be:
  - held confidentially on our case file (until the case file is destroyed after 7 years)
  - released only with your consent or a Police / Court Order
18. The Council:
  - does not expect you to give us your consent – this is your decision alone – but we are required by law to ask you
  - does not need a reason should you choose to refuse the request
19. If you find yourself the subject of a whistleblowing disclosure and a decision is made to investigate, the Council will follow the appropriate employment procedure: dignity at work, grievance or disciplinary. This means you will have all the rights contained in that procedure, such as, the opportunity to respond to the allegation and representation at the investigatory interview.
20. It may be that our investigations do not confirm your allegation. We take all concerns seriously and can assure you that no action will be taken against you if you have raised a concern in the genuine belief that it is, or may be, true

## Anonymous allegations

21. We do not encourage anonymous reporting as the concerns are more difficult to investigate and are generally less powerful. We would like you to put your name to the allegations whenever possible and remind you of the protection we can provide if we know who you are.
22. Anonymous whistleblowing referrals will be considered at the discretion of the officers handling the concern.

## Untrue/false allegations

23. If we find that you have maliciously made a false allegation, we will take action against you, and you will not be eligible for protection under the law.

## How to raise a concern

24. If a worker is not sure whether or not to raise a concern through this policy, they should discuss the issue with their line manager or Human Resources, or one of the reporting officers below.
25. We encourage you initially to raise your concerns internally. Make it clear that you are raising your concerns under the Council's whistleblowing arrangements. Any matter raised will be investigated thoroughly, promptly, and confidentially, and we will provide feedback on actions taken.
26. Before you make any complaint, make sure that you follow the proper procedures, for example, filling in incident forms where necessary. In any case, write down the full details of the incident and keep a copy.
27. The law doesn't say you have to have hard evidence, although any information that you have would be useful. However, you must not start any fact finding or investigations yourself.
28. **You can report the matter to the following people (or discuss if you are in any doubt about what you should do):**

If you are a worker/employee you can report to the following Council officers:

Audit Manager  
01522 873321  
Email: <mailto:amanda.stanislawski@lincoln.gov.uk>

Human Resources Manager  
01522 873856  
Email: [claire.burroughs@lincoln.gov.uk](mailto:claire.burroughs@lincoln.gov.uk)

Chief Financial Officer  
01522 873258  
Email: [jaclyn.gibson@lincoln.gov.uk](mailto:jaclyn.gibson@lincoln.gov.uk)

You should also consider telling your line manager (service manager) so they are aware.



You should declare whether you have a personal interest in the issue at the outset. If your concern falls more properly within grievance or other policies, you will be advised.

You can also use the City of Lincoln's confidential PO Box or email address

Write to:  
City of Lincoln Council  
PO Box 747  
Lincoln

Email: [whistleblowing@lincoln.gov.uk](mailto:whistleblowing@lincoln.gov.uk)

If you are not a Council worker you can contact the Council's confidential freephone whistleblowing number on **0800 0853716**.

29. The Investigations Team, who report directly to the Head of Internal Audit & Risk Management at Lincolnshire County Council, operate this dedicated reporting line. If you call this number you can leave a message on the answer phone which is located in a secure area. This is a shared whistleblowing number used by **other** Lincolnshire Councils under a partnership arrangement.
30. Concerns are better submitted in writing with information on background names, copies of any documents, dates and places (where possible).

You can email: [whistleblowing@lincolnshire.gov.uk](mailto:whistleblowing@lincolnshire.gov.uk)

You can write to:  
Lincolnshire local authorities  
PO Box 640  
Lincoln  
LN1 1WF

Council workers may also use these reporting lines if they wish.

### **Safeguarding Children and Vulnerable Adults**

31. If your concerns relate to safeguarding children and vulnerable adults please see the Safeguarding **section within Business Essentials on the Hub** and the Council's website - [Public Safety and Emergencies – City of Lincoln Council](#) and report accordingly.

### **Representation**

32. The whistleblower may take advice, for example from their trade union and / or professional organisation, or legal adviser, in respect of their concerns before or after it is raised. However, care is needed to ensure that this will not result in a breach of confidentiality or the disclosure of exempt information.

33. The whistleblower will be allowed to be accompanied to any meeting in respect of the concern, for example by a trade union representative, and/or professional body provided that they are not connected to any person under investigation. The Council has the right to expect any person accompanying or advising the complainant to maintain the confidentiality of the case.
34. Staff can also invite their trade union representative or a work colleague to raise a concern on their behalf.

### **How we will respond**

35. Our response and the investigation route will depend on the nature of the concern raised and may be:
- advice only
  - resolved by agreed action without the need for investigation
  - investigated internally (by management, Investigations Team or other independent investigators)
  - referred to the relevant safeguarding team (child protection or vulnerable adults)
  - referred to the Police, if a criminal matter
  - referred to the external auditor
  - the subject of an independent inquiry

The officer receiving the whistleblowing allegation will notify the Audit Manager to include the disclosure on the central register.

36. We may carry out initial enquiries in order to protect individuals or workers and those accused of wrongdoing. We will use the results of these enquiries to decide whether a detailed investigation is needed and if so, what form it should take. If urgent action is required this will be taken before we start any investigation
37. We will acknowledge your whistleblowing disclosure within 5 working days. Within the next 10 working days we will write and explain how we propose to deal with the matter. The whistleblower will be:
- given an estimate of how long it will take to provide a final response
  - told if initial enquiries have been made
  - told if further investigation is required, and if not, why not (where appropriate)
  - given details of support mechanisms
  - advised of the investigating officer (where appropriate)
  - advised how we will inform you of progress
38. The amount of contact between you and the Officer considering your whistleblowing disclosure will depend on the nature of the concerns raised. For example, if further investigation is required, the investigator may need to seek additional information from you.
39. If a meeting is necessary, this can be held off site if you prefer. If you are a worker you will have a right to be accompanied – this will be a union representative or work colleague (not involved in the area where the concern exists). If you are not a worker you may wish to bring a friend with you – a neutral venue can be arranged, where required.

40. We will help with any difficulties you may experience as a result of raising a concern – we will, for example, provide advice if you are required to give evidence for criminal or disciplinary proceedings. Sometimes whistleblowers have counter-allegations made against them. The Council has a duty to investigate any concerns that it receives and that will apply in these circumstances. However this will not detract from the principles, as set out in this policy, which govern how the Council will respond to whistleblowers. The over-riding objective will be to establish the truth.
41. Records will be retained of all work carried out and actions taken to address the concerns raised by the whistleblower, including the investigator's case file, where relevant. All files will be held securely and confidentially
42. At the end of our investigations we will provide feedback to the whistleblower subject to our internal policies and procedures and legal constraints but we do recognise the importance of providing you with assurances that the matter has been dealt with properly.
43. Don't forget:
  - You should NOT investigate the matter yourself.
  - Do not alert those suspected of being involved.
  - Do not approach or accuse individuals.
  - Do not tell anyone other than the designated persons mentioned in this policy.
  - Do not undertake searches.
44. Any records and documents in your possession should be retained and kept securely to prevent alteration or loss.

### **Taking the matter further**

45. If you are not comfortable with the lines of reporting above or if you feel that your concerns have not been dealt with properly or received a satisfactory response, you can inform the Council's Monitoring Officer/City Solicitor, of your concern, her contact details are:

Telephone number: 01522 873323

Email: [carolyn.wheater@lincoln.gov.uk](mailto:carolyn.wheater@lincoln.gov.uk)

Postal address: City Solicitor, City of Lincoln Council, City Hall, Beaumont Fee,  
Lincoln, LN1  
1DB.

You may also refer your concern about how the whistleblowing case has been dealt with to the Local Government Ombudsman – they generally do not take any action until the matter has been dealt with internally first. They can be contacted at:

The Local Government Ombudsman  
PO Box 4771  
Coventry, CV4 0EH  
Tel. 0300 061 0614 (Local Government Ombudsman – Advice Team)

46. There might be cases where your concerns are so serious, or involve the most senior officers in the Council, that you want to complain directly to an external body. You may feel that the internal investigation is not satisfactory. Before you report a matter externally you should be sure that:

- the matter is serious and justifies bypassing internal procedures, or
- there is a reasonable belief that evidence might be destroyed, or
- you would be subject to detrimental treatment, or
- it is reasonable to disclose the information to the person concerned.

You should have reasonable suspicions that one or more of the following has occurred:

- that a criminal offence has been committed, is being committed or is likely to be committed
- that a person has failed, is failing or is likely to fail to comply with any legal obligation or statutory duty
- that a miscarriage of justice has occurred, is occurring or is likely to occur
- that the health or safety of any individual has been, is being or is likely to be endangered
- that the environment has been, is being or is likely to be damaged
- that information (relating to any of the above) is being or is likely to be deliberately concealed

47. The legislation sets out a number of bodies to which qualifying disclosures may be made. These include HM Revenue & Customs, the Health and Safety Executive, the Environment Agency, the Serious Fraud Office. A full list of “prescribed people and bodies” can be found on the government website – [www.gov.uk/whistleblowing](http://www.gov.uk/whistleblowing). If you decide to blow the whistle to a prescribed person rather than your employer, you must make sure that you have chosen the correct person or body for your issue.

48. Disclosures relating to local authorities can be made to the external auditor of the relevant authority or the Comptroller and Auditor General.

You can contact the Council’s external auditors at:

Rashpal Khangura  
KPMG LLP (UK)  
1 Sovereign Street  
Leeds  
LS1 4DA

To make a disclosure to the Comptroller and Auditor General, please contact the National Audit Office (see Comptroller and Auditor General below).

Contact them about the proper conduct of public business, value for money, fraud and corruption in relation to the provision of public services.

The Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road

London  
SW1W 9SP

Tel: 020 7798 7999

Website: <https://www.nao.org.uk/about-us/contact-us/whistleblowing/>

49. A key source of information about whistle blowing is Protect which is an independent authority of public interest whistle blowing. Their contact details are

Their contact details are found at <https://www.protect-advice.org.uk>

50. You should only make disclosures to non-prescribed bodies (e.g. to the media, and non-prescribed regulators) if, ~~in addition to the tests above, they are reasonable in all the circumstances and~~ they meet the conditions in paragraph 46 and one of the following three preconditions:

- you reasonably believe that you would be victimised if you raised the matter internally or with a prescribed regulator;
- you reasonably believe a cover-up is likely and there is no prescribed regulator; or
- you have already raised the matter internally or with a prescribed regulator.

### **Monitoring**

51. The Annual Fraud report presented to the Audit Committee will include common themes and numbers of whistleblowing disclosures each year. The report will not include specific information which will identify those involved, only anonymised information and details of any outcomes.

End of policy

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**AUDIT COMMITTEE****23 SEPTEMBER 2024**

<b>SUBJECT:</b>	<b>LEARNING AND DEVELOPMENT PLAN FOR MEMBERS OF THE AUDIT COMMITTEE</b>
<b>REPORT BY:</b>	<b>CHIEF EXECUTIVE &amp; TOWN CLERK</b>
<b>LEAD OFFICER:</b>	<b>JACLYN GIBSON, CHIEF FINANCE OFFICER</b>

**1. Purpose of Report**

- 1.1 To present the proposed learning and development plan for members of the Audit Committee, to ensure committee members are adequately trained and prepared to effectively undertake their role.

**2. Background**

- 2.1 The Audit Committee plays a vital role in providing review and scrutiny of the Council's control and governance arrangements and is a key element of its overall governance framework. It is therefore essential that members of the Audit Committee have the necessary skills and training to support them in their role to provide effective scrutiny and oversight of Council controls and governance arrangements.

- 2.2 It is recommended practice, by the Chartered Institute of Public Finance and Accountancy (CIPFA), for audit committees to review and assess themselves on a regular basis. The latest review of the Audit Committee was undertaken in January 2024 and resulted in the development of an Action Plan. One of key areas within the Action Plan was ensuring that members of the committee had the necessary skills and training to effectively carry out their role on the committee. A number of actions were made to address the issues identified including:

- Providing the Group Leaders with more information on the skills required for Members of the committee;
- Completion of an individual skills and knowledge assessment to inform a new committee training plan;
- Transparency of attendance and inclusion of substitutes on the training to be improved to ensure that all Members of the Audit Committee are fully trained.

- 2.3 This report is a response to the action to undertake a skills and knowledge assessment to inform a new committee training plan and provides the committee with an update on the results of the assessment and proposals to address the issues raised in the responses.

**3. CIPFA Audit Committee Guidance (2022) and Self-Assessment**

- 3.1 CIPFA provided updated guidance for audit committees in 2022. This recommends a number of actions for committees to improve effectiveness. CIPFA

expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements. This will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

- 3.2 The CIPFA guidance includes a self-assessment on skills and knowledge, against core areas of knowledge, for members of audit committees. This was sent as a survey to 8 members (including substitutes) of the Audit Committee in June 2024, and 2 independent members of the Committee in July 2024, and the results from that survey are presented below.
- 3.3 A total of 10 responses to the survey have been received. The survey asked participants to indicate their level of knowledge/experience for a number of areas/questions, choosing either full knowledge, some knowledge, or no knowledge. Overall, the results indicate a good level of general knowledge about audit and control issues across members of the committee, and good levels of understanding in most areas. There are 14 of 27 areas where at least one respondent has answered no knowledge, and 0 areas that has full knowledge responses. The remaining 13 questions all received a mix of yes and partly responses, showing most committee members feel they have at least partial knowledge and understanding of most areas.
- 3.4 There was the option to provide additional narrative in response to some questions. This highlighted a desire for additional training to be provided in some areas, particularly those with some individuals providing a no response. There was a clear interest in maintaining learning and development on relevant topics, and keeping learning up to date through refresher training as needed.
- 3.5 Appendix A to the report provides the detailed breakdown of the responses received and anonymised responses to the narrative sections. In response to these results and the feedback received a review of the learning and development options available to the committee has been undertaken and is presented in this response for the committee to consider.

#### **4. Audit Committee Learning and Development Plan**

- 4.1 It is proposed that the Learning and Development Plan set out in the table below is used to support elected members and independent committee members to effectively undertake their role. The plan provides a range of different tools, intended to offer flexibility in the style and range of training provided to suit different learning styles and preferences in terms of delivery model. There are self-service options that can be undertaken by individuals at a time that suits them, alongside more specific dedicated training that will be provided to support decision making at key points during the year. This should ensure that training is provided at a time where the information is most relevant to the work of the committee.
- 4.2 The plan set out below is intended to complement existing Councillor training that is available, but is targeted at the specific needs of this committee.



Learning Tool	Details	Delivery	Timing
Councillor Induction	<p>An induction is provided for all new Councillors following an election. This includes training on:</p> <ul style="list-style-type: none"> <li>• Member Code of Conduct</li> <li>• Meeting Procedural Rules</li> <li>• Local Government Finance</li> </ul> <p>The Councillor Information Pack includes details on:</p> <ul style="list-style-type: none"> <li>• Structure of the Council</li> <li>• Councillor Roles</li> <li>• Decision Making Committees</li> <li>• Scrutiny</li> <li>• The Constitution</li> <li>• Declaring Interests</li> </ul>	Face to face training	<p>Following elections.</p> <p>Councillor Information Pack provided.</p> <p>Copies of slides from each session are available.</p>
Local Government Association (LGA) E-Learning	<p>All Councillors and independent members have access to the LGA e-learning modules. It is recommended that Audit Committee Members undertake the following modules as a minimum:</p> <ul style="list-style-type: none"> <li>• An Introduction to Audit Committees</li> <li>• Local Government Finance</li> <li>• Performance Management for Councillors</li> <li>• LGA Model Councillor Code of Conduct</li> </ul>	Self Service via the LGA <a href="#">website</a>	Available anytime online
Local Government Association (LGA) Publications	<p>All Councillors and independent members have access to the LGA Publications library. It is recommended that Audit Committees Members access the following publications as a minimum:</p>	<p>Self Service via the LGA <a href="#">website</a></p> <p>Copies of documents circulated to all councillors</p>	Available anytime online and copies circulated to all Committee Members.

	<ul style="list-style-type: none"> <li>• Ten questions for audit committees</li> <li>• Must know guide: Working with auditors</li> <li>• Must know guide: The Statement of Accounts</li> </ul>	and independent members	
Statement of Accounts	A summary guide on the key elements of the statutory Statement of Accounts and the importance and role of the document	Face to face briefing	Briefing ahead of Committee considering SOA in July (Annual)
Public Sector Internal Audit Standards (PSIAS)	A briefing on the revised PSIAS prior to their effective date.	Face to face briefing	Briefing ahead of Committee considering revised Standards
Treasury Management Training	<p>An overview of Treasury Management and the Council's responsibilities regarding the management of cash, borrowing and investments.</p> <p>An overview of the Council's Strategy and Policies for the year ahead.</p>	Face to face briefing (provided by the Council's Treasury Consultants )	Briefing ahead of Committee considering the Strategy in February (Annual)
Counter Fraud including Whistle Blowing	An overview, available to all Members, of the Council's Counter Fraud policies and processes including definition of fraud and current trends.	Face to face briefing provided by Assurance Lincolnshire .	Scheduled for October 2024.
Risk Management	An overview, available to all Members to refresh and reinforce the understanding of risk management at the Council, and to provide the right type of challenge to provide assurance that risks are managed effectively.	Face to face briefing provided by Assurance Lincolnshire	Bi-annual training, will be scheduled for 2025 programme.
Audit Committee Effectiveness	An overview of the purpose and role of Audit	Face to face briefing	Briefing ahead of

	Committees, how it gains maximum assurance and how to ensure the Committee can be effective.		Committee in December (Annual)
Pre-Committee Training Sessions	Dedicated training sessions can be run before the start of a committee session where the Committee feels additional training is required on a specific subject.	Face to face briefing	As required
Local Government Association (LGA) Leadership Essentials	Audit Committee: Leadership Essentials - Specifically aimed at Audit Committee Chairs, the programme will discuss how Audit Committees can be most effective and contribute to ensuring a Council is well governed.	Face to face, two-day training delivered by the LGA	Various dates from Oct 24 – Jan 25.
CIPFA E-Learning	Introduction to the Knowledge and Skills of the Audit Committee, on key areas of responsibility and topical issues. (To be limited to Audit Committee Chair).	Full day webinar	September 2024
CIPFA Better Governance Forum	Audit Committee update briefing aimed at supporting Audit Committee members in their role by helping to keep them up to date on topical issues.	Self-reading.	Published by CIPFA at regular intervals, will be circulated to Committee Members.

- 4.3 The committee is invited to suggest other topics where it is felt that dedicated training sessions are required. This may be needed if new risks arise where the committee feel they do not have sufficient background knowledge of the subject matter to appropriately scrutinise management arrangements and response to the risk, or when new legislative requirements relating to the Council's governance and control functions are introduced. These can be arranged on request to address specific needs.
- 4.4 The above plan will remain in place throughout the municipal year and will be reviewed alongside the regular review of committee terms of reference to ensure it remains relevant and useful.

## **5. Strategic Priorities**

- 5.1 Internal control, governance and risk management arrangements are in place to help ensure the Council makes appropriate use of its resources and powers. The Audit Committee is a key component of governance. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. They play an important role in supporting leadership teams and elected representatives and help the Council to achieve the priorities set out in the Vision 2025.
- 5.2 Providing a range of learning and development tools to Members of the Committee enables them to undertake their role effectively, improving scrutiny and challenge of Council governance and control arrangements and thereby reducing the risk of loss or harm to the Council, the City or its residents.

## **6. Organisational Impacts**

- 6.1 Finance – There are no financial implications arising directly from this report. All training will be delivered within existing resources.
- 6.2 Legal including Procurement Rules – There are no direct legal implications arising as a result of this report.
- 6.3 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

Due to the nature of this report there are no direct equality, diversity or human rights implications,

## **7. Risk Implications**

- 7.1 Having a sound and effective system of internal control helps protect the Council's financial position through appropriate use of resources and minimising the risk of loss through fraud.

## **8. Recommendation**

- 8.1 Audit Committee are asked to note the proposals and provide comments as to whether there are any areas of concern that are not addressed by the planned programme

**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 report contain?** One

**List of Background Papers:** None

**Lead Officer:** Jaclyn Gibson, Chief Finance Officer  
Email: [Jaclyn.gibson@lincoln.gov.uk](mailto:Jaclyn.gibson@lincoln.gov.uk)

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Responses Overview Closed

Responses

10

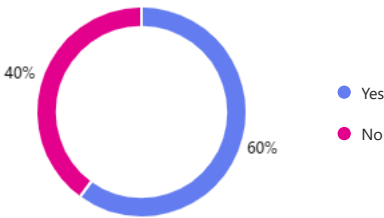
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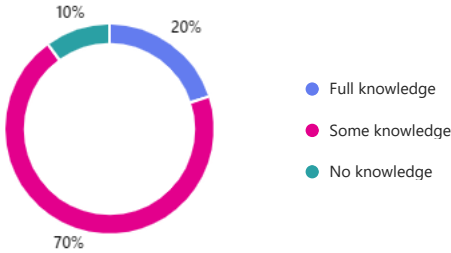
Duration

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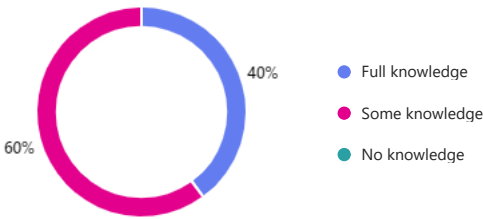
1. I attended the Audit Committee Effectiveness training in July 2023.



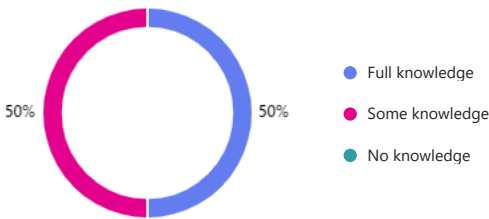
2. I am aware of the CIPFA Publication - Audit Committees: Practical Guidance for Local Authorities.



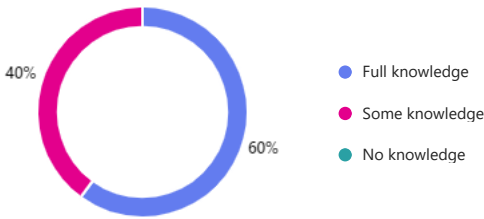
3. I have an overview of the governance structures of the authority and the decisions-making process.



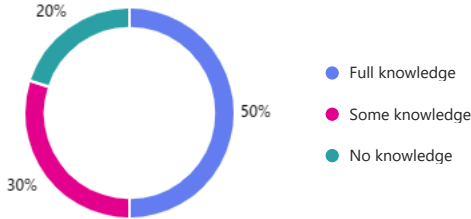
4. I have knowledge of the organisational objectives and major functions of the authority.



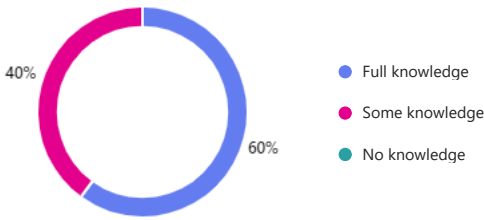
5. I have an understanding of the Audit Committee's role and place within the governance structures.



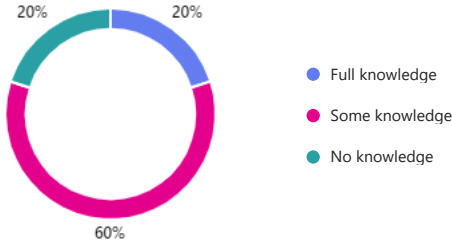
6. I have a familiarity with the Audit Committee's Terms of Reference and accountability arrangements.



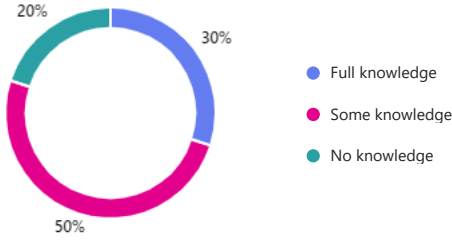
7. I have knowledge of the purpose and role of the Audit Committee.



8. I have knowledge of the seven principles of the CIPFA/Solace Good Governance Framework and the requirements of the Annual Governance Statement (AGS).

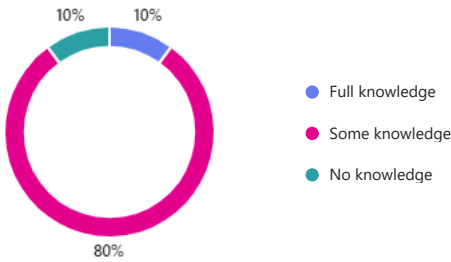


9. I have knowledge of the Council's Code of Corporate Governance.

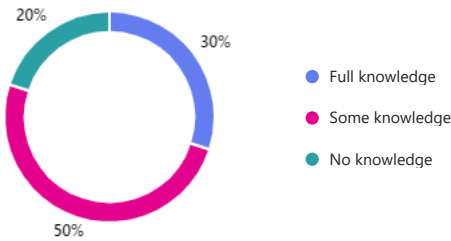




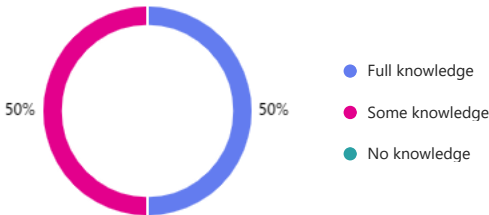
10. I have an awareness of the key principles of the Public Sector Internal Audit Standards.



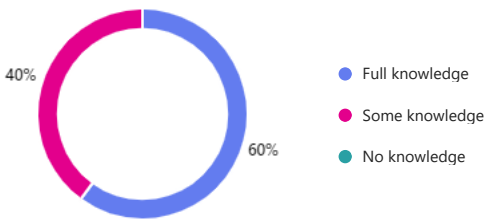
11. I have knowledge of the arrangements for the delivery of Internal Audit Services at the Council and how the Head of Internal Audit role is fulfilled.



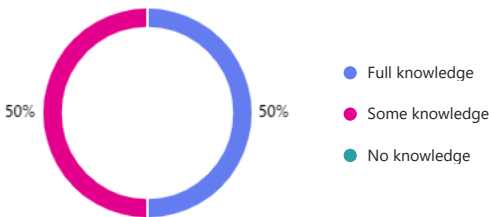
12. I have awareness of the financial statements that a Local Authority must produce and the principles it must follow to produce them.



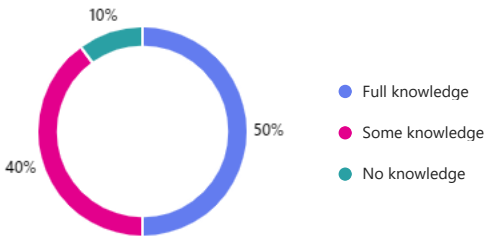
13. I have an understanding of the financial risks the Council currently faces.



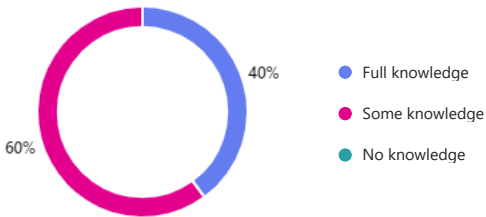
14. I have an understanding of good financial management principles.



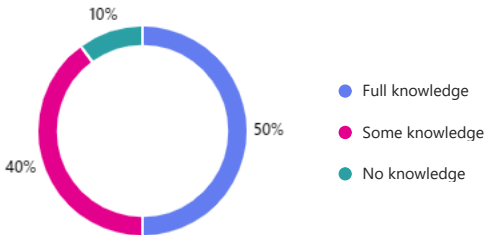
15. I have knowledge of how the organisation meets the requirements of the role of the Chief Financial Officer, as required by the CIPFA Statement on the role of the Chief Financial Officer in Local Government.



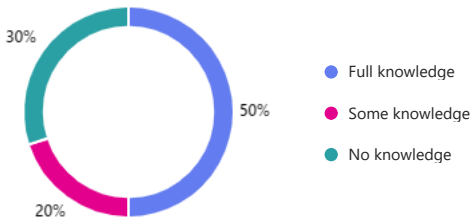
16. I have knowledge of the roles and functions of the external auditor and who currently undertakes this role.



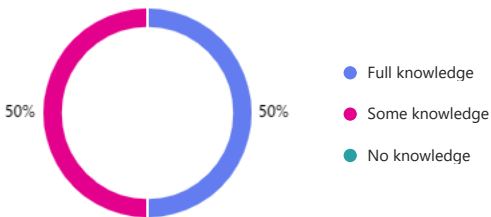
17. I have knowledge of the key reports and assurances that external audit will provide.



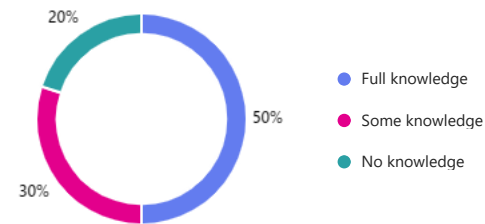
18. I have knowledge about the arrangements for the appointment of auditors and quality monitoring undertaken.



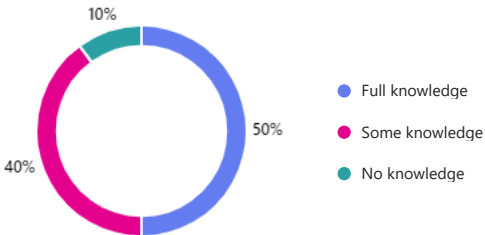
19. I have an understanding of the principles of risk management, including linkage to good governance and decision making.



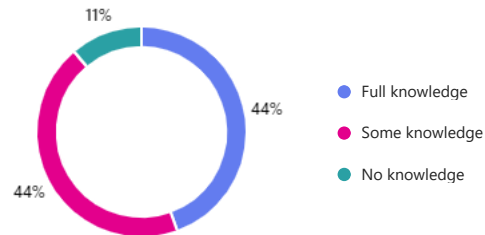
20. I have knowledge of the risk management policy and strategy of the Council.



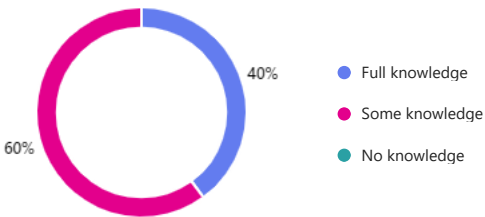
21. I have an understanding of risk governance arrangements, including the role of members and of the Audit Committee.



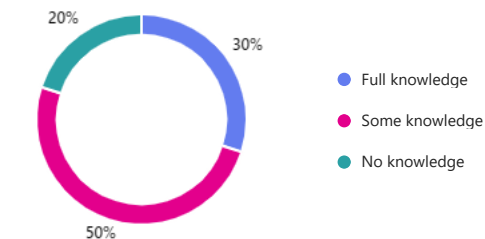
22. I have an understanding of the main areas of fraud and corruption risk the Council is exposed too.



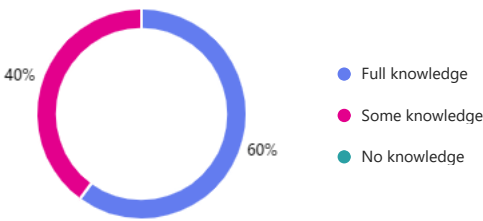
23. I have knowledge of the principles of good fraud risk management practice.



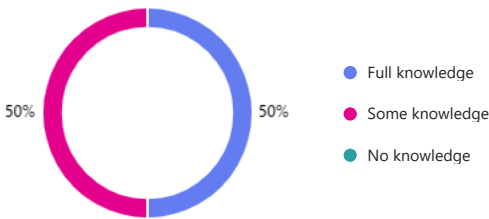
24. I have knowledge of the Council's arrangements for tackling fraud.



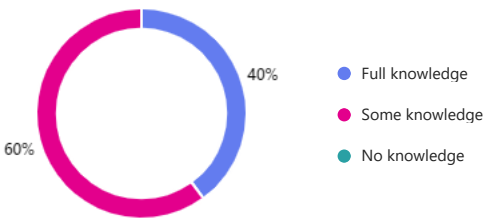
25. I have knowledge of the Seven Principles of Public Life (also known as the Nolan Principles).



26. I have knowledge of the Council's key arrangements to uphold ethical standards for both members and staff (i.e. Codes of Conduct).

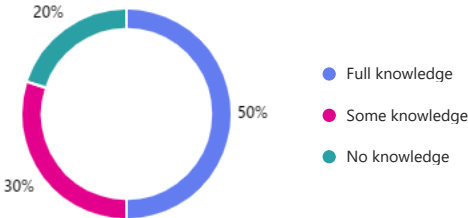


27. I have knowledge of the whistleblowing arrangements in the Council.



28. I understand that effective scrutiny of Treasury Management is important, and I am familiar with the key knowledge areas which are:

- Regulatory requirements
- Treasury risks
- The Council's Treasury Management Strategy
- The Council's Policies and Procedures in relation to Treasury Management



29. Is there any additional training that would be beneficial for you to fulfil your role on the Audit Committee?

5 responses submitted



30. Do you have any further comments in relation to skills, knowledge and training requirements of the Audit Committee?

4 responses submitted

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<b>SUBJECT:</b>	<b>REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE &amp; TOWN CLERK</b>
<b>REPORT AUTHOR:</b>	<b>AMANDA STANISLAWSKI, AUDIT MANAGER AND JACLYN GIBSON, CHIEF FINANCE OFFICER</b>

## **1. Purpose of Report**

- 1.1 To report on the progress made in implementing the actions arising from the review of effectiveness of the Audit Committee against the 2022 CIPFA guidance in December 2023.

## **2. Background**

- 2.1 A review of the effectiveness of the Audit Committee was carried out in December 2023 in accordance with the Audit Committee Terms of Reference and good practice as recommended by CIPFA. The assessment focussed on reviewing Good Practice and the Impact and Effectiveness elements.
- 2.2 A score of 165/200 was achieved for the Self Assessment of Good Practice and, whilst not scored, a good level of compliance was achieved against the evaluation of the impact and effectiveness of the Audit Committee.
- 2.3 Following completion of the review an Action Plan was drawn up covering the areas to be addressed and this was presented to the Audit Committee in January 2024. Progress against this Action Plan is monitored by the Chief Finance Officer and Audit Manager and periodically reported to the Audit Committee.
- 2.4 This is the first progress report to the Audit Committee providing an oversight of the progress made and actions remaining to be implemented.
- 2.5 The progress on the actions is also fed into the Internal Audit Annual Report and the Annual Governance Statement.

## **3. Audit Committee Effectiveness Review - Action Plan Progress**

- 3.1 An action within the plan was to produce and monitor progress of actions within the plan through Committee. A review of the progress made in implementing the actions was completed in August and the Action Plan updated. This is attached as Appendix A.
- 3.2 There were 19 actions within the Action Plan and so far 11 of these have been implemented. These include:-
- The revised Terms of Reference for the Audit Committee are now approved.
  - Appointments to the Audit Committee comply with the guidance.
  - Substitutes are invited to all training sessions

- A further Independent Member has been appointed
- The member skills and knowledge framework was shared with the group leaders
- The Chairs report for Council included recommendations for feedback
- The Chair is booked to attend specific training on 26 September
- Invites have been secured for the Lincolnshire forum when it is reinstated
- Risk Management was included within the 2024/25 Audit Plan
- The report from the Fraud Reporting Council was circulated once received
- The Audit Plan considered how assurance could be obtained for culture, ethics and counter fraud arrangements

3.3 One of the remaining actions is to maintain a register of all training sessions provided to the Committee and report to Committee annually. The date was set at January 2024. The register was put in place but it has not yet been reported to the Committee. Attached to this report as Appendix B is a copy of the register for Committee to consider. There were 4 training events run in 2023/24. 3 members on the Committee did not attend any of the training in 2023/24, all of which were substitutes. There were only 2 members of the Committee which attended all events. During 2024/25, 1 training event has been held and 8/10 members of the Committee at that time attended it. The second Independent member was not appointed at the time of the training.

3.4 Another remaining action involved the preparation of a training plan for the Committee. A questionnaire was sent out to all members of the Audit Committee and once responses had been received a training plan has been drafted. This is being presented to the Committee in September for their consideration.

3.5 Following this Committee, the Action plan monitoring action can be signed off and this will then leave 4 remaining actions which have exceeded their implementation dates. These are all being progressed but have taken longer to implement than originally anticipated. The other action is not due to be completed until December 2024. Appendix A provides a detailed update on the position of these.

#### **4. Strategic Priorities**

Ensuring that the Council has effective arrangements in place for its Internal Audit Services and Audit Committee is a key part of the Council's overall governance framework.

#### **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**

The review of effectiveness ensures best practice is met and compliance with the Accounts and Audit regulations.

##### **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

Due to the nature of this report there are no direct equality, diversity or human rights implications.

## **6. Recommendations**

6.1 Audit Committee consider the progress report and comment on the current progress and outstanding actions.

6.2 Audit Committee encourage its members to attend future training events and monitor attendance at least annually.

**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 report contain?** Two

**List of Background Papers:** None

**Lead Officer:** Amanda Stanislowski, Audit Manager  
Email: [amanda.stanislowski@lincoln.gov.uk](mailto:amanda.stanislowski@lincoln.gov.uk)




Jaclyn Gibson, Chief Finance Officer  
Email: [jaclyn.gibson@lincoln.gov.uk](mailto:jaclyn.gibson@lincoln.gov.uk)





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**AUDIT COMMITTEE ACTION PLAN 2023/24**


Last Update: August 2024

Last Reported to Audit Committee: September 2024

No.	Action	Date	Progress	Complete	Responsibility
1.	Revised Terms of Reference to be agreed by the Audit Committee and presented to Full Council for approval.	Audit Committee – Dec 2023 Full Council – Jul 2024	Presented to the Audit Committee on 12 December 2023  Presented to Full Council 16 July 2024.		AM / CFO
2.	Schedule in a private meeting with the Audit Committee, the Audit Manager and the External Auditors at least once a year.	Mar 2024	This has not been completed but action will be taken to schedule in a meeting before the end of the Financial year.		AM
3.	The guidance is considered when the appointments to the Audit Committee are made for 2024/25.	Jun 2024	This was passed to the leader and the Audit Chair was replaced and removed from the Committee in compliance with good practice. Complete		CFO / Leader
4.	Ensure that all substitutes are invited to and encouraged to attend the training sessions.	Jan 2024	Substitutes were invited to the Statement of Accounts Training and have been invited to the Fraud training planned for Oct. They were also included in the notification of the Treasury Management training. Complete		Democratic Services / CFO
5.	A register is maintained of all training sessions provided and attendees and is reported to Committee annually.	Jan 2024	Register is maintained but has not yet been reported. This will be reported alongside the progress report on the review of effectiveness in September. In future, the register		AM

No.	Action	Date	Progress	Complete	Responsibility
			will be included, annually, as part of the Work Programme report.		
6.	The potential to make training mandatory for all Members of the Audit Committee, including substitutes is investigated.	Jan 2024	Initial discussions held with the City Solicitor.		CFO / AM
7.	As part of the TOR review, Audit Committee consider the inclusion of an additional independent member.	Dec 2023	Discussed at Audit Committee and decision taken to look into the appointment of a second independent member. Second independent member appointed.		Committee Chair
8.	Member skills and knowledge framework assessment to be undertaken and appropriate training plan (in addition to existing training programme) to be considered.	Jun 2024	Delayed slightly due to the elections. Skills assessment questionnaire circulated and responses chased. A training plan has been drawn up for Committee and will be presented to them in September for consideration.		Committee Members / CFO / AM
9.	The (blank) member skills and knowledge framework is shared with the Group Leaders prior to the appointment of the 2024/25 Audit Committee along with the recommendation that continuity of members on the Audit Committee is maintained.	May/Jun 2024	This was circulated.		CFO / Group Leaders
10.	Review future Audit Committee Chair reports to Council with a view to including a recommendation to obtain detailed feedback.	Jan 2024	Report for Council included a recommendation for feedback.		Committee Chair / CFO
11.	Specific training on the role of the Audit Committee Chair is provided.	Jun 2024	Signposting has been provided to the Chair for training and information specific to the Audit Chair. Attendance at training provided by CIPFA has been booked for the Chair on 26 <sup>th</sup> September.		Committee Chair / CFO / AM

No.	Action	Date	Progress	Complete	Responsibility
12.	Liaison with Audit Committee Members from other Councils to share good practice either through attending the Lincolnshire forum (if reinstated) or attending other Committees as an observer. Chief Finance Officer and Audit Manager to raise the usefulness of the Lincolnshire Audit Forum with the County Council who previously organised it.	Jun 2024	Lincolnshire forum raised with LCC and they are looking at reinstating a forum to include Lincolnshire Councils. The HOIA at LCC has been requested to let us know and to invite members of this Committee.		Committee Chair / CFO / AM
13.	The Committee pre-meetings with the Chair and Vice Chair include discussions on when it might be appropriate to request officers to attend.	Jan 2024	Pre-meetings have not been held with the new Chair since appointed. Pre-meetings have been put into the diaries for the remaining meetings.		Committee Chair / CFO / AM
14.	The Chairs report is shared with members of the Audit Committee for comment before being sent through for the Full Council Agenda.	Dec 2024			Committee Chair
15.	Action plan to be produced following this review and monitored through the Committee to ensure progress is made.	Jan 2024	The Action Plan was produced and presented in January. First progress review is being reported to the September Committee.		AM
16.	Committee ensure that Risk Management is covered in the 2024/25 Audit plan.	Mar 2024	Completed		Committee Members / AM
17.	Training on risk management is provided to all members of the Audit Committee (including substitutes) who were unable to attend the previous session.	Jun 2024	Discussions to take place with LCC as they provided the training.		Committee Members / CFO
18.	Make latest quality report from the FRC available to the Audit Committee.	Jan 2024	The FRC published their annual report at the end of July and this was circulated to the Audit Committee in August.		CFO

No.	Action	Date	Progress	Complete	Responsibility
19.	The Internal Audit plan for 2024/25 considers how assurance can be evidenced over culture, ethics and counter fraud arrangements.	Mar 2024	This was considered and wherever possible these elements will be covered within the audit scopes. The Counter Fraud assessment will also contribute towards this.		AM

## Audit Committee Training Log - 2023/24

Member	Role	Training					4
		Statement of Accounts Training 06/06/23	Audit Committee Effectiveness 17/07/23	Risk Management 16/08/23	Treasury Management 30/01/24	Total Attended	Total Attended %
Councillor Chris Burke	Chair	Y	Y		Y	3	75%
Councillor David Clarkson	Member	Y	Y	Y	Y	4	100%
Councillor Thomas Dyer	Member	Y				1	25%
Councillor Gary Hewson	Member	Y	Y	Y	Y	4	100%
Councillor Clare Smalley	Member		Y		Y	2	50%
Councillor Calum Watt	Member	Y	Y		Y	3	75%
Councillor Emily Wood	Vice-Chair	Y	Y		Y	3	75%
Councillor Natasha Chapman	Substitute					0	0%
Councillor Martin Christopher	Substitute					0	0%
Councillor Pat Vaughan	Substitute					0	0%
Councillor Aiden Wells	Substitute	Y				1	25%
Jane Nellist	Independent Member		Y	Y		2	50%
Total		7	7	3	6		

## Audit Committee Training Log - 2024/25

Member	Role	Training					1
		Statement of Accounts Training 15/07/23	Fraud Training 23/10/24			Total Attended	Total Attended %
Councillor Emily Wood	Chair	Y				1	100%
Councillor Callum Roper	Member	Y				1	100%
Councillor Thomas Dyer	Member	Y				1	100%
Councillor Gary Hewson	Member					0	0%
Councillor Clare Smalley	Member	Y				1	100%
Councillor Annie Currier	Member	Y				1	100%
Councillor Calum Watt	Vice-Chair	Y				1	100%
Councillor Pat Vaughan	Substitute	Y				1	100%
Councillor Aiden Wells	Substitute					0	0%
Jane Nellist	Independent Member	Y				1	100%
Dave Carter (Sept 2024)	Independent Member	N/A				0	N/A
Total		8	0	0	0		



**AUDIT COMMITTEE****23 SEPTEMBER 2024**

**SUBJECT: ADDRESSING THE LOCAL AUDIT BACKLOG IN ENGLAND**

**REPORT BY: CHIEF EXECUTIVE & TOWN CLERK**

**LEAD OFFICER: JACLYN GIBSON, CHIEF FINANCE OFFICER**

**1. Purpose of Report**

- 1.1 To provide the Audit Committee with an update on the Government's response to the Addressing the Local Audit Backlog in England: Consultation.

**2. Background**

- 2.1 Audit Committee, at it's meeting on 15 July 2024, were presented with a report which set out details of a government consultation (issued during the previous Parliament) on proposals to clear the audit backlog for English councils.

- 2.2 The proposed measures consisted of three phases:

- Phase 1: Reset - legislating for a statutory backstop date for the publication of audited financial statements up to and including financial year 2022/23. Auditors should issue opinions based on the work they have completed by the backstop date – which may lead to a modified or qualified opinion – and are expected to prioritise to ensure that their audit work provides as much assurance as possible ahead of the date;
- Phase 2: Recovery- a series of statutory backstop dates covering the financial years 2023/24 to 2027/28 to allow auditors to rebuild assurance over a five-year period of local bodies' financial information, which has been subject to modified opinion as part of the reset. To reduce burdens on preparers and auditors, CIPFA will make temporary changes to the Code of practice on Local Authority Reporting;
- Phase 3: Reform - the FRC, alongside DLUHC and other system partners, will continue to work to address systemic challenges in the local audit system and embed timely financial reporting and audit.

- 2.3 While the original proposed audit backstop dates (as part of Phase 1 and 2) included in the consultation were abandoned following the calling of the recent General Election, the new Government has now published it's response to the consultation and has laid in Parliament regulations to give effect to it's proposals.

**3. Government Response to Addressing the Local Audit Backlog Consultation**

- 3.1 On the 30 July 2024 the new Government set out a in written statement a new backstop date of Friday 13 December 2024 for all outstanding external audits up to and including 2022/23. For 2023/24 the audit deadline will be 28 February 2025. If

these deadlines are not met, accounts will be published with a disclaimer or modified opinion. The Government is expecting that disclaimed opinions should be limited to the next two years (2023/24 and 2024/25 accounts) in the majority of cases.

- 3.2 Secondary legislation would be laid in Parliament to amend The Accounts and Audit Regulations 2015 to incorporate the above and the following proposed deadlines for future years:
- 2024/25 – 27 February 2026
  - 2025/26 – 31 January 2027
  - 2026/27 – 30 November 2027
  - 2027/28 – 30 November 2028
- 3.3 The regulations will also be amended to extend the deadline for local authorities to prepare draft accounts from 31 May to 30 June for the financial years 2024/25 to 2027/28.
- 3.4 There were proposed exemptions to having to meet the backstop date, which would require the audit opinion to be published as soon as is practicable, these were:
- where auditors are considering a material objection;
  - where recourse to the court could be required; or
  - from 2023/24, where the auditor is not yet satisfied with the body's Value for Money arrangements.
- 3.5 Authorities that are not exempt but don't meet the backstop date will be named, along with their auditors, and required to "publish an explanation, to send a copy of this to the Secretary of State (to facilitate scrutiny) and publish audited accounts as soon as practicable". As well as naming such authorities, government will also state where draft (unaudited) accounts have also not been published.
- 3.6 On the 9 September the Government updated the Consultation document with its response. In parallel to publishing the response to the consultation feedback, the Government also laid in Parliament the regulations (amending The Accounts and Audit Regulations 2015) as well as, on behalf of the Comptroller and Auditor General and the National Audit Office (NAO), a new Code of Audit Practice. These will give effect to the proposals.
- 3.7 The government's response to the consultation confirms the same key dates as in the written statement.
- 3.8 The scenarios in which exceptional circumstances create an exemption for bodies where the auditor has not entered their opinion by the relevant backstop date have been increased to include where an objector has appealed or could still appeal the auditor's decision in relation to the objection. The full list being:
- where auditors are considering a material objection
  - where an objector has appealed or could still appeal the auditor's decision in relation to the objection

- the auditor thinks that an item of account may be contrary to law and has made, or is considering making, an application to the Court on that basis
- or from 2023/24, where the auditor is not yet satisfied with the body's Value for Money (VFM) arrangements

3.9 The Government's response addresses concerns around private borrowing which were raised in the consultation. The response highlighted that private borrowing may already be impacted and acknowledged that there may be an impact on authorities' ability to borrow money where disclaimed or modified opinions are issued as a result of the backstop dates. In cases of qualified or disclaimed audits due to the backstop dates, the government's expectation is that private lenders would factor in the exceptional context and consider their approach on a case-by-case basis.

#### **4. Implications for the Council**

4.1 At this stage the Council is in a more favourable position compared to many other authorities as all financial accounts up to and including 2022/23 have been completed by external audit and it has received a positive value for money statement up to 2022/23. As such the Council is not affected by the backstop date of Friday 13 December 2024 for all outstanding external audits up to and including 2022/23.

4.2 In relation to the audit of the 2023/24 statement of accounts, at this stage the audit is progressing sufficiently well enough to not identify a risk of not achieving the backstop date of 28 February 2025. An update on the progress of the 2023/24 audit, provided by the Council's External Auditors KPMG, is included elsewhere on this agenda.

4.3 From 2024/25 onwards, the deadline for the Council to prepare its statement of accounts will be extended from 31 May to 30 June. This will provide the Council with additional time to focus on quality checking and preparation of audit files, thereby benefitting the audit process.

#### **5. Strategic Priorities**

5.1 There are no direct implications for the Council's strategic priorities. The external audit of the Council's financial statements and VFM conclusion is a statutory requirement and as such contributes towards the fitness for purpose of the Council's governance arrangements.

#### **6. Organisational Impacts**

6.1 Finance – There are no direct financial implications arising as a result of this report. The external audit process provides an independent source of assurance and forms a key element of the checks and balances within the local accountability framework. Part of the role of the external auditor is to provide an assessment of the arrangements that a local authority has put in place to secure economy, efficiency and effectiveness in its use.

6.2 Legal including Procurement Rules – Amendments to the Accounts and Audit (England) Regulations 2025 have been laid in Parliament to give effect to the proposals contained within the Government's consultation response.

## 6.3 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

Due to the nature of this report there are no direct equality, diversity or human rights implications,

## 7. Risk Implications

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

## 8. Recommendation

8.1 Audit Committee are asked to note the Government's response to Addressing the Local Audit Backlog in England: Consultation and implications for the Council.

**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 report contain?** None

**List of Background Papers:** None

**Lead Officer:** Jaclyn Gibson, Chief Finance Officer  
Email: [jaclyn.gibson@lincoln.gov.uk](mailto:jaclyn.gibson@lincoln.gov.uk)

**SUBJECT: EXTERNAL AUDIT: PROGRESS REPORT**

**DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK**

**REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER**

## **1. Purpose of Report**

- 1.1 To present the External Audit Progress Report to Audit Committee.

## **2. Background**

- 2.1 The External Auditor provides periodic update reports to the Audit Committee. KPMG are currently appointed as the Council's External Auditor.

## **3. External Audit Progress Report**

- 3.1 The External Audit progress report attached (Appendix A) covers the significant audit risks identified as part of the Audit Plan & Strategy, and updates on KPMG's findings to date.
- 3.2 External Audit will be in attendance at the meeting to present the progress report.

## **4. Strategic Priorities**

- 4.1 There are no direct implications for the Council's strategic priorities. The external audit of the Council's financial statements and VFM conclusion is a statutory requirement and as such contributes towards the fitness for purpose of the Council's governance arrangements.

## **5. Organisational Impacts**

- 5.1 Finance (including whole life costs where applicable)

The Audit fee for 2023/24 is £139,722, set in accordance with the scale fees set by the PSAA. The fee includes work on the VFM conclusion and the audit of the financial statements. Variations are still likely to be incurred for new requirements of ISA315 (risk of material misstatement) or ISA240 (auditors responsibilities relating to fraud). The fees also assume no significant risks are identified as part of the VFM risk assessment. Additional fees in relation to these areas will be subject to the fee variation process as outlined by the PSAA.

- 5.2 Legal Implications including Procurement Rules

There are no direct legal implications. The External Auditor is required to satisfy themselves that the Council's accounts comply with statutory requirements and that proper practices have been observed in compiling them.

### 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 specific equality, diversity and human rights issues arising as result of this report.

## 6. Risk Implications

- 6.1 There are no specific risk implications arising as a direct result of this report. The Audit Plan and Strategy sets out the key risks including Value for Money, as identified by the External Auditor, relevant to the audit of the financial statements and VFM conclusion.

## 7. Recommendation

- 7.1 Audit Committee is asked to note the content of the latest External Audit Progress Report.

**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 report contain?** One

**List of Background Papers:** None

**Lead Officer:** Jaclyn Gibson, Chief Finance Officer  
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# Progress report to the Audit and Governance Committee

City of Lincoln Council

Progress report for the year ended 31 March 2024

23 September 2024

# Audit risks and our audit approach



1

## Valuation of land and buildings



### Significant audit risk

- The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five year cycle, with land and buildings outside the full revaluation subject to a desktop review. The Authority engages the District Valuer for all Housing property and employs an in-house valuer for all other land and buildings.
- This creates a risk that the carrying value of assets not revalued in year differs materially from the year end current value.
- A further risk is presented for those assets that are revalued in the year, which involves significant judgement and estimation on behalf of the Council's valuer and the District Valuer.



### Our findings to date

- We have critically assessed the independence, objectivity and expertise of the Council's valuer and the District Valuer, the latter used in developing the valuation of the Council's properties at 31 March 2024 and not identified any issues in this regard.
- We have inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We are in the process of comparing the accuracy of the data provided to the valuers for the development of the valuation to underlying information.
- We have evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used. Management do not document a formal review of the report including the assumptions used. We will raise a control deficiency relating to the management review of the valuation report.
- We are in the process of challenging the appropriateness of the valuation of land and buildings including challenging key assumptions within the valuation as part of our judgement through discussions with the valuer.
- Our testing is ongoing with regards to agreeing the calculations performed of the movements in value of land and buildings and verifying that these have been accurately accounted for in line with the requirements of the CIPFA Code; and
- Once the above work is complete, we will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.



# Audit risks and our audit approach



2

## Valuation of Investment Properties



### Significant audit risk

- The Code defines an investment property as one that is used solely to earn rentals or for capital appreciation or both. Property that is used to facilitate the delivery of services or production of goods as well as to earn rentals or for capital appreciation does not meet the definition of an investment property. As at March 2023, the value of investment properties was £36.6m.
- There is a risk that investment properties are not being held at fair value, as is required by the Code. At each reporting period, the valuation of the investment property must reflect market conditions. Significant judgement is required to assess fair value and management experts are often engaged to undertake the valuations.



### Our findings to date

- We have critically assessed the independence, objectivity and expertise of the Council's valuer engaged in developing the valuation of the Council's investment properties at 31 March 2024 and not identified any issues in this regard.
- We have inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code.
- We are in the process of comparing the accuracy of the data provided to the valuers for the development of the valuation to underlying information.
- We have evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used. Management do not document a formal review of the report including the assumptions used. We will raise a control deficiency relating to the management review of the valuation report.
- We are in the process of challenging the appropriateness of the valuation of land and buildings including challenging key assumptions within the valuation as part of our judgement through discussions with the valuer.
- Our testing is ongoing with regards to agreeing the calculations performed of the movements in value of land and buildings and verifying that these have been accurately accounted for in line with the requirements of the CIPFA Code; and
- Once the above work is complete, we will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

# Audit risks and our audit approach (cont.)



3

## Management override of controls<sup>(a)</sup>



### Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.



### Our findings to date

- We will raise a control deficiency in respect of the review process for reviewing journals before they're posted to the ledger. For the purposes of our audit, we are unable to rely on this control as there is not a clear audit trail to evidence that an appropriate review process took place before posting the journal.
- Our testing is ongoing in relation to high-risk and post-close journals.
- To date, we have not identified any bias in any accounting estimates.
- We have not identified any issues to date with the selection and application of accounting policies.
- We have not identified any significant transactions outside of the Council's normal course of business.
- We have not identified any changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.

Note: (a) Significant risk that professional standards require us to assess in all cases.



# Audit risks and our audit approach (cont.)



## 4 Valuation of post retirement benefit obligations



### Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year on year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



### Our findings to date

- We have evaluated the competency and objectivity of the actuaries to confirm their qualifications and the basis for their calculations.
- We have understood the processes the Council has in place to set the assumptions used in the valuation.
- We have performed inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets.
- We have agreed the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation.
- We have evaluated the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability. Management do not document a formal review of the assumptions. We will raise a control deficiency relating to the management review of the report.
- We have challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data.
- We have confirmed that the accounting treatment and entries applied by the Council are in line with IFRS and the CIPFA Code of Practice.
- We have considered the adequacy of the Council's disclosures in respect of the sensitivity of the net liability to these assumptions and not identified any issues.
- We have assessed the impact of the asset ceiling on the net liability and confirmed the amount recorded is appropriate.
- We have recommended a number of updates to disclosures and shared these with management.



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**AUDIT COMMITTEE****23 SEPTEMBER 2024****SUBJECT: AUDIT COMMITTEE WORK PROGRAMME 2024/25****DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK****REPORT AUTHOR: AMANDA STANISLAWSKI, AUDIT MANAGER****1. Purpose of Report**

- 1.1 To provide details of the Audit Committee work programme for 2024/25.

**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. 2024/25 Work Programme**

- 3.1 The proposed work programme for 2024/25 based on the Committee's Terms of Reference and cyclical reporting, is attached at Appendix B.
- 3.2 Since last reporting to this Committee, the following change have been made to the work programme (as shown in red/*italics* in Appendix B):
- External Audit: Annual Auditor's Report 2023/24 – this has been deferred until the December Committee as the External Auditor's work is not yet complete.

- Statement of Accounts 2023/24 - this has been deferred until the December Committee as the External Auditor's work is not yet complete.
- External Audit: Progress Report – this has been added to the September agenda in light of the Annual Auditor's Report being deferred until December.
- Addressing the Audit Backlog in England – this has been added to the September agenda in light of the Government's response to the consultation.

3.3 A copy of the Audit Committee's Terms of Reference is attached at Appendix 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 As part of the latest Audit Committee Review of Effectiveness, that was undertaken early in 2024, a key area within the resulting Action Plan was ensuring that Members of the Committee have the necessary skills and training. A number of actions were set to address the issues identified including:

- Providing the Group Leaders with more information on the skills required for Members of the Committee.
- The completion of an individual skills and knowledge assessment to inform a new Committee training plan.
- Transparency of attendance and inclusion of substitutes on the training will also be improved to ensure that all Members of the Audit Committee are fully trained.

4.3 In relation to the development of a training plan, all Members and substitute Members, were sent a questionnaire/survey to assess their individual skills and knowledge in relation to the functions of the Committee. The results of this self-assessment have now informed a training a development plan which is included as a separate item on this Agenda. Specific briefing sessions for the Audit Committee are now included on the Work Programme at Appendix B.

#### **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 2024/25.

**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  
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## Audit Committee terms of reference (Section 9 Constitution)

### 1 Audit Committee

- 1.1 The Audit Committee is directly accountable to Full Council. It is independent of both the executive and the scrutiny functions and is a key advisory Committee providing independent oversight, recommendations, opinions and influence on the matters for which it is responsible. To assist the Audit Committee in fulfilling its role, it has a right of access to and is expected to engage constructively with other committees and functions, and has the right to request reports and seek assurances from relevant officers.
- 1.2 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 the Constitution.
- 1.3 The Council will appoint an Audit Committee as follows:-

Number of Members	8 – 7 Councillors and at least 1 Independent member
Substitute Members permitted	Yes, provided they have met the training requirements
Restrictions on membership	Executive members or the mayor may not be a member of this Committee.
Quorum	3 Councillors
Number of ordinary meetings per Council year	At least 4 per year

### 2 Statement of purpose

- 2.1 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.
- 2.2 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.
- 2.3 To decide upon and authorise allowances to the Committee's Independent Member.

### **3 Governance, risk and control**

- 3.1 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).
- 3.2 To monitor the effectiveness of the Authority's risk management arrangements (development and operation).
- 3.3 To monitor progress in addressing risk-related issues reported to the Committee.
- 3.4 To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 3.5 To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code.
- 3.6 To consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 3.7 To monitor the Council's anti-fraud and anti-corruption arrangements (including an assessment of fraud risks and potential harm from fraud and corruption).
- 3.8 To monitor the counter-fraud strategy, actions and resources.
- 3.9 To review the governance and assurance arrangements for significant partnerships or collaborations.
- 3.10 To consider reports on customer complaints against service provision and monitor the effectiveness of the arrangements for managing these complaints.
- 3.11 To appoint the Chair as the Lead Member of the Information Governance Board and to monitor and oversee Information Governance practices within the Council.
- 3.12 To maintain an overview of the Council's constitution in respect of contract procedure rules and financial procedure rules.
- 3.13 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.
- 3.14 To consider the Council's compliance with its own and other published standards and controls.
- 3.15 To report and make recommendations to Executive or Council on major issues and contraventions.

- 3.16 To support ethical values and reviewing arrangements to achieve those values as appropriate.

## **4 Financial Reporting**

### **Governance Reporting**

- 4.1 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).
- 4.2 To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.
- 4.3 To consider whether any non-conformance is significant enough that it must be included in the AGS.

### **Financial Reporting**

- 4.3 To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- 4.4 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.
- 4.4 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.
- 4.5 To receive on an annual basis a report on the Treasury Management Strategy before approval by the Executive and Full Council.
- 4.6 To be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

## **5 Arrangements for audit and assurance**

- 5.1 To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.

### **External Audit**

- 5.2 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 (Public Sector Audit Appointments) or the authority's auditor panel as appropriate.

- 5.3 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.
- 5.4 To consider specific reports as agreed with the external auditor.
- 5.5 To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 5.6 To commission work from internal and external audit, as required, and as resources allow.
- 5.7 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.
- 5.8 To provide free and unfettered access to the Audit Committee Chair for the auditors, including the opportunity for a private meeting with the Committee.
- 5.9 Monitor management action in response to any issues raised by external audit.

### **Internal Audit**

- 5.10 To approve the Internal Audit Charter.
- 5.11 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- 5.12 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.
- 5.13 To approve significant interim changes to the risk based internal audit plan and resource requirements.
- 5.14 To make appropriate enquiries of both management and the Head of internal audit (Audit Manager) to determine if there are any inappropriate scope or resource limitations.
- 5.15 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.

- 5.16 Consider reports from the Head of internal audit concerning internal audit activity including internal audit reports on the effectiveness of internal controls (key findings and issues of concern) and seeking assurance that action has been taken where necessary on the implementation of agreed actions.
- 5.17 To monitor audit performance, including QAIP (Quality Assurance and Improvement Program) results and any non-conformance with PSIAS (Public Sector Internal Audit Standards) and LGAN (Local Government Application Notes).
- 5.18 Receive and consider the annual report and opinion of the Head of internal audit including conformance with PSIAS.
- 5.19 To consider summaries of specific internal audit reports as requested by the Audit Committee.
- 5.20 To receive reports outlining the action taken where the Head of internal audit 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.
- 5.21 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.
- 5.22 Consider the regular review of effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations.
- 5.23 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.
- 5.24 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.

## **6 Accountability arrangements**

- 6.1 To report to Full Council on an annual basis the Committee's performance in relation to meeting their Terms of reference and the effectiveness of meeting their purpose. The report to include findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- 6.2 To publish an annual report on the work of the Committee, including a conclusion on the compliance with the CIPFA position Statement.

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**AUDIT COMMITTEE  
AUDIT WORK PROGRAMME FOR 2024/25**

Meeting dates	Audit Items – Revised Agenda	Training (Subject to the development of a new training plan)
4 <sup>th</sup> June 2024	<ul style="list-style-type: none"> <li>Meeting cancelled due to General Election</li> </ul>	
15 <sup>th</sup> July 2024	<ul style="list-style-type: none"> <li>Information Governance Update</li> <li>Internal Audit Progress Report</li> <li>Audit Recommendations Follow Up Report</li> <li>Annual Internal Audit Report</li> <li>Annual Fraud &amp; Error Report</li> <li>Counter Fraud Policy and Strategy</li> <li>Annual Governance Statement (Draft)</li> <li>Addressing the Audit Backlog in England</li> <li>Statement of Accounts 2023/24 (Draft)</li> <li>External Audit – Progress Report</li> <li>Risk Management Annual Update</li> <li>Audit Committee Work Programme</li> </ul>	Local Government Financial Statements
10 <sup>th</sup> Sept 2024 (Provisional)	<ul style="list-style-type: none"> <li><del>External Audit – Annual Auditor's Report 2023/24</del></li> <li><del>Statement of Accounts 2023/24 (Final)</del></li> </ul>	
23 <sup>rd</sup> Sept 2024	<ul style="list-style-type: none"> <li>Internal Audit Progress Report</li> <li>Annual Complaints Report</li> <li>Learning and Development Plan for Audit Committee Members</li> <li>Internal Audit Revised Audit Plan</li> <li>Whistleblowing Policy and Guidance</li> <li>Review of Effectiveness Committee Progress Report</li> <li>Addressing the Local Audit Backlog in England</li> <li>External Audit – Progress Report</li> <li>Audit Committee Work Programme</li> </ul>	

## APPENDIX B

10 <sup>th</sup> Dec 2024	<ul style="list-style-type: none"> <li>• External Audit – Annual Auditor's Report 2023/24</li> <li>• Statement of Accounts 2023/24 (Final)</li> <li>• Audit Recommendations Follow Up Report</li> <li>• Six Month Fraud &amp; Error Report</li> <li>• NFI Policy</li> <li>• Information Governance update</li> <li>• Annual Governance Statement – Progress Report</li> <li>• Audit Committee Work Programme</li> </ul>	Audit Committee Effectiveness
4 <sup>th</sup> Feb 25	<ul style="list-style-type: none"> <li>• Internal Audit progress Report</li> <li>• Treasury management Policy and Strategy</li> <li>• Audit Committee Work Programme</li> </ul>	Treasury Management
25 <sup>th</sup> Mar 25	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report</li> <li>• Audit Recommendations Follow Up Report</li> <li>• Internal Audit Strategy and Plan 25/26</li> <li>• External Audit – Audit Strategy Memorandum 24/25</li> <li>• Statement on Accounting Policies</li> <li>• IAS19 – Assumptions</li> <li>• External Audit Inquiries</li> <li>• Partnership Governance</li> <li>• CIPFA Financial Management Code</li> <li>• Money Laundering Policy and Procedure</li> <li>• Audit Committee Work Programme</li> </ul>	

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