

**SUBJECT:               AUDIT COMMITTEE WORK PROGRAMME**

**DIRECTORATE:       CHIEF EXECUTIVE AND TOWN CLERK**

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

## **1.     Purpose of Report**

1.1    To provide details of the Audit Committee work programme for 2021/22.

## **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 2018 Edition, as providing those charged with governance, independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. 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’. 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.

2.2    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.     2021/22 Work Programme**

3.1    The proposed work programme is attached at Appendix B. Since last reporting to this Committee, the following changes have been made to the work programme (as shown in red/italics in App B):

- **14<sup>th</sup> December Meeting**

- **Deferrals**

- Six month Counter Fraud Report – due to a reduction in audit resources following the departure of the Internal Audit Manager, this report will now be combined with the annual Counter Fraud Report due to be reported to Committee in July 2022
    - Fraud Risk Register – due to a reduction in audit resources (as above) the work required to update the register will be combined with other scheduled work in early 2022 and reported to Committee at it’s meeting on 22<sup>nd</sup> March 2022.

### **Additions**

- Statement of Accounts 2020/22 – this item has been pending the completion of the external audit
- Audit Completion Report – this item has been pending the completion of the external audit
- External Audit Progress Report – update report requested by the External Auditor

- **22<sup>nd</sup> March Meeting**

### **Additions**

- Fraud Risk Register – deferred from 14<sup>th</sup> December meeting as above
- Partnership Governance – an interim report is included elsewhere on this agenda which includes a position statement on the Council's Key Partnerships, a full assurance report will be provided to the 22<sup>nd</sup> March meeting.

3.2 A copy of the Audit Committee's terms of reference is attached at Annex A

## **4. Learning and Development**

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

4.2 Members need to consider annually their learning and development plan to support them in delivery of their roles. During 2021/22 Members have received the following training:

- 10<sup>th</sup> June – General Audit Committee Awareness
- 22<sup>nd</sup> July – Local Government Financial Statements

Further training was originally included within the work programme for this current Committee meeting to cover Audit Committee effectiveness and Counter Fraud. The Counter Fraud learning is on hold pending the development of a training package through the Lincolnshire Counter Fraud Partnership and will be rolled out as soon as this is available. In terms of the Audit Committee effectiveness training, this is being considered as part of the wider training needs of the Audit Committee, for which a programme is currently being prepared. Officers intend to provide a further update at the next Committee meeting.

## **5. Strategic Priorities**

5.1 The Internal Audit Service and Audit Committee contributes to the Council's strategic priorities, by helping to manage risk and achieve its objectives.

## **6. Organisational Impacts**

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

6.2 Legal Implications 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 the report, no specific Equality Impact Analysis is required.

## 7. Risk Implications

7.1 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.

## 8. Recommendation

8.1 Audit Committee are asked to comment on and agree on the work programme for 2021/22.

Key Decision	No
Do the Exempt Information Categories Apply?	No
Call in and Urgency: <b>Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?</b>	No
How many appendices does the report contain?	Two
List of Background Papers:	None

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