

SUBJECT: AUDIT COMMITTEE WORK PROGRAMME

DIRECTORATE: CHIEF EXECUTIVE

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 Appendix B):

- **22nd March Meeting**

- **Deferrals**

- External Quality Assessment: Final Report – the EQA was undertaken by CIPFA in February 2022, however the final report has not been received. This will be deferred to the next Audit Committee in June 2022.

- **Additions**

- Next Steps Accommodation Programme: Compliance Audit Result – reported added to comply with Homes England assurance requirements.
- DHLUC: Measures to improve timeliness of local audit – reported added to provide an update to Audit Committee on latest Government measures

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

3.3 A new work programme for the municipal year 2022/23 is currently being prepared and will be presented to the Committee at it’s first meeting of the year on 14th June 2022.

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:

- 10th June 2021 – General Audit Committee Awareness
- 22nd July 2021 – Local Government Financial Statements
- 1st February 2022 – Treasury Management

Counter Fraud learning, which was scheduled for December 2021, 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 has now been procured through Fifield Training and is scheduled for 6th June 2022.

4.3 Members of the Committee were also invited to attend the Update for Local Authority Audit Committee Members Webinar hosted by CIPFA. Unfortunately, no Members were able to attend. Should the webinar material be made available then this will be circulated to Members of the Committee.

4.4 The Chair of the Committee has attended a Audit Committee: Leadership Essentials Programme delivered by the Local Government Association. The programme, aimed at Audit Committee Chairs, discussed how Audit Committees can be most effective, drawing on the insights of auditors to ensure that the public can have confidence in the way the council is managing its financial affairs.

4.5 In addition, details of the Local Government Association’s soon to be established targeted forums, aimed at further strengthening the capability and skills of audit committee members, have now been received. The first of these forums, to be

attended by Audit Committee Chairs, or Vice Chairs, or substitutes, will be held on 22nd March 2022.

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: **Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?**

No

How many appendices does the report contain?

Two

List of Background Papers:

None

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