

Present:	Councillor Chris Burke (<i>in the Chair</i>)
Councillors:	David Clarkson, Gary Hewson, Clare Smalley, Rachel Storer, Calum Watt and Emily Wood
Independent Member:	Jane Nellist
Apologies for Absence:	Councillor Thomas Dyer

10. Confirmation of Minutes -6 June 2023

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

11. Declarations of Interest

No declarations of interest were received.

12. Statement of Accounts 2022/23

Jaclyn Gibson, Chief Finance Officer:

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

Members discussed the contents of the report in further detail.

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

Response: This would be updated.

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

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

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

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

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

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

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

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

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

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

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

13. Internal Audit Progress Report

Amanda Stanislawski, Audit Manager:

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

Members discussed the contents of the report in further detail.

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

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

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

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

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

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

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

Response: There was a section which included development needs.

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

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

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

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

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

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

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

14. Internal Audit Recommendations Follow Up

Amanda Stanislawski, Audit Manager:

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

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

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

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

15. External Audit Progress Report

Jaclyn Gibson, Chief Finance Officer:

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

The committee considered the contents of the report.

RESOLVED that the content of the report be noted.

16. Audit Committee Work Programme 2023/24

Amanda Stanislawski, Audit Manager

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

The committee considered the contents of the report.

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

17. Risk Management Annual Update

Jaclyn Gibson, Chief Finance Officer:

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

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

The committee considered the contents of the report.

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

18. Exclusion of Press and Public

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

19. Risk Management Annual Update - Appendix B

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

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