

<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

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