

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

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

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