



Regulatory and Other Committee

Open Report on behalf of Pete Moore, Executive Director Finance and Public Protection

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| Report to: | Audit Committee |
| Date: | 23 July 2018 |
| Subject: | Audit Committee Annual Report July 2018 |

Summary:

To consider the effectiveness and workload of the Audit Committee in providing a "watchdog" function, promoting and ensuring good governance and accountability in Lincolnshire County Council.

Recommendation(s):

The Audit Committee considers the draft Annual Report.

Background

The Audit Committee Annual Report is required under both the Committee's Terms of Reference and CIPFA's Position Statement: Audit Committees in Local Authorities and Police (2018) to report on its performance and demonstrate how the Committee has discharged its responsibilities. The draft Annual Report is Appendix A.

To support the Committee in being effective, a training session took place on 26 March 2018. The session focused on 3 aspects of the Audit Committee's role and function and after each of the 3 sections, the members were able to ask questions and discuss how the topic relates to their work.

The 3 specialist areas were as follows:-

1. The Audit Committee Annual Report

The Committee's Terms of Reference requires a "*report to full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose*".

2. Supporting the Audit Committee to fulfil its role and be effective

The Committee's Terms of Reference define its role as "*to provide independent assurance to members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Lincolnshire County Council's governance, risk management and control frameworks and oversees the financial report and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place*".

3. Thinking about the 2018/19 Audit Committee Work Plan

The Committee's Terms of Reference includes the following in its list of functions:-

- *To consider the Head of Internal Audit's annual report and opinion*
- *To approve the risk-based internal audit plan*
- *To consider the external auditor's reports and opinion*
- *To monitor the effective development and operation of risk management and corporate governance in the Council*
- *To review the assessment of fraud risks and potential harm to the Council from fraud and corruption*
- *To monitor the counter-fraud strategy, actions and resources*
- *To review the Annual Governance Statement prior to approval*
- *To consider the Council's compliance with its own and other published standards and controls.*
- *To review the annual statement of accounts.*
- *Approve the authority's statement of accounts, income and expenditure and balance sheet*
- *Promoting and maintaining high ethical standards by Councillors and non-elected members*

The aim for this part of the training was to think about the Committee work plan, considering:-

- What should be on the plan?
- Why?
- When?
- Who?

The key messages arising from the training session are included as paper Appendix B. Updates are included where relevant.

The Internal Audit service is actively updating their templates and the draft Audit Committee Annual Report reflects the aim to improve the look and impact of reports.

The presentation used for the March training is attached as Appendix C

Conclusion

Good practice advocates the Audit Committee publishes an Annual Report this is the draft. The final report will be presented to full Council at its September meeting.

Consultation

a) Have Risks and Impact Analysis been carried out??

No

b) Risks and Impact Analysis

Any changes to services, policies, and projects are subject to an Equality Impact Analysis. The considerations of the contents and subsequent decisions are all taken with regard to existing policies.

Appendices

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| These are listed below and attached at the back of the report | |
| Appendix A | Audit Committee Annual Report 2018 |
| Appendix B | Outcomes from the Audit Committee Training on 26.03.2018 |
| Appendix C | Presentation 26.03.2018 |

Background Papers

| Document title | Where the document can be viewed |
|---|----------------------------------|
| Terms of Reference of the Audit Committee | Constitution - LCC Connects |

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