

PRESENT: COUNCILLOR MRS S RAWLINS (CHAIRMAN)

Councillors M G Allan (Vice-Chairman), S Bunney, P E Coupland, P A Skinner and A N Stokes.

Also in attendance: Mr I Haldenby (Independent Added Member).

Councillor: R D Butroid attended the meeting as an observer.

Officers in attendance:-

Debbie Bowring (Principal Risk Officer), David Coleman (Chief Legal Officer), Katrina Cope (Senior Democratic Services Officer), Andrew Crookham (Executive Director Resources), Sue Maycock (Strategic Finance Lead (Technical)), Lucy Pledge (Head of Internal Audit and Risk Management), Amanda Reid (Strategic Finance Manager – Technical) and Matthew Waller (Internal Audit Manager).

16 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor J L King and Mr A Middleton (Independent Added Member).

17 DECLARATIONS OF MEMBERS' INTEREST

Councillor P E Coupland wished it to be noted that he was a member of the Lincolnshire Pension Fund Committee.

18 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 11 JULY 2022

RESOLVED

That the minutes of the Audit Committee held on 11 July 2022 be confirmed and signed by the Chairman as a correct record.

19 MONITORING OFFICER'S ANNUAL REPORT

Consideration was given to a report from David Coleman, Chief Legal Officer/Monitoring Officer, which invited the Committee to consider the Monitoring Officer's Annual Report.

The Committee was advised that in 2021/22 there had been 68 referrals to the Local Government and Social Care Ombudsman (LGSCO) concerning Lincolnshire County Council. It was noted that this figure had increased from 48 in 2020/21. It was reported that 41 of

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these had not been investigation by the LGSCO, and the 27 that had been investigated, 15 of the investigations had not concluded and would form now fall into next year's report. Further details relating to the remaining 12 cases were shown on pages 13 and 14 of the report pack.

Other areas reported included Standards Complaints, Register of Councillors' Disclosable Pecuniary Interests, Register of Officers' Interests and Regulation of Investigatory Powers Act 2000.

During consideration of this item some concern was raised regarding the number of referrals to the Local Government and Social Care Ombudsman and that some assurance was needed whether there were any trends emerging, reference was made to Education Health and Care Plans (EHCP). The Committee was reassured that there was a process within Children's Services for addressing trends and that there was no evidence to suggest that this was the case. If, however further reassurance was required further information could be sought from Children's Services.

The Chairman on behalf of the Committee extended her that to the presenter.

RESOLVED

That the Monitoring Officer's Annual report be received and that comments raised by the Committee relating to EHCP's be taken into consideration by relevant officers.

20 UPDATE ON THE CIPFA FINANCIAL MANAGEMENT CODE

The Committee considered a report from Michelle Grady, Assistant Director – Finance, which provided an action plan for implementing the requirements of the CIPFA Financial Management Code. A copy of the Action Plan was detailed at Appendix B to the report

The Chairman invited Sue Maycock, Strategic Finance Lead (Technical), to present the item to the Committee.

During discussion, the Committee raised some of the following comments:

- The risks associated with the recent IT outage. It was highlighted that there were no risks associated with the code, but there were strategic risks which would be covered later on in the agenda;
- Target dates of the 31 March 2023. The Committee was advised that the team were keen to see progress within the financial year and that quite a few of the actions were already work in progress;
- Item '0' from Appendix B, some reassurance was sought as to how this would be achieved, with reference being made to council tax collection rates. The Committee was advised that the balance sheet was monitored throughout the year and that any areas of significant risk would be reported to the council. Regarding council tax collection rates, conversations would be had with district councils to obtain

intelligence for next year's budgets. The Committee also noted that the financial resilience of the council was reported to the Executive quarterly; and reports were also considered by the Overview and Scrutiny Management Board; and

- Further concern was expressed that due to current uncertainties, further reassurance was sought regarding financial resilience. Officers agreed to report back on the financial resilience and feed this into the action plan.

RESOLVED

That the update on the CIPFA Financial Code Action Plan be received and that the comments raised be noted.

21 REVIEW OF THE COUNCIL'S GOVERNANCE ARRANGEMENTS AND APPROVAL OF THE ANNUAL GOVERNANCE STATEMENT 2021/22

Consideration was given to a report from Lucy Pledge, Head of Internal Audit and Risk Management, which provided the Committee with an opportunity to consider and comment on the content of the Annual Governance Statement 2021/22.

The Committee was advised of the background to the Annual Governance Statement, a copy the Annual Governance Statement for 2021/22 was attached at Appendix A to the report for the Committee to consider.

During consideration of the item, the Committee raised some of the following comments:

- Appreciation was extended to the report and the statement presented;
- Page 58 – Outcomes – working for a better future, a question was raised as to whether it was the intention to compare the council against other councils. The Committee was advised that the Overview and Scrutiny Management Board were provided with key performance indicator and benchmarking data to consider;
- Page 68 – the potential re-wording of a sentence in the third paragraph regarding the Fire and Rescue Service to read 'good progress in certain areas has been made';
- Page 55 – the meaning of governance. It was noted that the public sector meaning was contained in practice guidance; and
- There was recognition that the council was doing well, and that there needed to be aspiration to be at the top of other peers. It was noted that the service did perform service checks regarding systems and processes and did challenge performance.

RESOLVED

1. That the Annual Governance Statement 2021/22 be agreed, and that the statement includes any significant governance/key risks it would have expected to be published.
2. That the Annual Governance Statement for 2021/22 be approved and be recommended to Council for adoption.

22 STATEMENT OF ACCOUNTS 2021/22 - UPDATE ON AUDIT PROGRESS

The Committee considered a report from Michelle Grady, Assistant Director – Finance, which summarised the outstanding areas of work in relation to the Council’s draft Statement of Accounts 2021/22.

The Chairman invited Sue Maycock, Strategic Finance Lead (Technical), to present the item to the Committee.

Attached at Appendix A was a copy of the Mazars External Audit Progress report (August 2022), relating to the Lincolnshire Pension Fund, for the Committee to consider.

The Committee was advised that the external audit by Mazars was progressing well, with only a few outstanding areas as identified in the report presented. It was however highlighted that the infrastructure assets accounting issue might impact the Councils ability to complete the accounts and audit by the required deadline, and that if this was the case the Committee would be kept informed.

During consideration of this item, the Committee raised some of the following issues:

- Some concern was expressed about the timing of receiving the remaining pension valuations (Further details regarding Lincolnshire Pension Fund Accounts were shown on pages 83 and 84 of the report pack) and about the impact of this on deadlines. The Committee noted that it would be informed at its meeting in November whether or not the deadline for finalising audited accounts would be met;
- The Committee noted that the infrastructure assets accounting issue was potentially problematic if valuations of infrastructure assets were going to be required, given the nature of such assets; and
- The need to ensure that resources were available to do what needed to be done.

RESOLVED

That the status of the external audit of account of the statement of accounts 2021/22 be noted.

23 RISK MANAGEMENT PROGRESS REPORT - SEPTEMBER 2022

Consideration was given to a report from Debbie Bowering, Principal Risk Officer, which provided an update on how the Council’s biggest risks were being managed.

In guiding the Committee through the report, reference was made to the background to the risk management progress report; and a copy of the Risk Management Progress Report – September 2022 was attached at Appendix A to report for the Committee to consider.

The Committee was advised that overall, the Councils strategic risks continued to be managed pro-actively and that there was a good level of awareness of the current and emerging risks, with positive action being taken, where appropriate.

During consideration of this item, the Committee raised some of the following comments:

- IT Business Continuity – the need to ensure that risks were identified to prevent the reoccurrence of the IT issues encountered during the previous week;
- Members extended their thanks for the excellent report; and
- Inflationary pressures, and whether there had been an increase in fraud. It was reported that the Committee would be receiving a report concerning the fraud risks register at its March meeting.

RESOLVED

That the status of the strategic risks facing the Council be noted.

24 WORK PROGRAMME

The Head of Internal Audit and Risk Management introduced the work programme, which provided the Committee with core assurance activities currently scheduled for the 2022/23 work programme. A copy of the said work programme was attached at Appendix A to the report presented.

Also, detailed at Appendix B to the report was a copy of the Audit Committee Action Plan for 2022/23 for the Committee's consideration.

The report also highlighted the training and development programme proposed for members of the Audit Committee and reference was made to the reinstatement of the Lincolnshire Audit Committee Forum.

During consideration of this item, the Committee raised the following comments:

- That when the Lincolnshire Audit Committee Forum meeting were re-established in 2023, the meetings should be in-person meetings;
- The inclusion of a report/verbal update concerning emerging risks into the work programme;
- Assurance that Education, Health and Care Plans were being monitored; and
- Assurance as to what had been learnt from the IT Outtage.

RESOLVED

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1. That the Audit Committee's work plan be received subject to the inclusion of the comments raised above.
2. That the proposed training and development programme as detailed in the report be received.
3. That any actions highlighted above be included in Action Plan.

The meeting closed at 11.10 am