



Open Report on behalf of Andrew Crookham, Executive Director - Resources

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| Report to: | Audit Committee |
| Date: | 19 March 2021 |
| Subject: | Work Programme |

Summary:

This report provides the Committee with information on the core assurance activities currently scheduled for the 2021 work plan.

Recommendation(s):

To review and amend the Audit Committee's work plan ensuring it contains the assurance areas necessary to approve the Annual Governance Statement 2021.

Background

The work plan, as attached at Appendix A, has been compiled based on the core assurance activities of the Committee as set out in its terms of reference and best practice.

Conclusion

The work plan helps the Audit Committee effectively deliver its terms of reference and keeps track of areas where it requires further work and/or assurance.

Consultation

a) Have Risks and Impact Analysis been carried out?

No

b) Risks and Impact Analysis

N/A

Appendices

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| These are listed below and attached at the back of the report | |
| Appendix A | Work Programme |

Background Papers

No Background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Lucy Pledge, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk .

Appendix A - Audit Committee Work Plan 2021/22

| 19 March 2021 – 10.00 am | | |
|---|--|---|
| Item | Contributors | Assurances Required/ Sought |
| Statement of Accounts 2019/20 - Update | Sue Maycock (Head of Finance – Corporate) | |
| External Audit Strategy – Lincolnshire County Council 2020/21 | Representatives of Mazars | Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed. |
| External Audit Quality | Sue Maycock (Head of Finance – Corporate) | Effectiveness of the External Auditors Quality Assurance Framework / processes following the 2020/21 audit experience, changes in audit resources and the October 2020 publication of the report by the Financial Reporting Council on Major Local Audits - Audit Quality Inspection. |
| Statement of Accounts 2020/21 – Accounting Policies | Sue Maycock (Head of Finance – Corporate) | Confirm that the appropriate accounting policies are being applied and understand the impact of any material changes that affect the Council's or Pension fund accounts. |
| Internal Audit Progress Report | Lucy Pledge (Head of Internal Audit and Risk Management) James Drury (Executive Director – Commercial) John Wickens (Assistant Director IMT and Enterprise Architecture) | Gain an understanding of the level of assurances being provided by the Head of Internal Audit over the Council's governance, risk and internal control arrangements and why. The Internal Audit Plan focuses on the key risks facing the Council and is adequate to support the Head of Audit opinion. Confirm that the plan achieves a balance between setting out the planned work for the year and retaining flexibility to changing risks and priorities during the year. |

19 March 2021 – 10.00 am

| Item | Contributors | Assurances Required/ Sought |
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| Risk Management Progress Report - March 2021 | Debbie Bowring (Principal Risk Officer) | Seek assurance that risk-related issues are being addressed. |
| International Standards on Auditing - Response to Management Processes Questions | Dianne Downs (Team Leader – Audit) | Each year the External Auditors are required to obtain an understanding of the Council's management processes in a number of areas. The International Auditing Standards specify the areas concerned – with the aim to support risk assessment around fraud, error or a material mis-statements in the County Council and Pension Fund financial statements. This report sets out the management responses to those questions. |
| Counter Fraud Plan 2021/22 | Dianne Downs (Team Leader – Audit) | On the overall effectiveness of the Authority's arrangements to counter fraud and corruption. |

| 14 June 2021 – 10.00 am | | |
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| Item | Contributors | Assurances Required/ Sought |
| External Audit Strategy – Lincolnshire Pension Fund 2020/21 | Representatives of Mazars | Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed. |
| Annual Audit Letters for Lincolnshire County Council & Lincolnshire Pension Fund for the year ending 31 March 2020 | Representatives of Mazars | Seek assurance over the adequacy of the External Audit opinion on the financial statements and the Council's value for money arrangements. Ensure any issues / risks identified are being effectively managed. |
| Draft Internal Audit Annual Plan 2021/22 | Lucy Pledge (Head of Internal Audit and Risk Management) | That the Internal Audit Plan focuses on the key risks facing the Council and is adequate to support the Head of Audit opinion. Confirm that the plan achieves a balance between setting out the planned work for the year and retaining flexibility to changing risks and priorities during the year. |
| Internal Audit Progress Report | Lucy Pledge (Head of Internal Audit and Risk Management) | Gain an understanding of the level of assurances being provided by the Head of Internal Audit over the Council's governance, risk and internal control arrangements and why. The Internal Audit Plan focuses on the key risks facing the Council and is adequate to support the Head of Audit opinion. Confirm that the plan achieves a balance between setting out the planned work for the year and retaining flexibility to changing risks and priorities during the year. |

14 June 2021 – 10.00 am

| Item | Contributors | Assurances Required/ Sought |
|---|--|---|
| Financial Management Code / VFM regime | Dave Simpson (Head of Technical and Development Finance) | Provide assurance that the Council's arrangements follow good practice - supporting financial resilience, sound financial management and VfM. |
| Review of Governance Framework and Development of the Annual Governance Statement 2020/21 | Lucy Pledge (Head of Internal Audit and Risk Management) | <p>Confirm that the Annual Governance Statement reflects the Committee's understanding of how the Council is run and that any significant governance issues / risks have been identified / published.</p> <p>Constructively challenge the information and evidence being presented.</p> <p>Ensuring value for money assurance arrangements are reported on and assessing how this features in the Annual Governance Statement.</p> <p>Improving how the Council discharges its responsibilities for public reporting e.g. better targeting at the audience and plain English.</p> |
| Horizon Scanning | Lucy Pledge (Head of Internal Audit and Risk Management) | |

12 July 2021 - 11.00 am (Informal Statement of Accounts Training at 9.15am)

| Item | Contributors | Assurances Required/ Sought |
|---|--|---|
| Internal Audit Annual Report 2020/21 | Lucy Pledge (Head of Internal Audit and Risk Management) | <p>Gain an understanding of the level of assurances being provided by the Head of Internal Audit over the Council's governance, risk and internal control arrangements and why.</p> <p>To consider how well the Internal Audit Functions is performing:</p> <ul style="list-style-type: none"> • Is it what you want – independent, objective and provide a knowledgeable view of how well the Council is being run? • Conforms to the Public Sector Internal Audit Standards? • Has an effective Quality Assurance framework? • Successfully delivers results that make a difference in how well the Council is run? |
| Approval of the Council's Annual Governance Statement 2020/21 | Lucy Pledge (Head of Internal Audit and Risk Management) | Confirm that the final Annual Governance Statement accurately reflects the Committees understanding of how the Council is run and any comments made on the draft have been acted upon. |
| Draft Statement of Accounts 2020/21 | Sue Maycock (Head of Finance – Corporate) | <p>By asking questions (supported by independent advisor), confirm the integrity of the Council's financial statements prior to audit/publication.</p> <p>Improving how the Council discharges its responsibilities for public reporting e.g. better targeting at the audience and plain English.</p> |
| Information Assurance Annual Report 2020/21 | David Ingham (Head of Information Assurance) | Gain an understanding of the level of assurances being provided by the Head of Information Assurance over the Council's information governance arrangements and why. |

12 July 2021 - 11.00 am (Informal Statement of Accounts Training at 9.15am)

| Item | Contributors | Assurances Required/ Sought |
|---|---------------------------------------|---|
| Monitoring Officer's Annual Report | David Coleman (Monitoring Officer) | Confirm compliance with the Council's code of conduct and constitutional arrangements – ensuring the lawfulness of decisions and promoting / maintaining high standards of conduct by officers and members. |
| Annual Report on Corporate Compliments and Complaints | Shay Noreen (Complaints Manager) | Provide assurance on the effectiveness of the Councils complaints policy and processes. |

27 September 2021 – 10.00 am

| Item | Contributors | Assurances Required/ Sought |
|---|--|--|
| Statement of Accounts for Lincolnshire County Council & Lincolnshire Pension Fund for the year ending 31 March 2021 | Sue Maycock (Head of Finance – Corporate) Mike Norman / Michael Butler / John Pressley (Mazars) | <p>Ensure that the explanatory forward to the accounts help the public understand the authority's financial management of public funds.</p> <p>Consider the outcome of the External Audit and the appropriateness of management responses.</p> <p>Consider any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council</p> <p>Consider the proposed Value for Money Conclusion and any matters arising.</p> |
| Internal Audit Progress Report | Lucy Pledge (Head of Internal Audit and Risk Management) | Gain an understanding of the level of assurances being provided by the Head of Internal Audit over the Council's governance, risk and internal control arrangements and why. |

| 27 September 2021 – 10.00 am | | |
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| Risk Management Progress Report – September 2021 | Debbie Bowring (Principal Risk Officer) | Seek assurance that risk-related issues are being addressed. |
| Fraud Risk Register | Matt Drury (Principal Investigator) | <p>Confirm that the Council's counter fraud activity is targeted and effective.</p> <p>Ensure that appropriate progress is being made on the delivery of the Counter Fraud plan.</p> <p>Ensure that lessons have been learnt – understand fraud risks facing the Council and actions being taken to reduce the risk.</p> |

| 15 November 2021 – 10.00 am | | |
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| Item | Contributors | Assurances Required/ Sought |
| Updated Audit Completion Report 2020/21 – Lincolnshire County Council | Representatives of Mazars | Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed. |
| Counter Fraud Progress Report | Matt Drury (Principal Investigator) | <p>Gain assurance that the Council has effective arrangements in place to fight fraud locally.</p> <p>Ensure that counter fraud resources are effectively targeted to the Council's key fraud risks.</p> |
| Annual Whistleblowing Report | Matt Drury (Principal Investigator) | That the Council's process and procedures for dealing with whistleblowing referrals is effective. |
| Internal Audit Progress Report | Lucy Pledge (Head of Internal Audit and Risk Management) | Gain an understanding of the level of assurances being provided by the Head of Internal Audit over the Council's governance, risk and internal control arrangements and why. |

| 15 November 2021 – 10.00 am | | |
|---|--|--|
| Item | Contributors | Assurances Required/ Sought |
| Draft Audit Committee Annual Report 2020/21 | Lucy Pledge (Head of Internal Audit and Risk Management) | Provide assurance that the Committee has adequately discharged its terms of reference and has positively contributed to how well the Council is run. |

| TBC February 2022 – 10.00 am | | |
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| Item | Contributors | Assurances Required/ Sought |
| Combined Assurance Status Reports – 2021/22 | Chief Executive, Executive Directors and Chief Fire Officer | <p>Understand the level of assurances being provided on the Council's critical systems, key risks and projects and how they link to the Committees role and remit and the Annual Governance Statement.</p> <p>Seeking assurance that they are working well and that any significant risk and issues are being actively managed.</p> |

Items to be programmed:

- **Integration of Health and Social Care (including IMT)** – Glen Garrod (Executive Director of Adult Care and Community Wellbeing) – Date TBC.