Report of the Director:
Governance and Partnerships

Agenda Item No: 6
Meeting 27 June 2018

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

AUDIT COMMITTEE FORWARD PLAN 2018-19

1. OBJECT AND KEY POINTS IN THIS REPORT

1.1. To approve the forward plan for the Audit Committee during 2018/19 and consider whether the assurances indicated in the plan provide adequate coverage to allow the Committee to fulfill its terms of reference.

2. BACKGROUND INFORMATION

2.1 Audit Committees are a key part of governance arrangements and can make a real difference to the way public services are run. They provide an independent, high-level resource supporting strong public financial management and governance.

2.2 Each year a forward plan of reports is presented for approval. The plan shows the assurance each report will provide to allow the Audit Committee to fulfill its terms of reference. Appendix A shows the proposed forward plan for 2018/19 and how the reports will enable Members to receive the assurances they require to fulfil the Audit Committee's terms of reference, including the proposed additions to them referred to elsewhere in the Audit Committee Agenda.

2.3 In addition is anticipated that the Audit Committee will receive additional reports from other providers of assurance, particularly in the following areas of the Audit Committee's remit:

- To maintain an overview of the council's constitution and governance arrangements in respect of contract procedure rules, financial regulations and the shared services programme with North East Lincolnshire Council, including the joint committee established thereunder;

- To consider the council's compliance with its own and other published standards and controls; and

- To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

3. OPTIONS FOR CONSIDERATION

3.1 The Committee should consider whether the forward plan for 2018/19 provides sufficient scope to obtain assurance on the adequacy of the council's internal control and governance arrangements to fulfill its terms of reference. If it concludes that it does provide sufficient scope to obtain assurance the Committee is invited to approve the forward plan for 2018/19 (subject to any additional reports identified by the Director of Governance and Partnerships during 2018/19)

3.2 The Committee may decide not to approve the forward plan.

4. ANALYSIS OF OPTIONS

4.1 The forward plan is designed to provide Members with sufficient scope to gain adequate assurance to fulfill their role as set out in the Committee's terms of reference.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 There are no additional resource implications. However regular reviews of internal control and governance arrangements should safeguard the council's assets and help ensure that value for money is achieved in the use of resources.

6. OUTCOMES OF INTEGRATED IMPACTASSESSMENT (IF APPLICABLE)

6.1 An Integrated Impact Assessment is not required.

7. OUTCOMES OF CONSULTATION AND CONLICTS OF INTERESTS DECLARED

7.1 The forward plan for 2018/19 is the result of consideration of professional guidance and external audit's reporting requirements.

7.2 There are no conflicts of interests to declare.

8. RECOMMENDATIONS

8.1 That the Audit Committee considers whether the forward plan for 2018/19 provides sufficient scope to provide an appropriate level of assurance on the adequacy of the council's internal control and governance arrangements.

8.2 That the Audit Committee approves the forward plan for 2018/19, subject to any additional reports identified by the Director of Governance and Partnerships during 2018/19

DIRECTOR OF GOVERNANCE AND PARTNERSHIPS

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Background Papers used in the preparation of this report:
Chartered Institute of Public Finance and Accountancy (CIPFA) – Audit Committees, Practical Guidance for Local Authorities and Police Authorities (2018 edition)

North Lincolnshire Council

Appendix A: Audit Committee Forward Plan 2018/19

Current TOR as per constitution	**June**	**July**	**Sept**	**Jan**	**April**
Internal Audit Activity					
To approve the audit charter and annual audit plan;					Internal Audit Plan and audit charter update
To consider the head of internal audit's annual report and opinion, including • a summary of internal audit activity • the level of assurance it can give over the council's control framework; and • the performance and effectiveness of internal audit (including compliance with Public Sector Internal Audit Standards, results of the Quality Assurance and Improvement Programme, and relevant external inspections)	HAA annual report				
(b) To consider significant issues arising from internal audit reviews carried out and high risk agreed actions not implemented within a reasonable timescale.	HAA annual report		Internal Audit update	Internal Audit update	Internal Audit update

Current TOR as per constitution	June	July	Sept	Jan	April
External Audit Activity					
(c) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance. This includes reports dealing with the management and performance of the external audit service.	External audit update report	ISA 260 report	Audit annual letter	External update report	External update report
(d) To consider specific reports as agreed with the external auditor					
(e) To comment on the scope and depth of external audit work and to ensure it gives value for money.	External Audit update report				External audit update report
(f). To be kept informed of over the appointment of the council's external auditor by Public Sector Appointments Limited (PSAA).					
(g) To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA, where applicable (proposed)		ISA 260 Report			

Current TOR as per constitution	June	July	Sept	Jan	April
Regulatory Framework					
(a) To maintain an overview of the council's constitution and governance arrangements in respect of contract procedure rules, financial regulations and the shared services programme with North East Lincolnshire Council, Including the joint committee established thereunder.	HAA annual report Information Governance Report				
(b) Consider the effectiveness of the authority's risk management arrangements. Review the risk profile of the organisation and assurances that action is being taken on risk-related issues, including partnerships with other organisations. This includes: • Receiving an annual report from the Director of Governance and Partnerships on the effectiveness of the Council's risk management arrangements (and periodic updates where applicable). • Approval of the risk management strategy			Update report including review of strategic risk register		Annual report of risk management arrangements, and review of the risk and opportunities protocol (if applicable)

Current TOR as per constitution	June	July	Sept	Jan	April
Regulatory Framework continued					
(c) To consider the effectiveness of the Council's anti-fraud and corruption arrangement. This includes: • Receiving an annual report of the outcome Council's anti- fraud and corruption activities (and periodic updates where applicable) • Approval of the anti-fraud and corruption strategy and supporting policies such as the whistle-blower's charter • To review the assessment of fraud risks and potential harm to the council from fraud and corruption (proposed)			Update report		Annual Fraud report and review of the fraud strategy (if applicable)
(d) To review, and recommend approval of, the Annual Governance Statement and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.	Consider the AGS				

Current TOR as per constitution	June	July	Sept	Jan	April
Regulatory Framework continued					
(e) To consider the council's arrangements for corporate governance and agreeing necessary action to ensure compliance with CIPFA/ SOLACE governance framework and approval of the Code of Corporate Governance.	Presentation on the Council's Assurance Framework			Review of the code of governance	
(f) To consider the council's compliance with its own and other published standards and controls.	HAA report				
(g) To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	HAA report	ISA 260 report			
(h) Reviewing and monitoring treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice	Treasury management annual report			Treasury management strategy mid year review	
(i) To review the governance and assurance arrangements for significant partnerships or collaborations			Presentation of the Council's partnership governance arrangements		

Current TOR as per constitution	June	July	Sept	Jan	April
Financial reporting					
(a) To approve the accounting policies to be used to prepare the accounts.				Accounting policies	
b) To review and/or approve the annual statement of accounts. Specifically, to consider whether the approved accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.		Annual Accounts			
(c) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.		ISA260 report			

Current TOR as per constitution	June	July	Sept	Jan	April
Accountability Arrangements					
To report to full council on an annual basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose (proposed)					Annual Report of the Audit Committee
To provide the Audit Committee the opportunity to meet in private with Internal/ External Audit without any other officers present at the end of each meeting , if required (proposed)		To be included as an optional item in each agenda	To be included as an optional item in each agenda	To be included as an optional item in each agenda	To be included as an optional item in each agenda