



## Additional / To Follow Agenda Items

This is a supplement to the original agenda and includes reports that are additional to the original agenda or which were marked 'to follow'.

### Nottingham City Council Audit Committee

**Date:** Friday, 27 September 2024

**Time:** 9.30 am

**Place:** Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG

**Governance Officer:** Kate Morris **Direct Dial:** 0115 8764214

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# HR & EDI Audit Committee Report

September 2024

1. Introduction
2. Development and Change
3. Equality, Diversity and Inclusion
4. Casework
5. Policy Review
6. Sickness Absence Review
7. Employee Wellbeing
8. Transactional HR & Payroll Services (provided by EMSS)
9. Pension Administration

# Contents

# 1. Introduction

- ▶ The HR & EDI division previously developed an HR Improvement Plan in response to IAB instructions; this plan has been revised against the NCC Improvement Plan recognising the need for our improvement to be aligned to key themes of the programme:



Engaged, effective  
and empowered staff



Improve governance



Improve enabling  
processes and systems

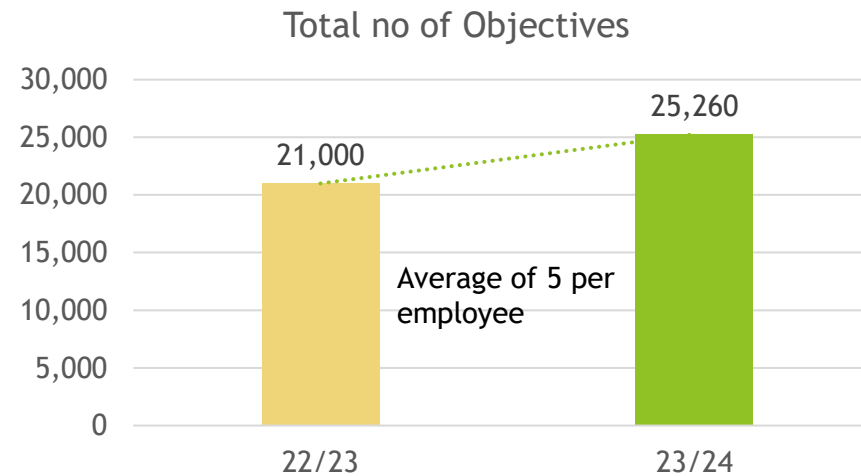
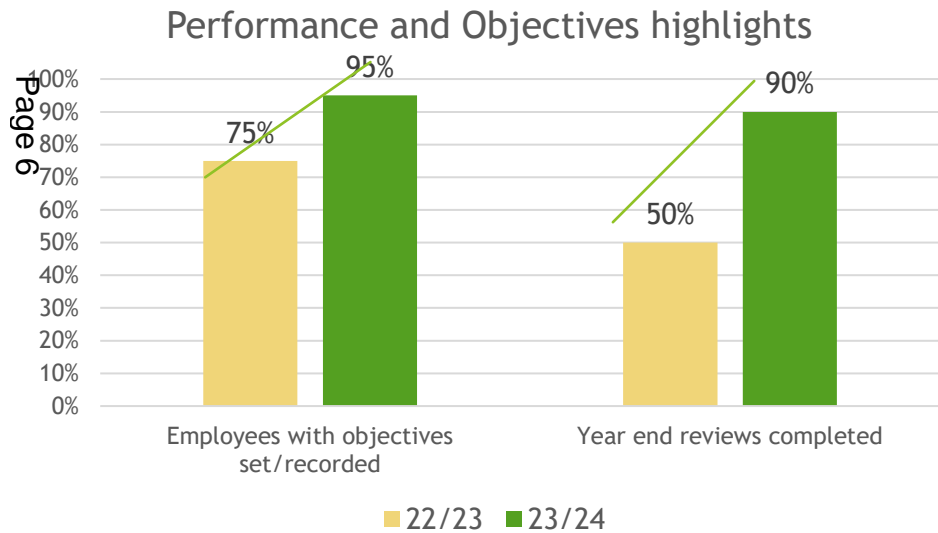


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- ▶ Each area of the division is working to ensure the Council's statutory and non-statutory obligations relating to people management, data governance and Equality, Diversity and Inclusion are being met and/or progressed.
- ▶ Cross division work is also currently underway to fundamentally change the function's operating model - maximising self-service (including a review of policies, processes and other management tools), strengthening the working relationship with EMSS and delivering committed D&P savings.
- ▶ This is being delivered whilst simultaneously supporting cross NCC D&P savings delivery (c 70 savings with workforce impacts and reduction of 550 posts), supporting delivery of transformation, identification and delivery of 25/26 savings proposals and the BAU activity set out in these slides.
- ▶ The current FTE of the team is 67 - against a budgeted establishment of 85.

# 2. Development and Change

- ▶ The new approach to **Individual Performance Reviews (IPR)** is now in its 3<sup>rd</sup> year, with significant increase in end of year completion rates and Objectives set.



## 2. Development and Change

Council-wide participation in learning and development remains consistent and higher than 3 years ago



**4196** colleagues engaged in development in 23/24

**83%**



Colleagues and managers that are compliant with mandatory learning

**1621**



Colleagues attendees at workshops

**3975**



Colleagues completed **16,147** e-learning modules



**80%**

New managers that complete Leadership Management Programmes

- Current climate (D&P impact, restructures and budget pressures may have led to a slight downturn in engagement with learning. A trend to be monitored into 2024/25.

### Observations

- Levels of engagement are slightly lower than 22/23 which can be explained to some degree by the fact that the Leading and Managing Together was mandatory for c.650 managers, who have now completed
- Induction programme for c.1200 TUPE transferred employees for NCH and NRB

## 2. Development and Change

Talent Development programmes being delivered to 'Establish and maintain a trained, skilled competent workforce accommodating fundamental cultural change'.

### Leadership Development Programme

- ▶ Launched in 2022, now embedded into BAU with all new managers being enrolled as part of their induction to NCC.
- **80%** of managers fully complete within the required timeframes; SLMG completions have fallen slightly, largely due to the re-design of the programme content to align more closely to Council Improvement Plan
- Phase 2 of the programme will focus on **embedding behaviour change** and producing results and mapping to the key requirements of the Council Improvement plan and commissioners.

### Accelerated Development Programme

- 2 cohorts have been delivered during 2023/24 with 31 colleagues completing. Total number of participants completing over 4 cohorts is now **58**.
- Development and Change continue to work with manager to source stretch/development opportunities for participants and provide CPD opportunities.
- Evaluation is underway to inform design and timing of future cohorts.

### Nottingham Leaders Transformation Programme (NLTP)

- City wide leadership programme involving partners from Police, Fire and Health.
- 2 cohorts have finished in 2023/24 with 37 NCC employees. Total number of participants over 4 cohorts is now 67.
- Work is underway to collaborate with partners to review and evaluate future provision of NLTP

### Reciprocal Mentoring

- 2 cohorts have run with early indications of an increase in cultural competence across SLMG and an increased understanding of the importance of diversity in decision making.
- Preliminary evaluation is currently underway which will inform design and provision of future cohorts.

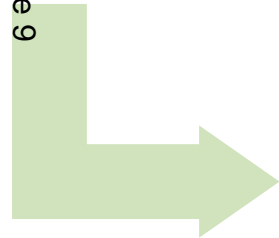


# 2. Development and Change

## Councillor Development Programme – 2023/24

123 participants in development across a variety of interventions **(excluding induction)** designed to support them in their role.

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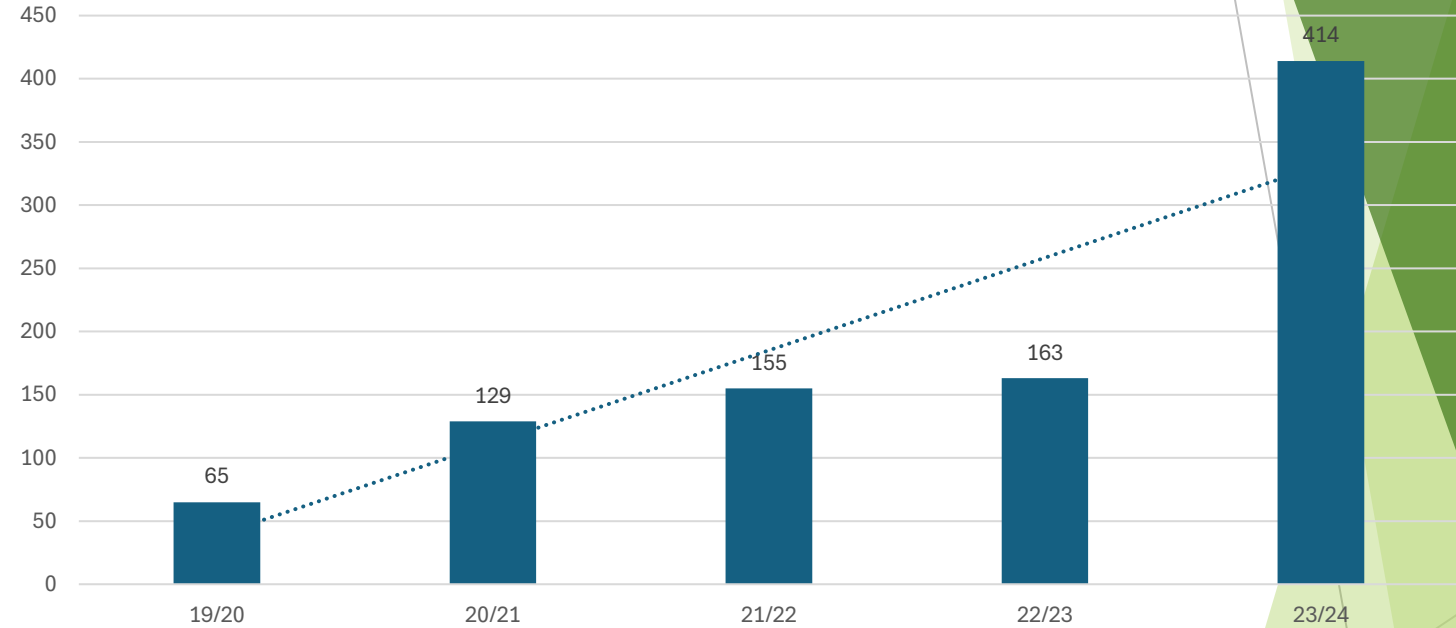


Comprehensive 6-week induction of new councillors post-election in May 2023, successfully delivered with 89% of respondents saying it was valuable or very valuable.



2024/25 programme designed and being implemented.

Participation in Councillor Development



# Equality, Diversity and Inclusion

Progress on Embedding EDI into all strands of work at NCC

## EDI Strategy

- Updated in line with the refreshed SCP and recommendations from the Cllr Scrutiny committee
- Senior stakeholder feedback on the EDI Strategy followed by engagement with Trade Unions and Staff Networks prior to launching in Autumn 2024.
- Management training by Development & Change is embedding awareness of equality and inclusion priorities, directly targeting an increase in representation at the SLMG level.

## Public Sector Equality Duty (PSED)

- NCC uses Equality Impact Assessments (EIAs) to ensure compliance with the PSED. The EDI team run monthly EIA workshops to support managers as well as bespoke sessions for the Transformation Project Managers.
- The Equality and Employability Team continue to provide quality assurance on EIAs to ensure a lawful approach has been taken throughout the EIA decision-making process.
- Specific duties under PSED require publication of our gender pay gap report and general equality duty, which is reviewed and published annually.

## Inclusive Initiatives

- Disability Confident Leader
- Race at Work Charter
- BSL Charter
- Stonewall Equality Index - achieved 'Silver Award' in 2023
- Equality Framework for Local Government (EFLG)

# Casework - 2023/2024

## Disciplinaries (including Probation and Performance Management)

- 199 cases opened  
(increase from 22/23)
- 174 cases closed
- 58 cases remain open
- Average resolution time:
  - Disciplinary: 66 days
  - Probation: 39 days
  - Performance Mgmt: 69 days

## Disciplinary Outcomes (including Probation and Performance Management)

- **Disciplinary**
  - No Case to Answer: 25
  - Informal Correction: 32
  - First Written Warning: 17
  - Final Written Warning: 16
  - Final Written Warning & Demotion: 2
  - Resignation: 21
  - Dismissed: 15
- **Probation**
  - Satisfactory Probation: 7
  - Probation Extended: 4
  - Dismissed: 12
- **Performance Mngmt**
  - Objectives Met: 4
  - Demotion: 2
  - Move to Another Post: 1
  - Resignation: 1

## Grievances

- 48 cases opened
- 57 cases closed
- Average resolution time
  - 57 Days
  - HDVB: 104 days
- **Outcomes:**
  - Resignation: 2
  - Withdrawn: 5
  - Informal Resolution: 12
  - Alternative Formal Process: 2
  - Not upheld: 20
  - Partially upheld: 8
  - Upheld: 1

## Improvement Journey

- Routes of escalation with HR Business Leads to manage pace and progress in high-risk cases
- Casework Data is discussed monthly with HoS and Directors to provide clarity on roles and responsibilities as well as escalate concerns
- Data is presented quarterly at DLT to support discussions with TU's at the JCNC meetings

# Policy Review

## Disciplinary Policy

- Policy and associated guidance/templates were implemented 1 July 2024
- Changes ensure consistent application of the procedure and reduce the disproportionate impact on employees with protected characteristics.
- Specialised training commenced in August 2024 to develop an internal pool of Investigating Officers across the organisation.; training for Deciding Officers will follow

## Performance Management Policy

- Policy and supporting Guidance approved and implemented in May 2023
- Mandatory e-learning for managers is being monitored by D&C to ensure completion.

## Code of Conduct

- Implemented in July 2022
- Rolled out to all colleagues via email and intranet announcements.

## Grievance Procedure

- Policy and associated Guidance was implemented 1 July 2024
- Rolled out to all colleagues via email and intranet announcements.

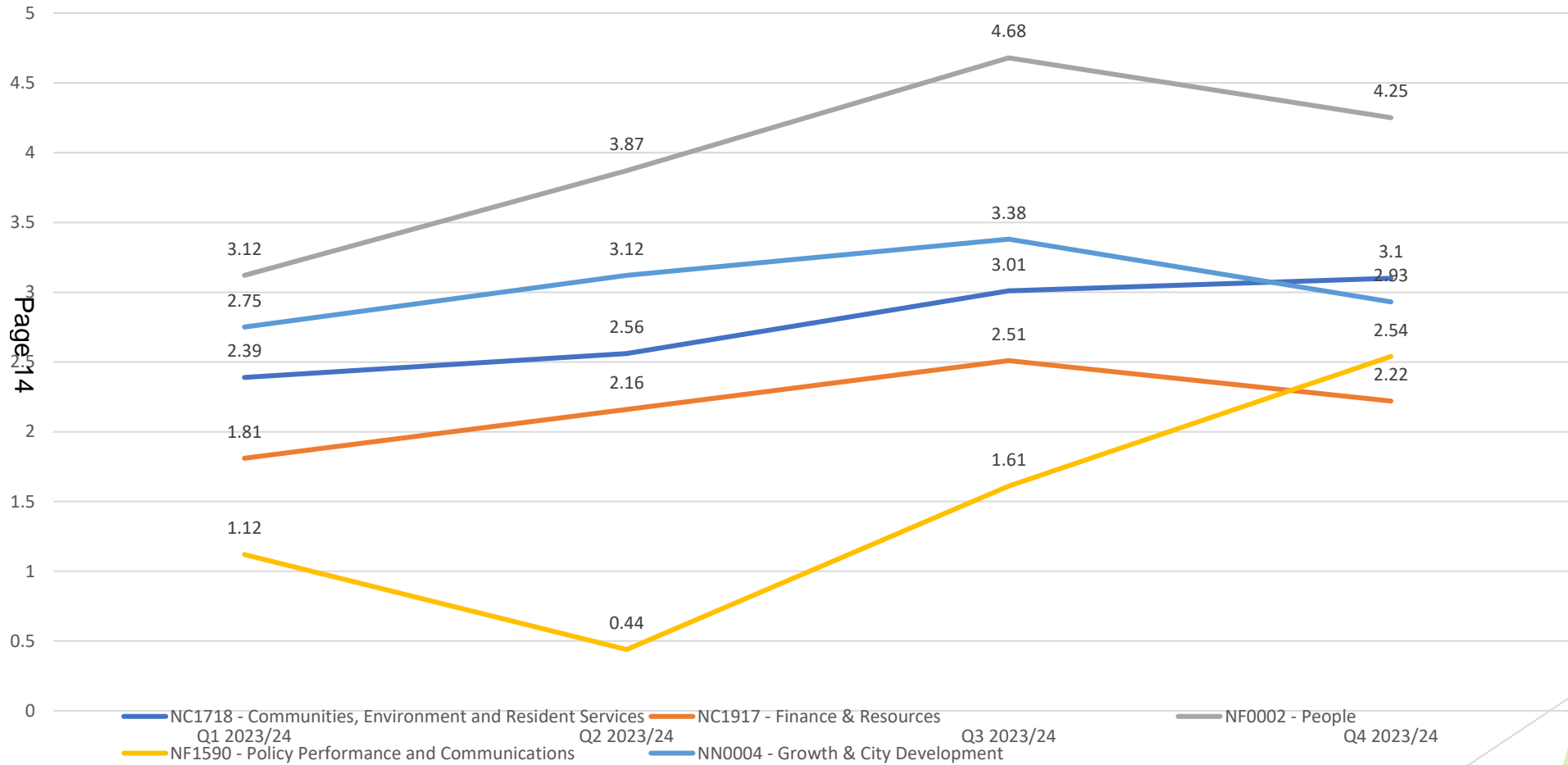
# Directorate Absence - Days Lost per FTE (Last 12 months)

## Figure 1.

Directorate	Q1 2023/24	Q2 2023/24	Q3 2023/24	Q4 2023/24	Days Lost per FTE
Communities, Environment and Resident Services	2.39	2.56	3.01	3.1	11.06
Finance & Resources	1.81	2.16	2.51	2.22	8.7
People	3.12	3.87	4.68	4.25	15.92
Policy Performance and Communications	1.12	0.44	1.61	2.54	5.71
Growth & City Development	2.75	3.12	3.38	2.93	12.18
NCC	2.65	3.08	3.53	3.26	12.5

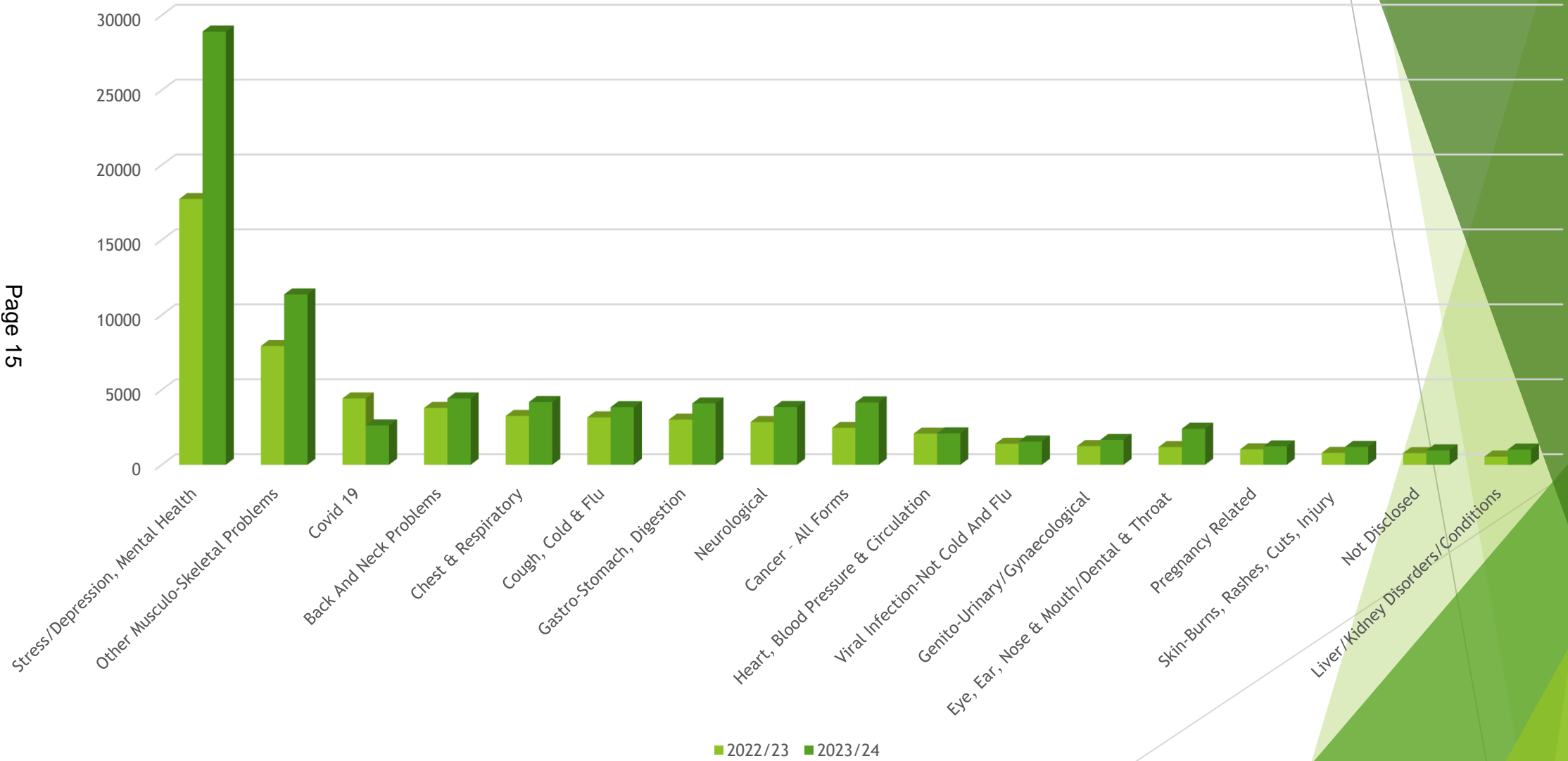
# Directorate Absence - Days Lost per FTE 2023/24

## Fig 2.



# Sickness Absence by Absence Reason

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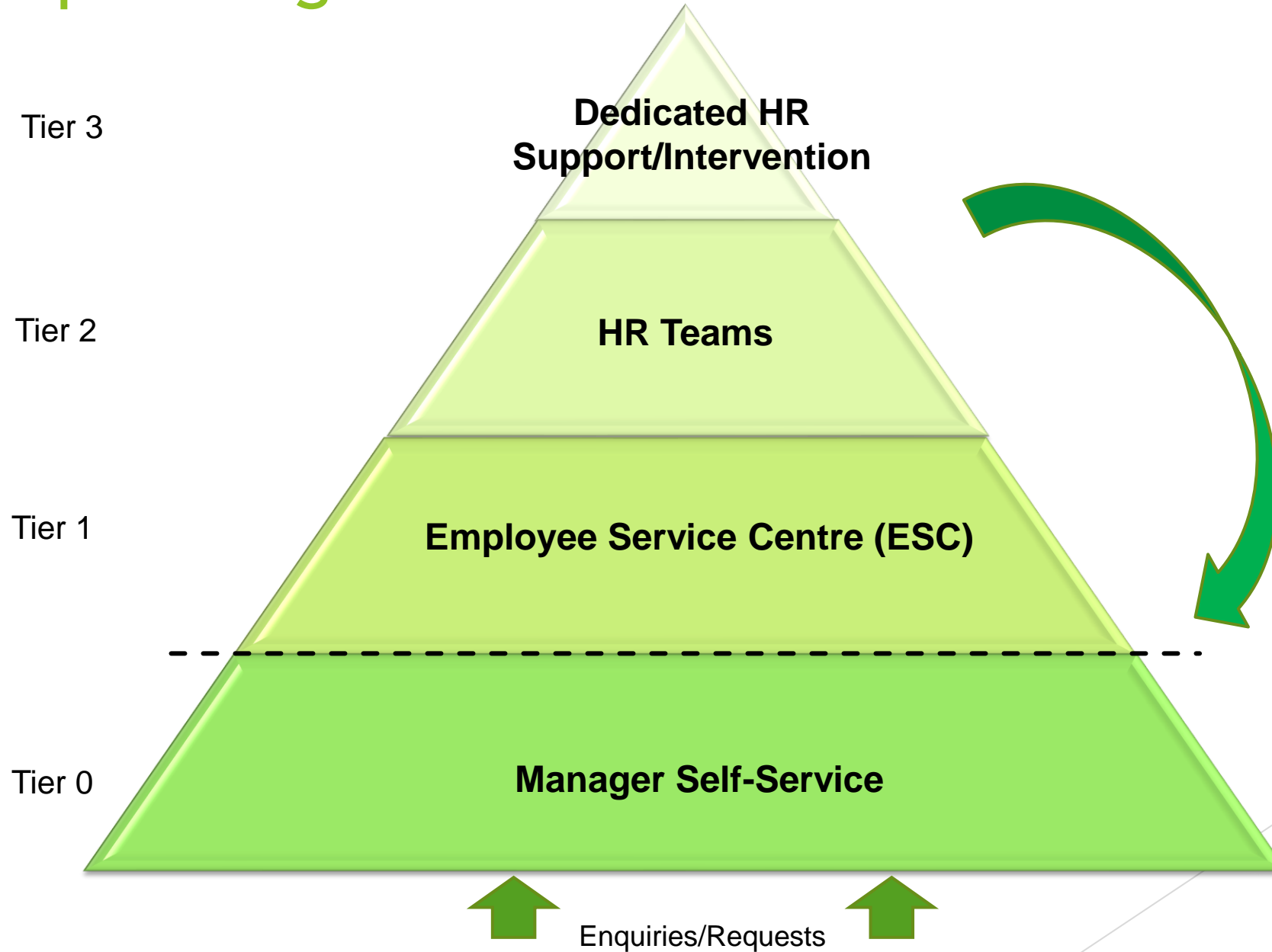
# Employee Wellbeing

- ▶ A corporate offer of provision to support Employee health and wellbeing including an in house OH service are in place.
- ▶ Services provided include an EAP (Employee Assistance Programme), Wellbeing Initiatives such as MHFAs, OHA (nurse led) and OHP (physician led) appointments to support with a range of HR processes; access to physiotherapy and HSE required health surveillance; and specialist advice on complex cases.
- ▶ Corporate contracts for OHP and Physiotherapy provision have recently be renewed and the tender exercise for the EAP is being completed
- ▶ Work is ongoing to address the backlog of health surveillance in Housing Services which dates from when this was NCH. Options are being explored around permanent OH resource dedicated to Housing Services going forwards to ensure compliance.
- ▶ **Medical information (Special category data):** systems and processes are in place to ensure the appropriate security and handling of this information.
- ▶ Previous audits have found that appropriate measures and good practice are in place to ensure that obligations of article 9 of GDPR regs are being met

	20/21	21/22	22/23	23/24	23/24
	NCC	NCC	NCC	NCC	Housing Services
General Referrals	-	-	-	441	104
Health surveillance (statutory requirement)	155	149	386	371	1342
Physiotherapy	157	273	323	100	29
Workstation assessments	35	65	54	59	9
Wellbeing referrals (with psychotherapist)	193	208	126	70	9
Neurodiversity assessments	N/A	N/A	N/A	14	2
<b>TOTAL</b>				1055	1495



# HR Operating Model



# Pensions Administration

- ▶ Pensions administration for LGPS, Teachers Pensions and NHS schemes for NCC, EMC and maintained schools undertaking a range of statutory duties. Non-compliance could result in fines from the Regulator.
- ▶ The withdrawal of EMSS from services to schools has meant that schools are now using external payroll providers: the provision of data has been inconsistent and schools do not necessarily manage these contracts effectively. Work is being done by the Pensions team to support schools to ensure that the correct data in the correct format is being submitted in a timely fashion, to avoid potential issues with compliance.
- ▶ The team has restructured and reduced in size as a result of the D&P review; as a result some non-statutory activity is returning to Nottinghamshire Pensions Fund from 1 January 2025. A transition plan is in place with NPF to manage this change.
- ▶ Performance data is reported on a monthly basis to the HR Delivery Manager to provide assurances or red flags around compliance.
- ▶ Team is subject to internal and external audit and will respond to queries to support audits as required.
- ▶ The Pensions Lead is responsible for ensuring any changes to pensions legislation and/or pensions regulations are acted on and adhered to

# Pay

- ▶ A collective agreement was secured with the Council's recognised trade unions and a revised pay structure implemented in September 2023 with payments backdated to 1 July 2023.
- ▶ The revised structure includes broader scales, with grades B - D expanded from a 2 to 3 point incremental scale. And grades E and above from a 2 to 4 point incremental scale.
- ▶ GLPC and SLMG grades now include an additional higher increment, all employees with a year or more service at level 2 of their grade on implementation were moved to the new higher incremental point.
- ▶ SLMG progression has been brought in line with that for GLPC, employees progress after 12 months (was 24 months). Progression is now subject to satisfactory performance in the role.
- ▶ Work continues on the review of payment of allowances through payroll elements and the automation of holiday pay on allowances.
- ▶ A range of technical improvements are underway and scheduled throughout the current year to further improve customer experience, controls and compliance

# Pay...cont

- ▶ The quarterly Pay Governance Board, resumed in Q2 2023.
- ▶ The key functions of the Board are to monitor the operation of the Council's Pay Policy and ensure principles of the Council's Pay Policy are being adhered to. The Board makes decisions on discretionary payment elements and makes recommendations on the Pay Policy and its application.
- ▶ Oracle Fusion Reports, that support pay policy governance activity, now provide the necessary datasets to enable the Board to discharge its functions.
  - ▶ Pay Governance Board quarterly datasets include an overview of market supplement payments, additional payments, discretionary payments, allowances, overtime and agency spend.

<b>Title of paper:</b>	Audit Committee Annual Report 2023/24	
<b>Director(s)/ Corporate Director(s):</b>		<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	Councillor Adele Williams – Chair of Audit Committee <a href="mailto:Adele.williams@nottinghamcity.gov.uk">Adele.williams@nottinghamcity.gov.uk</a>	
<b>Other colleagues who have provided input:</b>	Kate Morris – Scrutiny and Audit Support Officer	
<b>Does this report contain any information that is exempt from publication?</b> No		
<b>Brief Summary</b> This annual report summarises the activity of the Audit committee over 2023/24 and explains how the Committee has filled its designated role within the Constitution and how this work relates to its core responsibilities.		
<b>Recommendation(s):</b>		
<b>1</b>	To endorse the Audit Committee Annual report to Full Council in November 2024.	

**1 Reasons for recommendations**

- 1.1 One of the purposes of the Audit committee is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements, giving greater confidence to all those charged with governance that those arrangements are effective. The Annual report demonstrates how it has fulfilled its role in 2023/24 and allows Council to be assured that those arrangements are effective.

**2 Background**

- 2.1 The report and its appendices summarise the work undertaken by the Committee during 2023/24, shows the topics it discussed and uses its Terms of Reference to demonstrate how it met its objectives and responsibilities.
- 2.2 The report acknowledges the impact that a number of significant events have had on the focus of the work of the committee and the need for it to remain agile and responsive, but also confirms the committee’s commitment to continue to push the improvement agenda moving forward.
- 2.3 The report recognises the positive contributions of councillors and colleagues in the deliberations of the Committee and the positive effect the Committee has had on the Council’s governance arrangements.

**3 Background papers other than published works or those disclosing exempt or confidential information**

- 3.1 None

**4 Published documents referred to in compiling this report**

- 4.1 None

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# **Audit Committee Annual Report 2023/24**

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**Appendix A - Analysis of Audit Committee Work Programme**

**Appendix B - List of Reports to Audit Committee by Date**

## Foreword by the Chair

I am pleased to provide the Audit Committee's Annual Report for the municipal year 2023/2024. Council is requested to take note of the work conducted by the Audit Committee in improving and enhancing the governance arrangements throughout the Council.

The report illustrates how the Audit Committee makes a positive contribution to the Council's governance, risk and control environments. These cover aspects such as internal control; risk management; internal audit; anti-fraud; external audit; and financial reporting and assurance over improvement programmes.

The Committee is supported by officers through reports, presentations, and briefings, and makes recommendations for officers to take on suggestions to ensure the benefits of this Committee are passed onto our citizens through improvements to the governance, risk and control environment.

I would like to thank Councillor Samuel Gardiner for chairing the Committee during 2023/24, and the Internal Audit and the External Audit teams for their input. I should also like to thank all the officers, and all fellow Committee members who have contributed to, and supported the work of the Committee throughout the past year challenging officers to ensure our governance, risk, and control processes are effective, open, and transparent.

Key highlights of the Committee's work in 2023/24 included

- Regular reports on improved controls around exemption from Financial Regulations resulting in a significant reduction in exemptions requested and subsequently approved.
- The approval and initial work on the Audit Committee Improvement Plan, including a self-assessment session, and Committee Member Skills and Knowledge review in line with CIPFA best practice
- Progress towards production of Financial Statements and in the statutory audit
- Reports from theme leads on progress, governance, risk and control in the Together for Nottingham Plan and in Improvement and Assurance Board requirements
- Regular oversight of the work following the S151 Officers S114 report and activity to build improvement in financial controls
- Improvement plans and progress resulting from Limited Assurance Internal Audit Reports and external assurance provider reports

For 2024/25, as Audit Committee Chair, I look forward to continuing to support the Council by ensuring that the Committee:

- focuses on self-improvement, driving actions within the Audit Committee Improvement Plan, following best practice, and is proactive and forward thinking
- continues to recognise issues that require its focus, prioritising the most significant corporate risks and issues
- seeks to gain assurance and challenge weaknesses in governance, risk management, and control
- seeks assurance that work on the Nottingham City Improvement Plan advances at pace and the frameworks in which it operates are robust.





## **The Purpose and Aims of Audit Committees**

The Audit Committee operates in accordance with the “Audit Committees, Practical Guidance for Local Authorities” produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2022. The Guidance suggests the purpose of an Audit Committee as follows:

1. To provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to the Council that those arrangements are effective.
2. The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

Good governance is ultimately the responsibility of those charged with governance, as well as those with leadership roles and statutory responsibilities in the organisation, including the Chief Executive, Corporate Directors, the Chief Financial Officer and the Monitoring Officer. The Audit Committee plays a key role in supporting the discharge of those responsibilities by providing a high-level focus on audit, assurance and risk management and financial reporting.

In summary, the committee’s role is to challenge, assess and gather assurance from within the Council and from external agencies, on the level and quality of the internal control and risk management processes in place to ensure that Council objectives are met. As part of this role it approves Audit Plans, the Statement of Accounts, and Annual Governance Statement and monitors the robustness of performance management systems. The benefits gained from operating an effective committee are that it:

- contributes to the development of an effective control environment including arrangements for management of risk;
- increases stakeholder confidence in the objectivity and fairness of financial and other reporting by promoting transparency and accountability;
- reinforces the importance and independence of internal and external audit and any other similar review process (e.g. providing a view on the AGS) and the implementation of audit recommendations;
- advises on the adequacy of the assurance framework and considers whether assurance is deployed efficiently and effectively to give assurance that Council objectives are met;
- helps the authority to implement the values of ethical governance, including effective arrangements for countering risks of fraud and corruption

## **Terms of Reference**

The Terms of Reference were reviewed as required by the Report in the Public Interest. As part of the work towards the Audit Committee Improvement Plan addition work as initiated a to bring the committee Terms of Reference into line with the new CIPFA guidance, issued in 2022. This review got underway towards the end of 2023/24 following the approval of the Audit Committee Improvement Plan in March 2024 and the committee will endorse the new terms of reference to Full Council as part of the 2024/25 Work Programme.

## **Membership**

The Audit Committee was made up of 9 non-executive councillors appointed to reflect the political balance of the Council.

The members of the committee for the municipal year 2023/2024 were:  
Councillor Samuel Gardiner – Labour (Chair)

Councillor Sulcan Mahmood – Labour (Vice Chair)  
Councillor Graham Chapman - Labour (to December 2023)  
Councillor Michael Edwards - Labour  
Councillor AJ Matsiko - Labour  
Councillor Naim Salim - Labour  
Councillor Eunice Regan – Labour (from February 2024)  
Councillor Andrew Rule – Independent Group  
Councillor Adele Williams – Labour  
Vacancy - Labour

### **Work Undertaken**

Throughout 2023/24 the work of the committee has continued to be impacted by a range of significant events:

- the Improvement & Assurance Board Statement of Requirements and Statutory Directions,
- the Section 114 report by the Chief Financial Officer regarding illegal transactions connected to the Housing Revenue Account issued in 2021/22
- External Review of Housing Financial Management issued 2022/23
- External Auditors report in the Public Interest, and the Non statutory review by Max Caller commissioned by the Secretary of State, both issued in 2020/21.
- The Section 114 notice issued by the Chief Financial Officer in 2023/24
- Appointment of Commissioners in 2023/24

The committee has continued to seek assurances from across the Council's improvement plan and to understand progress of work in relation to, and seek assurance around, financial controls through regular progress updates on financial statement audits and completion, and also on the Finance Improvement Plan.

Appendix A sets out how the reports received through 2023/24 have fulfilled the purpose and objectives of the committee throughout the year, with regular reports monitoring the progress of the Financial Improvement Plan and the progress on the outstanding Statements of Accounts and External Audit reports with Appendix B setting out the reports received by the committee by month. The Audit Committee Work Programme reflects the many subject areas and sources of information that the committee considers in its deliberations about corporate governance. The information assimilated allows members of the committee to understand governance issues and determine their opinion about the overall state of corporate governance in the Council.

Reports on the following areas were considered by the committee during the year:

- The Together for Nottingham Plan and the directions issued by the Improvement and Assurance Board including:
  - Asset Management
  - Companies Governance
  - Corporate Governance
  - Corporate Planning
  - Finance
- Statements of Accounts
  - External Audit updates and the Value for Money report
  - Chief Finance Officer updates and statement progress monitoring
- Financial Management
  - Control over Procurement Exemptions
  - Financial Controls Assessment and the Financial Improvement Plan

- Treasury Management
- Accounting Policies
- Annual Investment Strategy Revision 2023/24
- Annual Assurance Reports
  - HR and Equality, Diversity and Inclusion
  - Information Compliance and Information Security
  - Complaints & Local Government Ombudsman Annual Letter
  - East Midlands Shared Services Annual Report
- Responding to assurance concerns
  - Contract Management and Procurement
  - HR and Payroll
  - Appointeeship
  - Expenses
  - Physical and Environmental Security
- Risk Management and Corporate Risk and Assurance Register
- Internal Audit
- Audit Committee Improvement, Annual Work Programme & Performance

### **Looking Forward**

Looking forward into 2024/25 the Audit Committee will:

- Confirm its reviewed terms of reference
- seek to strengthen its membership with the appointment of additional external independent member(s) and establishing a comprehensive member training schedule
- continue to self-assess its knowledge and skills via CIPFA Self Assessments
- seek assurance on the implementation of the Improvement Plan
- monitor progress in bringing the Council's external audits up to date and ensuring future external audit cycles progress smoothly and on time
- monitor progress on the Financial Improvement Programme
- seek assurance that a corporate assurance framework is owned and managed by the executive and senior management, is fit for purpose and incorporates mapped controls with regular monitoring and appropriate escalation
- seek assurance that the ethical governance framework for councillors and officers is effective
- have oversight of the Corporate Risk Register and associated management assurance frameworks including examination of key risks as needed
- provide challenge to the executive and senior officers to encourage implementation of improvements and delivering best value

### **Independence**

The key criteria in assessing the independence of the committee are that its members are non-executives, and their conduct on the committee is independent of political allegiances. Councillors have sought advice from legal and governance officers to achieve this requirement and have made declarations or have left the meeting where a conflict of interest was apparent, as is appropriate. We accept the observations of the external auditor about the conflicts of interest that arise when councillors act as directors on council owned companies and the Council's Constitution now precludes Directors of any of the Council's Group of companies being a member of the Audit Committee. The Audit Committee terms of reference allows for 2 independent members. The opposition member has an open invite to join any chair of audit briefings and any pre-meetings the committee holds.

## **Training & Development**

Training has been provided to committee members during the year on:

- Constitution eLearning
- Risk management (Zurich July 2023)
- Treasury Management (Link Asset Management July 2023)

## **Conclusion**

In assessing compliance with the CIPFA Position Statement: Audit Committees in Local Authorities and Police 2022, my view is that overall, the committee has carried out its role effectively during 2023/24. The committee has and will continue to proactively seek assurances over the key indicators. The committee has considered a wide range of reports and sought assurance on a significant range of corporate priorities. There have been challenges throughout the year, but the committee has remained agile in its work programming and responded to both corporate pressures as they have evolved and external factors. The audit committee has retained its independent and will challenge the executive members where necessary. The recommendations arising from the committee are taken seriously and the recommendation tracker continues to be a vital tool of the committee going forward. The committee is committed to fulfilling its objective and continuing its improvement journey 2024/25.

## Appendix A - Analysis of Audit Committee Work Programme

Description	Report	Meeting 2023/24
<b>Purposes:</b>		
a. The Audit Committee is a key component of Nottingham City Council’s corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.	Annual Audit Committee Report, Audit Committee Improvement Plan	September, March
b. Provide independent assurance to those charged with governance of the adequacy of the risk management framework and the internal control environment.	External Audit reports, Annual Audit Committee Report, Annual Governance Statement updates and process (AGS) reports	July, September, November, February, March
c. Provide independent review of the Council’s governance, risk management and control frameworks.	AGS, Risk Management & External Audit (EA) reports	July, September, November, February, March
d. Oversee the financial reporting and annual governance processes.	Statement of Accounts updates, Accounting Policies & AGS updates and process reports	June, July, September, November, February, March
e. Oversee internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.	Annual IA Plan and updates & EA Updates	July, September, November, February, March
f. Consider assurance of the Council’s financial and non-financial performance to the extent that it affects the Council’s exposure to risk and weakens the control environment including emphasis on: <ul style="list-style-type: none"> <li>• Governance risks around high level financial strategy and reserves</li> <li>• Governance risks connected to asset realisation</li> <li>• Governance of Capital Programme and projects</li> <li>• Value for Money and Delivering Objectives</li> <li>• Governance of linked incorporated bodies</li> </ul>	Statement of Accounts updates, EA Updates, TFN and IAB, Ombudsman, Companies, Assurance & Corporate Risk reports	June, July, September, November, February, March

Description	Report	Meeting 2023/24
g. Oversee proposed and actual changes to the Council's policies and procedures pertaining to governance.	TFN and IAB, Companies Governance, Financial Controls Assessment, Financial Improvement Plan Update Interim AGS & Governance Updates connected to Action Plans	June, July, September, November, February, March
<b>Objectives:</b>		
<b>Governance, Risk &amp; Control</b>		
a. Review the Council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.	Annual Governance Statement	There were no AGS published during 2023/24 as no financial statements were drafted or finalised during the year. Multiple AGS reports should be brought in 2024/24
b. Review the Annual Governance Statement prior to approval 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.	Annual Governance Statement	
c. Consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	Value for Money Report 2019-2023	March
d. Consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.	Assurance Reports (H&S, ITG, Complaints, HR)	June, November, March
e. Receive and consider the results of reports from external inspectors, Ombudsman and similar bodies and from statutory officers.	TFN and IAB, Complaints & LG Ombudsman,	June, July, November, February,
f. Monitor the effective development and operation of risk management in the Council.	Risk Management Reports	November

Description	Report	Meeting 2023/24
g. Monitor progress in addressing risk-related issues reported to the committee.	TFN and IAB, Ofsted, Risk Management Updates, External Audit updates, Financial Controls Assessment, Financial improvement Plan update,	June, July, September, November, February, March
h. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	IA Progress Updates & Service presentations	June, September, November, February
i. Review the assessment of fraud risks and potential harm to the Council from fraud and corruption.	VFM report	March
j. Monitor the counter fraud strategy, actions and resources.	VFM Report	March
k. Review the governance and assurance arrangements for significant partnerships or collaborations, including the Partnership Governance Framework, annual health checks and the Register of Significant Partnerships.	East Midlands Shared Services Annual Report, IAB – Companies,	June, March
l. Commission work from internal and external audit.		Not applicable in 2023/24
m. Consider arrangements for and the merits of operating quality assurance and performance management processes.	Customer Experience, EMSS, IAB – Corporate Planning	November, March
n. Consider the exercise of officers' statutory responsibilities and of functions delegated to officers.	Annual Assurance reports Treasury Management reports,	July, November, February, March
o. Effectively scrutinise, review and monitor treasury management strategies and policies in accordance with guidance issued to local authorities, and make appropriate recommendations to the responsible body.	TM 2022/23 Annual Report, TM Strategy and Capital Strategy, TM Half-Yearly update	July, November, February
p. Consider any appeals made by an employee against decisions made by the Appointments and Conditions of Service Committee relating to a grievance made against the Chief Executive. Members involved in considering these will not be able to participate in any further consideration of the matter at other committees.		Not applicable in 2023/24
<b>Financial Reporting</b>		

Description	Report	Meeting 2023/24
q. Review the Annual Statement of Accounts. Specifically, to consider whether appropriate 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.	Statement of Accounts updates Review of Accounting Policies 2023/24	June, July, September, November, February, March
r. Consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	Value for Money 2019-23	March
s. Approve the Council's Statement of Accounts and associated governance and accounting policy documents	Review of Accounting Policies 2023/24	February
<b>External Audit</b>		
t. 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 or the authority's auditor panel as appropriate.	Retender of External Audit for 2023/24 to 2027/28	Reported November 2021
u. Consider the external auditor's annual letter, relevant reports and the report to those charged with governance.	VFM report	March
v. Consider specific reports as agreed with the external auditor.	Financial Controls Assessment	June
w. Comment on the scope and depth of external audit work and to ensure it gives value for money.	External Audit reports	July, September, February, March
x. Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.	Annual Audit Committee Report	September
<b>Internal Audit</b>		
y. Undertake the duties of the Board mandated by PSIAS as identified in Appendix 2.	PSIAS duties are listed below	
z. Consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services, and the head of internal audit's annual report.	IA Progress and No Assurance Reports	September, February
aa. Consider summaries of specific internal audit reports as requested.	IA No Assurance Reports	September, February



Description	Report	Meeting 2023/24
<b>Public Sector Internal Audit Standards (PSIAS) Duty of the Board</b>		
1000 Approve the Internal Audit Charter	IA Progress Updates	February (confirms charter remains in place)
1110 Approve the risk-based internal audit plan, including internal audit's resource requirements, including any significant changes, the approach to using other sources of assurance and any work required to place reliance upon those other sources.	Internal Audit Progress Update	September
1110 Approve decisions relating to the appointment and removal of the Chief Audit Executive		Not applicable for 2023/24
1110 Receive an annual confirmation from the Chief Audit Executive with regard to the organisational independence of the internal audit activity		
1110 Make appropriate enquiries of the management and the Chief Audit Executive to determine whether there are inappropriate scope or resource limitations	Internal Audit Progress updates	September, February
1110 The Chair to provide feedback for the Chief Audit Executive's performance appraisal	Annual Audit Committee Report	September
1111 Provide free and unfettered access to the Audit Committee Chair for the head of internal audit, including the opportunity for a private meeting with the committee.		Informal meetings throughout the year
1112 Consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.		Not applicable for 2023/24
1130 Approve significant additional consulting services agreed during the year and not already included in the audit plan, before the engagement is accepted	Internal Audit Progress Update	September, November
1312 Contribute to the QAIP and in particular, to oversee the external quality assessment of internal audit that takes place at least once every five years.	Internal Audit Progress Update	September
1320 Receive the results of the Quality Assurance and Improvement Programme from the Chief Audit Executive	Internal Audit Progress Update	September
2020 & 2030 Receive communications from the Chief Audit Executive on internal audit's audit plan and resource requirements including the approach to using other sources of assurance, the impact of any resource limitations and other matters	Internal Audit Progress Update	September, February

Description	Report	Meeting 2023/24
2060 Receive communications from the Chief Audit Executive on the internal audit activity's purpose, authority, responsibility and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board.	Internal Audit Progress Update	September
2600 Receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.	Internal Audit Progress Report	September, February

## **Appendix B – List of Reports to Audit Committee by Date**

### **30 June 2023**

- Financial Controls Assessment
- Monitoring of Statement of Accounts and Financial Improvement Plan
- HR and EDI Annual Assurance Report
- Together for Nottingham – Asset Management
- Together for Nottingham – Companies update
- Exemptions from Contract Procedure rules Q4 2022/23
- Work Programme
- Recommendation Tracker

### **28 July 2023**

- Statement of Accounts Update
- Financial Improvement Plan Update
- External Auditors update
- Treasury Management 2022/23 Annual Report
- Annual Investment Strategy 2023/24 Revision
- Improvement and Assurance Board Instructions – Governance
- Work Programme
- Recommendation Tracker

### **29 September 2023**

- Statement of Accounts Update
- Financial Improvement Plan Update
- External Auditor update
- Internal Audit Q2 2023/24
- Internal Audit – No Assurance reports
- Audit Committee Annual Report 2022/23
- Work Programme
- Recommendation Tracker

### **24 November 2023**

- Statement of Accounts Update
- Financial Improvement Plan Update
- External Auditor update
- Treasury Management Half Year report 2023/24
- Improvement and Assurance Board Instruction – Corporate Planning
- Improvement and Assurance Board Instructions – Companies Update
- Contract Management and Procurement Audit Reports
- Complaints Annual Assurance Report 2022/23
- Corporate Risk Register Update
- Work Programme
- Recommendation Tracker

### **23 February 2024**

- Statement of Accounts Update
- Financial Improvement Plan Update

**23 February 2024 (cont.)**

- External Auditor update
- Internal Audit, including Limited Assurance and High Priority Recommendations
- Internal Audit – No Assurance reports and updates
- Improvement and Assurance Board Instructions – Finance
- Treasury Management Strategy and Capital Strategy
- Review of Accounting Policies 2023/24
- Work Programme
- Recommendation Tracker

**22 March 2024**

- Statement of Accounts Update
- Financial Improvement Plan Update
- 2019/20, 2020/21, 2021/22, 2022/23 Value for Money report
- Annual Governance Statement: Process for 2023/24 and previous years update.
- Annual Information Compliance and Information Security Assurance Report
- East Midlands Shared Services Annual Report 2022/23
- Audit Committee Improvement Plan
- Work Programme
- Recommendation Tracker