

# **Audit Committee**

## **Annual Report**

### **2021/22**

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## Foreword by the Chair

I am pleased to provide the Audit Committee's Annual Report for the municipal year 2021/2022. The 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 has continued to make a positive contribution to the Council's governance and control environments. These cover all aspects, such as internal control; risk management; internal audit; anti-fraud; external audit; and financial reporting. The Committee continues to be well supported by officers, providing a high standard of reports and presentations, and officers have taken on suggestions to ensure the benefits of this Committee are passed onto our citizens. I would like to thank Councillor Audra Wynter for chairing the Committee during 2021/22, and the Internal Audit and the External Audit teams for their input. In particular I would like to wish our retiring external audit partner John Gregory well in the future, and thank him for his clarity and objectivity in reporting to us and responding to our questions. I look forward to a similarly productive working relationship with his successor. I should also like to take this opportunity to give my personal thanks to all the officers, and all fellow Committee members who have contributed and supported the work of the Committee in such a meaningful and positive way throughout the past year. Audit Committee Members have supported and challenged officers to ensure our risk, control and governance processes are effective, open, and transparent.



Key highlights of the Committee's work in 2021/22 included

- Reports from theme leads on progress, governance, risk and control in the Together for Nottingham Plan
- Recognising the issues raised in the S151 Officers S114 report
- Progress towards production of Financial Statements and in the statutory audit
- Improvement plans and progress resulting from Limited Assurance Internal Audit Reports and external assurance provider reports

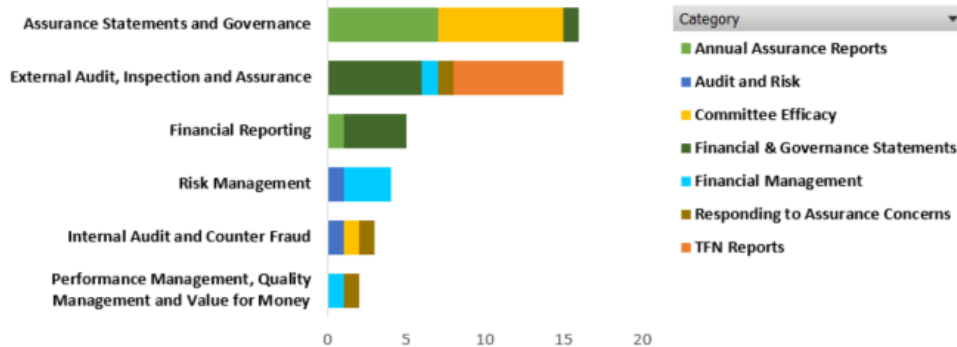
For 2022/23, as Audit Committee Chair I look forward to continuing to support the Council by ensuring that the Committee

- continues to recognise issues that require its focus
- prioritises the most significant corporate risks and issues
- seeks to gain assurance and challenges weaknesses in
  - governance,
  - risk management, and
  - control
- works to improve its efficacy, being proactive and forward thinking

How we risk manage our priorities, resources and partnerships will continue to be vital. The Audit Committee holds a distinctive position to challenge and scrutinise the activities of the Council, and together with the support of officers and my fellow Councillors, I seek for this to continue to bring value to the Council.

## Introduction

This report summarises the work performed over the year 2021/2022



The committee has contributed to the effectiveness of the Council by the work it has done including 45 reports as follows:

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Reports

### Assurance Statements and Governance

- Monitoring and approving the Annual Governance Statement and associated activity
- Considering governance, risk and control arrangements for
  - high level financial strategy and reserves
  - governance risks connected to asset realisation
  - governance of capital programme and projects
  - value for money and delivering objectives
  - governance of linked incorporated bodies (and in particular our wholly owned Companies)
- Receiving and making recommendations in respect of Annual Assurance Reports from key corporate specialisms
- Scrutinising non-executive amendments to the Constitution

4

Reports

### Risk Management

- Reviewing the mechanisms for the assessment and management of risk and thereby developing the Council's ability to respond to known and emerging risks and considering key risks
- Overseeing the Council's Treasury Management arrangements

2

Reports

### Performance Management, Quality Management and Value for Money

- Reviewing assurances provided including in respect of Exemption from Contract Procedure Rules
- Reviewing actions taken by services as a result of Limited Assurance Internal Audit Reports

15

Reports

### External Audit, Inspection and Assurance

- Managing a good working relationship with the external auditor, ensuring appropriate action is taken on its recommendations
- Receiving cross-cutting external inspections and assurance reports, ensuring appropriate action is taken on their recommendations

3

Reports

### Internal Audit and Counter Fraud

- Approving arrangements and monitoring performance of Internal Audit and Counter Fraud
- Ensuring internal audit independence and that findings are actioned by managers and consequently help to improve the Council's effectiveness and governance arrangements;

4

Reports

### Financial Reporting

- Monitoring of, and contribution to, the development of the Council's Statement of Accounts

## **The Purpose 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 2018. The Guidance defines the purpose of an Audit Committee as follows:

1. Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high - level resource to support good governance and strong public financial management.
2. The purpose of an Audit Committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

By overseeing internal and external audit, it makes a significant contribution to ensuring that effective assurance arrangements are in place.

## **Terms of Reference**

The Council reviewed and updated the Audit Committee's terms of reference in 2021 as required by the Report in the Public Interest. As part of this process, CIPFA was engaged to review these terms of reference and suggest improvements. CIPFA provided the committee with assurance that the terms continued to be appropriate and more extensive than comparator authorities, including detailed functions within them to support compliance with the Public Sector Internal Audit Standards. The Council has delegated some of its non-executive functions to the Audit Committee. These are defined in the committee's terms of reference.

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.

Good corporate governance requires the Council to undertake its functions with integrity and in a way that is accountable to the people of Nottingham, transparent, effective and inclusive. My role as the Chair of the Audit Committee is to drive forward improvements on corporate governance. This means I must:

- Consider the reports of external audit and inspection agencies;
- Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors and gain assurance that recommended improvements meet the needs identified and are being delivered to an appropriate timescale;
- Support the committee in reviewing the financial statements, external auditor's opinion and reports to councillors, and monitor management action in response to the issues raised by external audit;
- Support the committee in reviewing the Council's integrated planning and performance framework;
- Support consideration of the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements;

- Lead the committee to be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;
- Lead approval of the Internal Audit's strategy, plan and monitor performance.
- Support Internal Audit and contribute to Peer Review
- Support the review of the summary Internal Audit reports and the main issues arising, and seek assurance that action has been taken where necessary;
- Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted; and
- Lead the Audit committee in procuring external audit if required.

### **Committee Aims**

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 business objectives are met;
- helps the authority to implement the values of ethical governance, including effective arrangements for countering risks of fraud and corruption

### **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 2021/2022 were:

Councillor Audra Wynter (Chair)  
 Councillor Sajid Mohammed (Vice Chair)  
 Councillor Graham Chapman  
 Councillor Michael Edwards  
 Councillor Jane Lakey  
 Councillor AJ Matsiko  
 Councillor Anne Peach  
 Councillor Ethan Radford  
 Councillor Andrew Rule

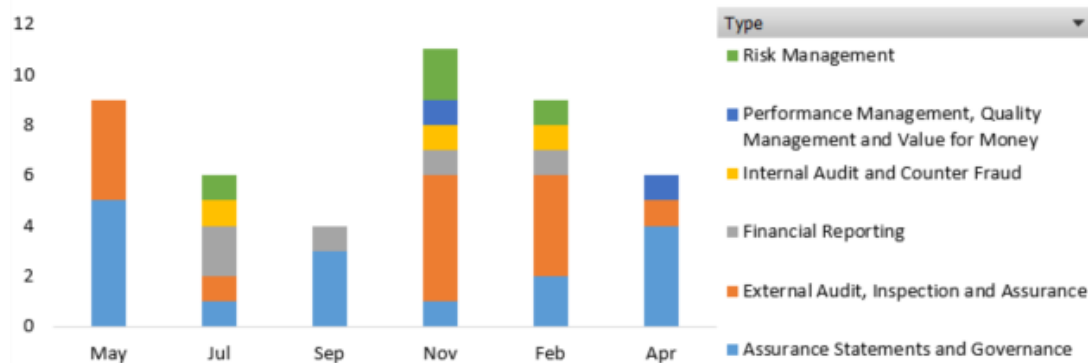
## Work Undertaken

During 2020/21, the Council received two very significant reports which continued to impact the committee's activity during 2021/22:

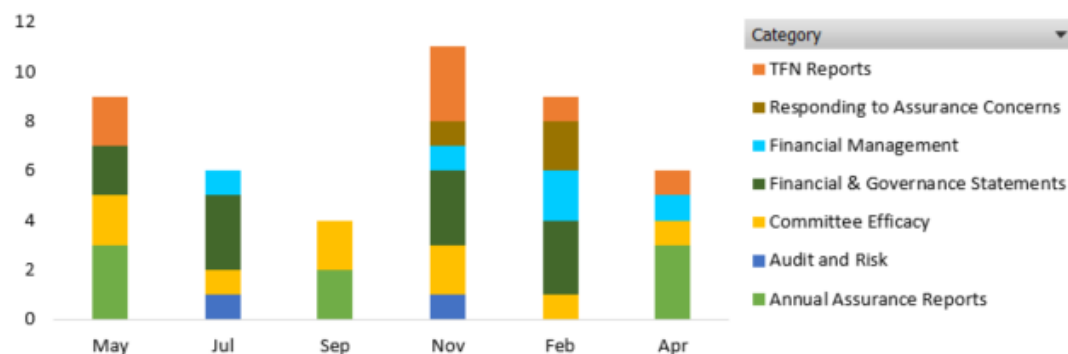
- The external auditor's Report in the Public Interest.
- The Non-Statutory Review by Max Caller which was commissioned by the Secretary of State.

As a result of these reports a programme of improvement actions was undertaken one strand of which led in 2021/22, to a further significant report:

- The Section 114 report by the Chief Financial Officer regarding illegal transactions connected to the Housing Revenue Account



2021/2022 has continued to be a testing time for all Councils with the resources available becoming more important. It has, however, been a year when the Audit Committee has seen noticeable improvements in the impact of its activities. Several services have reported on activity to respond to concerns raised by Internal Audit at the request of the Committee. Also there has been a broader focus in Directorates on compliance with our framework of rules, and on completing actions arising from assurance reports. I expect to see further improvements as 2022 progresses.



The work is reflective of the committee's terms of reference shown at **Appendix A** which is addressed via an annual work programme endorsed by the committee and cross-referenced to the elements of the annual work programme. The analysis has been derived from the reports and presentations set before the committee in the period, which are shown in **Appendix B**.

### Assurance Statements and Governance

The Audit Committee Work Programme shown in **Appendix A** 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. In addition the

Audit Committee formed informal working groups to help the committee to better understand and consider the following areas:

- Capital
- Companies
- Fraud (Anti-fraud, anti-bribery, and anti-corruption)
- Risk & Assurance

Having gained this understanding, in future these groups will focus only on specific tasks.

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

- The Together for Nottingham Plan
- Section 114 Notice – HRA ring-fence
- Companies Governance
- Council Plan and Corporate Performance Assurance
- The Transformation Programme
- Culture & Ethics
- COVID-19 and Emergency Planning
- Risk Management and Corporate Risk and Assurance Register
- External Audit
- Retender of External Audit for 2023/24 to 2027/28
- Statements of Accounts & Accounting Policies
- Annual Governance Statement
- Information Compliance and Information Security
- Treasury Management
- Contract Management and Procurement including Exemption from Contract Procedure Rules
- Health and safety within the council
- HR & EDI
- Have Your Say Complaints & Local Government Ombudsman Annual Letter
- East Midlands Shared Service
- SEND Transport
- Internal Audit
- Role of the Audit Committee, Annual Work Programme & Performance

The Committee considered these reports and made resolutions in respect of each as set out in Appendix C.

### **Looking Forward**

The Audit Committee will amongst other activities

- continue to seek assurance on the implementation of the Together for Nottingham Plan including theme milestones and outcomes
- monitor progress in bringing the Council's external audits up to date and ensuring future external audit cycles progress smoothly and on time
- receive an update on the current procurement cycle for external audit
- 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 criterion in assessing the independence of the committee is 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 made declarations or have left the meeting where a conflict of interest was apparent, as 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 continues to make appropriate arrangements including for councillors on the Audit Committee as part of the Constitution theme of its Together for Nottingham Plan. The Audit Committee terms of reference now allow for 2 independent members.

## **Training & Development**

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

- the Role of the Audit Committee and its members (CIPFA – March 2021)
- Risk management (Zurich – March 2021)
- Constitution eLearning (available October 2021)
- Treasury Management (Link Asset Management – December 2021)

## **Conclusion**

Having considered the available guidance, the terms of reference and duties of the Audit Committee, and the work undertaken over the period since the last annual report, it is my assessment that the committee has carried out its roles effectively during 2021/22. The committee has made several changes to its activity during 2021/22 to respond to the Public Interest Report and Non-Statutory Review in 2020/21 and suggestions by the members of the Improvement & Assurance Board and will continue to aim to improve its effectiveness during 2022/23.



## Appendix A - Analysis of Audit Committee Work Programme

Description	Report	Meeting			
<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			SEP	
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 (AGS) reports	MAY	JUL	SEP	
c. Provide independent review of the Council's governance, risk management and control frameworks.	AGS, Risk Management & External Audit reports		JUL		NOV
d. Oversee the financial reporting and annual governance processes.	Budget, Statement of Accounts, Accounting Policies & AGS reports		JUL		NOV
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	MAY	JUL	SEP	NOV
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>	Budget, Statement of Accounts, EA Updates, IICSA, OFSTED, Ombudsman, Companies, Assurance & Corporate Risk reports and presentations	MAY	JUL	SEP	NOV
			FEB	APR	

Description	Report	Meeting			
g. Oversee proposed and actual changes to the Council's policies and procedures pertaining to governance.	Audit Committee Terms of Reference, Public Interest Report, Companies Governance, Councillor Directors, Non-Statutory Review and Recovery & Improvement Plan, Interim AGS & Governance Updates connected to Action Plans	MAY		SEP	NOV
			FEB	APR	
<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.	AGS reports		JUL		
			FEB		
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.	AGS		JUL		
c. Consider the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	Annual Audit Letter & VfM Report				
			FEB	APR	
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)	MAY		SEP	
			FEB	APR	
e. Receive and consider the results of reports from external inspectors, Ombudsman and similar bodies and from statutory officers.	Budget, Annual summary of External Assurances, IICSA, OFSTED, Complaints & LG Ombudsman,		JUL	SEP	
			FEB		

Description	Report	Meeting					
f. Monitor the effective development and operation of risk management in the Council.	Risk Management Reports, Brexit, Covid-19 & Emergency Planning	MAY			NOV		
g. Monitor progress in addressing risk-related issues reported to the committee.	IICSA, Ofsted, Budget, Risk Management Updates, External Audit updates, Corporate Action Plans, Companies & Brexit	MAY			NOV		
h. Consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.	IA Progress Updates & Service presentations, Companies reports	MAY	JUL	SEP	NOV		SEP
i. Review the assessment of fraud risks and potential harm to the Council from fraud and corruption.	Annual IA Report & Annual Audit Letter		JUL				
j. Monitor the counter fraud strategy, actions and resources.	Annual IA Report & progress update		JUL		NOV		
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.	Audit Committee Terms of Reference	MAY		APR			
l. Commission work from internal and external audit.	Culture & Ethics	MAY					
m. Consider arrangements for and the merits of operating quality assurance and performance management processes.	Customer Experience, EMSS, Council Plan and Corporate Performance Assurance			SEP	NOV		
n. Consider the exercise of officers' statutory responsibilities and of functions delegated to officers.	e.g. S114A & S5A reports			FEB			

Description	Report	Meeting			
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 2019/20 Annual Report, TM Strategy and Capital Strategy, TM Half-Yearly update		JUL		NOV
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.	[Audit Committee will be advised by officers if/when it is required to carry out this role]	Not applicable in 2020/21			
<b>Financial Reporting</b>					
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		JUL		
r. Consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.	Audit Findings Report, Auditor's Report to members of NCC (both with Statement of Accounts), Public Interest Report	MAY			
			FEB		
s. Approve the Council's Statement of Accounts and associated governance and accounting policy documents	Accounting Policies, Statement of Accounts, external audit outcome and Public Interest reports & Annual Governance reports		JUL		
			FEB		
<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.	Annual Audit Letter	MAY			
			FEB		

Description	Report	Meeting			
u. Consider the external auditor's annual letter, relevant reports and the report to those charged with governance.	Annual Audit Letter	MAY			
			FEB		
v. Consider specific reports as agreed with the external auditor.	Public Interest Report	Not applicable in 2021/22			
w. Comment on the scope and depth of external audit work and to ensure it gives value for money.	EA reports	MAY	JUL		NOV
			FEB		
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			SEP	
<b>Internal Audit</b>					
y. Undertake the duties of the Board mandated by PSIAS as identified in Appendix 2.	PSIAS duties are listed below		JUL	SEP	NOV
			FEB	APR	
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 Reports		JUL		NOV
			FEB		
aa. Consider summaries of specific internal audit reports as requested.	Annual IA Report		JUL		NOV
			FEB		
<b>PSIAS Duty of the Board</b>					
1000 Approve the Internal Audit Charter	Annual IA Report		JUL		
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.	Annual IA Report		JUL		
1110 Approve decisions relating to the appointment and removal of the Chief Audit Executive	[If required the S151 Officer will provide a report]	Not applicable in 2021/22			

Description	Report	Meeting			
1110 Receive an annual confirmation from the Chief Audit Executive with regard to the organisational independence of the internal audit activity	Annual IA Report		JUL		
1110 Make appropriate enquiries of the management and the Chief Audit Executive to determine whether there are inappropriate scope or resource limitations	Annual IA Report		JUL		
1110 The Chair to provide feedback for the Chief Audit Executive's performance appraisal	Annual Audit Committee Report			SEP	
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.	Annual IA Report		JUL		
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.	Annual IA Report		JUL		
1130 Approve significant additional consulting services agreed during the year and not already included in the audit plan, before the engagement is accepted	IA Progress Reports				NOV
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.	Annual IA Report		JUL		
1320 Receive the results of the Quality Assurance and Improvement Programme from the Chief Audit Executive	Annual IA Report		JUL		
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	Annual IA Report		JUL		
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.	Annual IA Report		JUL		NOV
			FEB		

Description	Report	Meeting			
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.	Annual IA Report			SEP	NOV
				APR	

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

### 28 May 2021

Working Group Updates  
Verbal update from the Chairs of each Working Group

Annual Audit Letter 2018/19  
Update from the External Auditor

Verbal Update from External Auditor  
A verbal update from the External Auditor on progress of the 19/20 and 20/21 audit process

Annual Report of health and safety within the council  
Report of the Director of Legal and Governance

COVID-19 and Emergency Planning  
Report of the Director of Legal and Governance

Culture & Ethics  
Report of the Interim Corporate Director Finance and Resources

HR Annual Assurance  
Report of the Director for HR & Equality, Diversity and Inclusion

Audit Committee Terms of Reference  
Report of the Interim Corporate Director of Finance & Resources

Companies Governance Update  
Report of the Interim Corporate Director of Finance & Resources

### 30 Jul 2021

Working Group Updates  
Verbal update from the Chairs of each Working Group

2019/20 Accounts update  
Report of the Interim Corporate Director of Finance and Resources

Draft Statement of Accounts 2020/21 and Draft Annual Governance Statement 2020/21  
Report of the Interim Corporate Director of Finance and Resources

External Audit Update  
Verbal update from External Auditors, Grant Thornton

Treasury Management 2020/21 Annual Report  
Report of the Interim Corporate Director of Finance & Resources and S151 Officer

Internal Audit Annual Report and Opinion  
Report of the Interim Corporate Director of Finance and Resources

### 24 Sep 2021

Working Group Updates  
Verbal update from the Chairs of each Working Group

Audit Committee Annual Report 2020/2021  
Report of the Chair of Audit Committee

Have Your Say Complaints Annual Assurance Report – Including Local Government Ombudsman Annual Letter 2020-21  
Report of the Interim Corporate Director of Finance and Resources

East Midlands Shared Service Annual Report 2020-21  
Report of the Head of East Midlands Shared Services



## 25 Nov 2021

Working Group Updates

Verbal update from the Chairs of each Working Group

Update on the Audit of the Councils Statutory Accounts 2019/20 and 2020/21

Report of the Interim Corporate Director of Finance and Resources

External Audit Update

Verbal update from the External Auditor, Grant Thornton

Council Plan and Corporate Performance Assurance

Report of the Interim Director Strategy and Policy and the Interim Corporate Director of Finance and Resources

Internal Audit Update

Report of the Interim Corporate Director of Finance & Resources

Contract Management and Procurement Audits 2021

Report of the Interim Corporate Director Finance and resources

Retender of External Audit for 2023/24 to 2027/28

Report of the Interim Corporate Director of Finance and Resources

Treasury Management 2021/22 Half Yearly Update

Report of the Interim Corporate Director of Finance & Resources and S151 Officer

Companies Governance Update

Report of the Interim Corporate Director of Finance and Resources

Recovery and Improvement - Culture Update

Report of the Director of HR, and EDI, and the Interim Corporate Director Finance and Resources

Risk Management and Corporate Risk and Assurance Register Update

Report of the Chief Executive, and the Interim Corporate Director of Finance & Resources

## 25 Feb 2022

Working Group Updates

Verbal update from the Chairs of each Working Group

Review of Accounting Policies 2021/22

Report of the Corporate Director for Finance and Resources

Annual Governance Statement – Process For Producing 2021/22 Statement

Report of the Corporate Director for Finance and Resources

Internal Audit Update

Report of the Corporate Director for Finance and Resources

External Audit Update

Report of the External Auditor, Grant Thornton

Update on Section 114 Notice

Verbal update from the Corporate Director for Finance and Resources

Treasury Management Strategy 2022/23 and Capital Strategy 2022/23

Report of the Corporate Director for Finance and Resources

SEND Transport Monitoring Report 2022

Report of the Director of Education Services

Refresh of the Together for Nottingham Plan

Report of the Leader of the Council

## 29 Apr 2022

Exemption from Contract Procedure Rules

Report of the Interim Corporate Director for Finance and Resources

Working Group Updates

Verbal update from the Chairs of each Working Group

Service Design and Delivery (including the Transformation Programme)

Report of the Chief Executive

Equality and HR Assurance annual report

Report of the Director for HR & EDI

Annual Report of Health and Safety within the Council

Report of the Interim Corporate Director for Finance and Resources

Information Compliance and Information Security Annual Assurance Report  
2022

Report of the Interim Corporate Director for Finance and Resources

## Appendix C – Resolutions Made by Audit Committee

### 28 May 2021

Verbal Update from External Auditor

**The committee noted the update provided by the External Auditor.**

Annual Report of Health and Safety within the Council

**(1) Require all Corporate Directors ensure their departmental colleagues can demonstrate up to date training in the mandatory health and safety courses, and where appropriate, asbestos management by Friday 30 July 2021;**

**(2) Require all Corporate Directors ensure that all outstanding Accident/Violence/Audit recommendation are completed and recorded on the corporate system by Friday 30 Jul 2021**

**(3) Note the absence of any Health and Safety Executive intervention in the Council in the past three years**

**(4) Ask that the Risk and Assurance working group review updated figures after 30 July 2021**

Covid-19 and Emergency Planning

**(1) To confirm assurance that specific and generic plans and arrangements were in place to deal with a pandemic emergency prior to the outbreak of Covid-19**

**(2) To acknowledge that the early reviews of both the Council's and the Local Resilience Forum's (LRF) Pandemic Flu plans showed they provided effective templates for the response phase;**

**(3) To note that an interim debrief of the response phase was held and arrangements adjusted but that a full debrief is yet to be held whilst the pandemic is ongoing, and**

**(4) That, on conclusion of any full debrief, the recommendations relevant to the Council be shared with this Committee for consideration**

Culture & Ethics

**(1) require the findings of this report be used:**

**a. As a framework for monitoring progress in rectifying the failures highlighted, particularly in paragraph 1.5 and 1.7 of the published appendix**  
**b. As a basis for training and information to support the necessary change in culture**

**(2) refer the report to both the Chairs of the Standards Committee and Overview and Scrutiny Committee and to Executive Panel to consider further action.**

HR Annual Assurance

**(1) Note the work being done within the division to ensure the Council's statutory and non-statutory obligations relating to people management and equalities are being met and / or progressed.**

Companies Governance Update

**(1) Note the report on progress against the Recovery and Improvement Plan**

Audit Committee Terms of Reference

**(1) Note the role and functions of the Audit committee as set out in the Terms of Reference, which comply with best practice in the 2018 revision of CIPFA guidance on Audit Committees (the 2018 Guidance), including the additional elements prescribed by the Public Sector Internal Audit Standards (PSIAS)**

### 30 Jul 2021

2019/20 Accounts update

**(1) Resolved to note the progress in respect of the 2019/20 Statement of Accounts and associated Audit.**

Draft Statement of Accounts 2020/21 and Draft Annual Governance

**(1) Note the progress of the draft 2020/21 Statement of Accounts; and  
(2) Note draft 2020/21 Annual Governance Statement and the expectation of an updated Annual Governance Statement to be brought to a future committee meeting reflecting the suggestions of this committee, alongside the final statement of Accounts for 2020/21.**

Treasury Management 2020/21 Annual Report

**(1) Resolved to note the performance information in relation to treasury management for 2020/21**

Internal Audit Annual Report and Opinion

**(1) Note the audit work completed during the year, including the use of other resources of assurance and reliance on those sources;  
(2) Note the Head of Audit and Risk's Annual Opinion;  
(3) Note the proposed Audit Plan for 2021/22;  
(4) Approve the Internal Audit Charter; and  
(5) Note the Counter Fraud Strategy**

### 24 Sep 2021

Working Group Updates

**(1) Resolved to request that the Chair of the Audit Committee writes to the Chief Finance Officer and relevant Portfolio Holder to request that they establish a target saving from fraud detection to be included in the budget.**

Audit Committee Annual Report 2020/2021

**(1) Resolved to request that the Chair and Vice-Chair, working with the Head of Audit and Risk, amend the report to make it more outcome focused.**

Have Your Say Complaints Annual Assurance Report – Including Local Government Ombudsman Annual Assurance 2021

**(1) Resolved to request an additional report to respond to the questions raised by the Committee.**

### 26 Nov 2021

Update on the Audit of the Councils Statutory Accounts 2019/20 and 2020/21

**(1) Having sought assurance on continued progress and issues the Committee noted the update on the progress of the Audit of the Statutory Accounts for 2019/20 and 2020/21**

External Audit Update

**(1) The committee noted the update**

Treasury Management 2021/22 Half Yearly Update

**(1) Resolved to note and acknowledge the treasury management actions taken in 2021/22 to 30 September 2021.**

Council Plan and Corporate Performance Assurance

**(1) Note the progress made on the Council's new Performance Management Framework;  
(2) Note plans for full implementation of the Performance Management Framework and improvements in performance reporting across the Council  
(3) To invite corporate performance officers to attend the Risk Working group to receive feedback on the scope of the Critical Indicators; and  
(4) Receive an informal Teams briefing from the Interim Corporate Director of Finance and Resources on the Oracle fusion system.**

Internal Audit Update

**(1) Receive an update from the Head of IT and Portfolio Holder for Finance and Resources on the Limited Assurance report for IT Security at the next Audit Committee meeting;  
(2) Note the progress reported in respect of high priority recommendation; and**

**(3) Note other areas marked as Limited Assurance and review these within working groups and those of particular concern be selected to come back to a future meeting for more detailed consideration.**

Contract Management and Procurement Audits 2021

- (1) Note the actions already completed in response to the internal audits, and the impact of these actions on assurance;**
- (2) Note the actions planned and being implemented, and the impact that these will have on future assurance; and**
- (3) Note the use of PWC to support improvements.**

Retender of External Audit for 2023/24 to 2027/28

- (1) Resolved to endorse the proposal to Council that it accepts Public Sector Audit Appointments invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for 5 financial years from 1 April 2023.**

Companies Governance Update

- (1) Resolved to note the progress and future plans for ongoing development and implementation of companies governance in accordance with the Recovery and Improvement Plan.**

Recovery and Improvement - Culture Update

- (1) Note the actions referred to in relation to embedding good practice outlined in the Internal Review Report of Culture and Ethics brought to the Audit Committee in May 2021; and**
- (2) Note that future updates and assurance on the Culture workstream in the Recovery and Improvement Plan will be undertaken through the existing monitoring and assurance that take place through the Improvement and Assurance Board.**

Risk Management and Corporate Risk and Assurance Register Update

- (1) Resolved to note the progress made to review existing processes and further embed Risk Management across the Council**

## 25 Feb 2022

Review of Accounting Policies 2021/22

- (1) Agree the Statement of Accounting Policies for inclusion in the 2021/22 annual accounts (within appendix 1 of the report).**
- (2) Agree the proposals where International Financial Reporting Standards (IFRS) allowed a degree of choice.**

Annual Governance Statement - Process for Producing 2021/22 Statement

- (1) Note the process and timetable for compiling and completing the 2021/22 Annual Governance Statement.**

Internal Audit Update

- (1) Note the progress reported in respect of high priority recommendations.**
- (2) Note the areas marked as Limited Assurance and request that at the next meeting the Head of IT reports progress in respect of issues raised in the Limited Assurance reports on IT Security and ICT Procurement.**
- (3) Note the progress made on the Internal Audit Plan 2021/22.**

External Audit Update

- (1) Note the report.**

Treasury Management Strategy 2022/23 and Capital Strategy 2022/23

- (1) Accept the Treasury Management Strategy for 2022/23, attached as Appendix 1 of the report, and, in particular:**
  - (a) the strategy in relation to debt repayment (Minimum Revenue Provision Statement) in 2022/23 (section 5.2 of the report);**
  - (b) the Borrowing Strategy for 2022/23 (section 3.4 of the report);**
  - (c) the Investment Strategy for 2022/23 (section 4 of the report);**
  - (d) the Prudential Indicators and Limits for 2022/23 to 2024/25 (section 5.1 of the report);**
- (2) Accept the Treasury Management Policy Statement (section 5.3 of the report).**
- (3) Accept the Capital Strategy 2022/23 (Appendix 2 of the report) including the Voluntary Debt Reduction Policy Statement and Debt Policy (Appendix B of the report).**

**(4) Note the content of the exempt appendices.**

SEND Transport Monitoring Report 2022

**(1) Note the improvements made.**

**(2) That a further annual Monitoring Report was not required to be presented in 2023.**

Refresh of the Together for Nottingham Plan

**(1) Note the contents of the report, and invite individual theme leads within the Together for Nottingham Plan to provide assurance to the Committee.**

29 Apr 2022

Exemption from Contract Procedure Rules quarter three 2021/22

**(1) Note the number of exemptions from Contract Procedure Rules during quarter three of 2021/22.**

**(2) Note the actions being taken to ensure that contracts are awarded in line with Contract Procedure Rules and that exemptions only occur where there is a sound rationale for approving the exemption.**

Working Group updates

**(1) Request a paper on District Heating and Waste Infrastructure.**

Together for Nottingham Plan – Theme 7 Service Design and Delivery

**(1) Note this report.**

Equality & HR Assurance

**(1) Note the work being done within the division to deliver on Theme 6 Organisation and Culture workstream of the Together for Nottingham Plan**

**(2) Note the work being done within the division to ensure the Council's statutory and non-statutory obligations relating to people management and Equality, Diversity and Inclusion are being met and/or progressed.**

**(3) Request an update in around 6 months on the challenges of staffing resourcing.**

Annual Report of health and safety within the council

**(1) All Corporate Directors ensure their directorate colleagues can demonstrate up to date training in the mandatory health and safety courses, and, where appropriate, asbestos management, by Friday 8th July 2022.**

**(2) All Corporate Directors ensure that all outstanding Accident/Violence/Audit recommendations are completed and recorded on the corporate system by Friday 8th July 2022**

**(3) Note the absence of any HSE intervention in the council in the past three years.**

Information Compliance and Information Security Annual Assurance Report 2022

**(1) Chair to email concerns regarding staffing resources to the Director of HR & EDI.**

