

# City Council - 11 November 2024

## Report of the Chair of Audit Committee

### Corporate Director/ Director:

Ross Brown, Corporate Director for Finance and Resources

### Report Author and Contact Details:

Kate Morris, Scrutiny and Audit Support Officer

[kate.morris@nottinghamcity.gov.uk](mailto:kate.morris@nottinghamcity.gov.uk)

### Title: Audit Committee Annual Report 2023/24

### Does the report form part of the Budget or Policy Framework?

Yes  No

### Commissioner Consideration

Has this report been shared with the Commissioners' Office?  Yes  No

Any comments the Commissioners wish to provide are listed below.

### Does this report contain any information that is exempt from publication?

No

### Relevant Council Plan Key Outcome:

Green, Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Living Well in our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>

## 1. Summary

- 1.1 This report summarises the work undertaken by the Audit Committee over the municipal year 2023/24, explains how the Committee has filled its designated role within the Constitution and how this work relates to its core responsibilities. The report set out in Appendix 1 was approved by Audit Committee at its meeting on 27 September 2024.

## 2. Recommendations

- 2.1 To note the work undertaken by the Audit Committee during 2023/24.
- 2.2 To accept the Audit Committee Annual Report 2023/24 as set out at Appendix 1.

## 3. Reasons for recommendations

- 3.1 Full Council has delegated to Audit Committee the role of ensuring that there is sufficient assurance over governance, risk and control. Audit Committee is accountable to Council for this role in accordance with Article 9 of the Constitution, and in compliance with CIPFA guidance on reporting Audit Committee performance.

The report set out at Appendix 1 reflects the work undertaken by the Audit Committee in 2023/24 to fulfil its delegated role.

3.2 The work undertaken by Audit Committee throughout the year supports its assessment of the internal control and risk environment. This informs the Committee's consideration and approval of the statutory Statement of Accounts and Annual Governance Statement.

#### **4. Other options considered in making recommendations**

4.1 None. The report is required as set out in the Constitution.

#### **5. Consideration of Risk**

5.1 The Audit Committee Annual Report set out in Appendix 1 does not present any proposals, therefore there are no risks or mitigations for consideration.

5.2 The purpose of the Audit Committee, as set out in the Terms of Reference that were active for the period the report covers, includes:

- providing independent assurance to those charged with governance of the adequacy of the risk management framework and the internal control environment;
- providing independent review of the Council's governance, risk management and control frameworks; and
- considering related assurances.

5.3 The main risk of an ineffective Audit Committee is that it may not address weaknesses in its governance, risk, and control arrangements at an early stage leading to a weakened control environment and missing early warning signs of vulnerabilities. This report offers assurance to the Council that the Audit Committee is fulfilling its function, and works toward mitigating those risks.

#### **6. Best Value Considerations**

6.1 The recommendations set out in this report do not include financial implications for the Council.

6.2 An effective Audit Committee contributes to corporate best value through its focus on improvements to the internal control environment, arrangements for managing risk and ethical governance.

6.3 The Audit Committee is committed to improving its efficiency and the report in Appendix 1 sets out the initial steps in self-assessment and the development and introduction of an improvement plan which will continue to be progressed through 2024/25 and 2025/26.

#### **7. Background (including outcomes of consultation)**

7.1 The Committee is a key component of corporate governance with CIPFA guidance for audit committees stating that:

"Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.....The committee has oversight of both internal and external audit together

with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.”

Meaning that taking actions towards this purpose helps fulfil the statutory obligations of the Council under the Accounts and Audit Regulations 2015 and section 151 of the Local Government Act 1972 and supports compliance with the Local Audit and Accountability Act 2014.

- 7.2 Good governance maintains and increases public confidence in the objectivity and fairness of financial and other reporting, and service planning, delivery, and improvement. It is important that local authorities have independent assurance about the mechanisms underpinning these aspects of governance.
- 7.3 An effective Audit Committee both supports and challenges, and in doing so helps to raise the profile and effectiveness of internal control, risk management and financial reporting within the Council and should enhance public trust and confidence in the governance of the Council.
- 7.4 In order to demonstrate the effectiveness of the Committee and develop public trust, the Chair has produced this annual report in respect of its activities in 2023/24. It aims to develop the Council’s commitment to improving corporate governance.
- 7.5 The report at Appendix 1 summarises the work undertaken by the Committee during 2023/ 24 and uses its Terms of Reference to demonstrate how it met its objectives and responsibilities. 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. It also comments on the Committee’s independence, training and development, and plans for the future.

## 8. **Commissioner comments**

- 8.1 Commissioners have noted the report and approved.

## 9. **Finance colleague comments (including implications and value for money)**

- 9.1 This report summarises the work undertaken by the Audit Committee over the municipal year 2023/24. Work undertaken by the Audit Committee does not incur any additional cost. Expenditure relating to councillors is funded from their annual budget allocations within Governance Services. There is no financial implication as a result of this work.

Alfred Ansong, Strategic Finance Business Partner 15/10/2024

## 10. **Legal colleague comments**

- 10.1 This report is a summary of the work undertaken by the Audit Committee. The Audit Committee reports annually to Full Council on the work it has undertaken during the previous financial year in accordance with the requirements of the Council’s Constitution.

Beth Brow, Director of Legal and Governance, 21 October 2024

## 11. **Other relevant comments**

- 11.1 Not applicable

**12. Crime and Disorder Implications (If Applicable)**

12.1 Not applicable

**13. Social value considerations (If Applicable)**

13.1 Not applicable

**14. Regard to the NHS Constitution (If Applicable)**

14.1 Not applicable

**15. Equality Impact Assessment (EIA)**

15.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because no proposals are made in this report and no equalities or diversity issues arise from the report.

**16. Data Protection Impact Assessment (DPIA)**

16.1 Has the data protection impact of the proposals in this report been assessed?

No



A DPIA is not required because no proposals are made in this report and no personal data has been used in preparing the report.

**17. Carbon Impact Assessment (CIA)**

17.1 Has the carbon impact of the proposals in this report been assessed?

No



A CIA is not required because no proposals are made in this report.

**18. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

18.1 None

**19. Published documents referred to in this report**

19.1 Audit Committee – September 2024 – add minute details when published.

19.2 Article 9 – Non-Executive Functions and Committees, Nottingham City Council Constitution

19.3 Audit Committee – Practical Guidance for Local Authorities and Police 2022 (CIPFA)

19.4 Delivering Good Governance in Local Government 2016 (CIPFA)

19.5 Accounts and Audit Regulations 2015

19.6 Section 151 of the Local Government Act 1972

19.7 Local Audit and Accountability Act 2014

**Councillor Adele Williams**  
**Chair of Audit Committee**