



**Committee:** AUDIT COMMITTEE  
**Date:** WEDNESDAY, 22 MAY 2024  
**Venue:** MORECAMBE TOWN HALL  
**Time:** 6.00 P.M.

Prior to the meeting, commencing at 5.15pm, training will be provided for Members of the Committee on the Effectiveness of Internal Audit.

## A G E N D A

1. **Apologies for Absence**

2. **Appointment of Vice-Chair**

To appoint a Vice-Chair for the 2024/25 municipal year (the Vice-Chair must not be a member of Cabinet or Overview and Scrutiny).

3. **Minutes**

To receive as a correct record the Minutes of the meeting held on 20<sup>th</sup> March 2024 (previously circulated).

4. **Items of Urgent Business authorised by the Chair**

5. **Declarations of Interest**

To receive declarations by Councillors of interests in respect of items on this Agenda.

Councillors are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Councillors should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Councillors are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

6. **Strategic Risk Register Update (Pages 4 - 16)**

***Whilst this report is public, Appendix B is exempt, and notice is hereby given that the meeting is likely to move into private session if it is necessary to refer to the exempt appendix.***

Report of the Chief Executive.

7. **Internal Audit Annual Report and Head of Internal Audit Opinion** (Pages 17 - 34)

Report of the Head of Internal Audit.

8. **Internal Audit Progress Report** (Pages 35 - 53)

Report of the Head of Internal Audit.

9. **Audit Committee Assurances in Relation to the Financial Reporting Process** (Pages 54 - 75)

Report of the Chief Finance Officer. Report published 16.05.24.

10. **Statement of Accounts - Update** (Pages 76 - 82)

Report of the Chief Officer - Resources/S151 Officer. Report published 22.05.24.

11. **Audit Committee Training & Work Programme 2024-25** (Pages 83 - 85)

Report of the Chief Finance Officer.

**ADMINISTRATIVE ARRANGEMENTS**

**(i) Membership**

Councillors Paul Stubbins (Chair), Ruth Colbridge, Colin Hartley, Peter Jackson, Kate Knight, Isabella Metcalf-Riener and David Whitaker

**(ii) Substitute Membership**

Councillors Gerry Blaikie (Substitute), Dave Brookes (Substitute), Sally Maddocks (Substitute) and Sandra Thornberry (Substitute)

**(iii) Queries regarding this Agenda**

Please contact Sarah Moorghen, Democratic Support - email [smoorghen@lancaster.gov.uk](mailto:smoorghen@lancaster.gov.uk).

**(iv) Changes to Membership, substitutions or apologies**

Please contact Democratic Support, telephone 582000, or alternatively email [democracy@lancaster.gov.uk](mailto:democracy@lancaster.gov.uk).

MARK DAVIES,  
CHIEF EXECUTIVE,  
TOWN HALL,  
DALTON SQUARE,  
LANCASTER, LA1 1PJ

Published on Tuesday, 14 May 2024.

**AUDIT COMMITTEE****Strategic Risk Management****22 May 2024****Report of Chief Executive****PURPOSE OF REPORT**

To provide the Committee with an update on the authority's progress in updating the Strategic Risk Register.

**This report is public, with appendix B being exempt by virtue of paragraph 3 of Schedule 12A the Local Government Act 1972.**

**RECOMMENDATIONS**

- (1) The Audit Committee note the Strategic Risk Register, as shown as appendix A (public report) and appendix B (restricted report).

**1.0 Report**

- 1.1 Quarterly Strategic Risk Report as updated by Leadership Team to be seen by Audit Committee to be noted.

- 1.2 The attached appendices show the changes to the council's Strategic Risk Register made during the last quarter, up until 9<sup>th</sup> May 2024. Changes are highlighted using red text. A summary of the main changes are:

- Risk reviews run against risks: SR01, SR02, SR04, SR06, SR07, SR12, SR20, SR21, SR25 and SR26.
- Action plan due dates updated for many risks.
- SR04, SR20, SR21 and SR26, New control measures added.
- SR06 and SR21, Action details updated.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):**

No direct impact arising from this report, which provides an updated copy of the authority's Strategic Risk Register.

**LEGAL IMPLICATIONS**

No direct legal implications arising from this report.

**FINANCIAL IMPLICATIONS**

No direct financial implications arising from this report.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces**

No direct resource implications arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has contributed to this report in his role as Chief Officer Resources, including responsibility for Internal Audit.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

N/A

**Contact Officer:** Claire Dubelbeis, Projects and Performance Manager  
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**Email:** CDubelbeis@lancaster.gov.uk  
**Ref:** N/A

# Strategic Risk Register - Risk Map 09.05.24

Impact	Very High (4)		9 21	6	
	High (3)	13	2 3 5 7 8 10 12 14 19 20 23 24	4 11 22	
	Medium (2)		1 15 18	16 17 25	
	Low (1)				
		Unlikely (1)	Possible (2)	Likely (3)	Very Likely (4)
		Likelihood			

NOTE 1: All risks have been reviewed in the run up to 9th May 2024.  
 NOTE 2: Only risks which are unrestricted are shown.  
 NOTE 3: The numbers shown on the risk map relate to those on the next page in the first column, not the Strategic Risk (SR) numbers.



# Strategic Risk Register, report created 09.05.24

# Red text used to highlight changes since previous report

Risk No.	Risk	Risk Description	Residual Risk Score (impact x likelihood)	Risk Category	Existing Control Measure	Existing Control Measure Description	Target Risk Level (impact x likelihood)	Action Plan Title	Action Plan Description	Action Plan Owners	Action Plan Due Date	Review Date	Review Comment
1	SR01 Central Government funding is insufficient to provide the current level of service leaving the council unable to deliver the financial resilience initiative and achieve financial stability.	Central Government funding and/or revenues collected are insufficient to provide the current level of service leaving the council unable to deliver the financial resilience initiative and achieve financial stability.  Link to Council Plan 24-27: 4.1 Value for Money	4 (2x2)	Financial	Officer/Member Working Groups	Capital Assurance Group (CAG) and Financial Resilience Group (FRG)	2 (2x1)	Outcomes Based Resourcing	Review of existing budgets to identify areas for realignment/ refocusing or cessation to deliver efficiencies but ensuring that Services remain aligned with the Councils Priorities.	Mark Davies	30/12/2024	26/02/2024	OBR action plan owner changed to Mark Davies
					Council Strategies	Outcome Based Resourcing (OBR), Investment Strategy, Reserves Strategy and Medium Term Financial Strategy		Funding the Future Strategy	The Strategy contains 4 Pillars to achieve Financial Stability. 1) Investment to reduce costs; 2) Pursuing efficiencies with vigour; 3) Outcomes based resourcing; and 4) Commercialisation	Paul Thompson	31/03/2024		
					Monthly income monitoring by applicable services	Monthly income monitoring by applicable services		Business Plans for Investments	Develop business plans for investment particularly in relation to decarbonisation and renewable energy generation.	Paul Thompson	31/03/2024		
					Quarterly reporting	Formal quarterly reporting to Cabinet and Budget and Performance Panel		Fees and Charges Income Monitoring	Regular monitoring and forecasting by services of all fees and charges. To be undertaken by Heads of Service and Managers.	Paul Thompson	31/03/2024		
					Commercialisation	Development of other alternative service delivery vehicles to deliver efficiencies and/ or operational surpluses which can be reinvested into Council Services.							
2	SR02 The Council fails to meet the 2024/25 funding gap as a result of ineffective delivery of the efficiency programme and failure to deliver on key projects.	The Council fails to meet the 2024/25 funding gap as a result of ineffective delivery of the efficiency programme and failure to deliver on key projects.  Link to Council Plan 24-27: 4.1 Value for Money	6 (3x2)	Financial	Budget and Performance Panel	Budget and Performance Panel	2 (2x1)	Outcomes Based Resourcing	Outcomes-Based Resourcing (OBR) approach focusing on where resources can have maximum impact on strategic priority areas.	Mark Davies	31/12/2024	26/02/2024	OBR action plan owner changed to Mark Davies
					Reserves Policy	Reserves Policy							
					Project Managers	Project Managers - suitably skilled PMs assigned to lead strategic projects					NOTE: This is also listed as a control measure as the programme is phased so has already delivered some savings with further outcomes and savings to follow.		
					Programme Managers	Programme Managers in place for specific programmes							
					Programme Delivery Board	Programme Delivery Board							
					Cabinet	Cabinet							
					Portfolio Holder	Portfolio Holder							
					Outcomes Based Resourcing for 23/24 financial year	Outcomes Based Resourcing for 23/24 financial year							
					Project Delivery Board	Project Delivery Board - Consisting of Leadership Team to monitor delivery via quarterly reports and provide support and challenge to each project as required.							
					Projects and Performance Manager	Established to provide a central co-ordination point for all the Council's projects and performance. Responsible for co-ordination and monitoring.							
Delivering Our Priorities Quarterly Monitoring Reports	Delivering Our Priorities Quarterly Monitoring Reports - Monitoring report linking Projects, Performance and Resources presented to Cabinet and Budget & Performance Panel.												

				Quarterly Cabinet Meetings	Quarterly Cabinet Meetings - Project and Financial information present to Cabinet/ Portfolio providing an opportunity for review and discussion of performance.								
				Outcomes Based Resourcing	Outcomes-Based Resourcing (OBR) approach focusing on where resources can have maximum impact on strategic priority areas.								
3	SR03 The Council fails to recruit and retain competent / key staff resulting in ineffective leadership, increased costs and failure to deliver	The Council fails to recruit and retain competent / key staff resulting in ineffective leadership, increased costs and failure to deliver effective services, projects and council priorities.  Link to Council Plan 24-27: 4.3 Investing in Our Skills and Facilities	6 (3x2)	People	New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk	New 3-year People Plan (2023-2026) with key deliverables to mitigate this risk	6 (3x2)					22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
				Annual Appraisal Process	Annual Appraisal Process embedded								
				Pay and Grading Structure	Pay and Grading Structure - The new pay and grading structure and job evaluation process ensures that all posts are objectively evaluated and then placed on a new pay and grading scale.  Recent experience suggests that this assisted in attracting applicants with the desired skills and values.								
4	SR04 The use of council assets is not maximised leading to insufficient funding to meet the capital projects.	Future capital investment is dependent on capital receipts from the sale and utilisation of council assets.  Link to Council Plan 24-27: 4.5 Innovative Public Service	9 (3x3)	Property Financial	Use of Council Assets	Capital Strategy Group	6 (3x2)	Council Assets	To progress with disposals of council assets as outlined through 22/23 OBR process.	Joanne Wilkinson	28/06/2024	19/04/2024	Lots of positive background work to put us in a positive position moving forward. Stock condition surveys are well underway to present real information to assist in building condition and future decision making. Gateway report by JLL returned with a paper on the future scheduled for June Cabinet. Asset disposals are being brought forward on an adhoc basis when reasonable offers are being made. The Asset OBR group is meeting regularly. An Officer led energy group has been established which reports into the Assets group.
				Use of Council Assets	Ongoing OBR workstream reviewing assets			Council Assets	Updated Asset Management Plan to be developed to incorporate property performance.	Paul Mackie Joanne Wilkinson Dan Wood	31/10/2024		
				Use of Council Assets	Performance monitoring of leases implemented								
				Use of Council Assets	Budget Monitoring								
				Use of Council assets	Implemented active asset management inc. financial modelling for stock rationalisation.								
				Use of Council assets	Appointed Eckersleys to support the council in asset disposal.								
				Use of Council Assets	Stock Condition Surveys for property group underway.			Council Assets	Climate Strategy for Housing and Property to be developed	Paul Mackie Joanne Wilkinson	28/06/2024		
				Use of Council Assets	Asset Management Strategy in place,								
				Use of Council Assets	Officer energy fit for the future group established - reporting into main Assets group								
5	SR05 Council services are disrupted and / or additional services are required and costs are incurred as a result of local and national emergencies	Council services are disrupted and / or additional services are required and costs are incurred as a result of local and national emergencies.	6 (3x2)	Financial	Resourcing the emergency response function	The Council continues to adequately resource its emergency planning function, including maintaining its team of out of appropriately trained emergency response officers.	6 (3x2)	Financial Planning	Adequate non earmarked reserves are maintained to allow for the impact of long term emergencies like the pandemic.	Paul Thompson	31/03/2024	09/02/2024	Strategic Risk report discussed at Leadership Team on 06/02/24.
				District emergency	Lancaster District Emergency Plan and LRF (Lancashire Resilience			Community Resilience	The Council supports community resilience through CEPGs and FLAG groups etc	Alex Kinch	31/03/2024		



				Forum) plans that cover site or incident specific risks, including for example: an incident at Heysham Power Station, or a flooding/weather event.		Adaptation Schemes	The Council appraises and potentially invests in schemes and activities that provide adaptation (eg Lune river defence)	Paul Blakeley Jonathan Noad	31/03/2024				
				Business Continuity Plans									
				National Emergency (such as a pandemic)	LRF plans.								
				Financial Planning	Financial Planning - Adequate non earmarked reserves are maintained to allow for the impact of long term emergencies like the pandemic.								
				Business Resilience	Business Resilience - The Council continues to invest in resilience measures eg technology to facilitate remote working.								
				Partnerships	Partnerships - The Council continues to allocate resource to developing its key partnerships LRF, CSP (Community Safety Partnership) and local resilience partners.								
				County wide emergency (such as widespread loss of power and extreme weather events)	The LERP (Lancashire Emergency Response Plan) and plans as required from box 2 and box 3 plans, held in resilience direct.								
6	SR06 The Council fails to reduce its direct Co2 emissions to 'net zero' by 2030.	In January 2019 the Council declared a 'climate change emergency' and have now sought endorsement of an approach to reduce the Council's direct Co2 emissions to 'net zero' by 2030. Whilst an action plan is in place, costs associated with implementing the actions are considerable and are constantly under review.  Link to Council Plan 24-27: 1.1 Carbon Zero	12 (4x3)	Financial	Delivery plan in place	Delivery plan in place	8 (4x2)	(i) Local Area Energy Plan and (ii) Council Action Plan (now Climate and Nature Framework)	The Council continues to work on the delivery of its action plan. More details can be found on our website: <a href="https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates">https://www.lancaster.gov.uk/sites/climate-emergency/new-and-updates</a>	Mark Davies	31/08/2024	29/04/2024	The Council has been successful for Public Sector Decarbonisation funding (Salix) to decarbonise 3 more council buildings - Williamson Park, CityLab and The Storey. Meanwhile its planning application for a solar farm at Burrow Beck awaits a decision. Additionally the LAEP will outturn in Summer 2024. Whilst this will identify the most cost effective pathways for the entire district to reach net zero (i.e. not just council activities), it will have synergies with the Council's own net zero ambitions. Finally, since the last review UKSPF has been secured which will enable the provision of an overarching Climate and Nature Framework.
					Peoples Jury	Peoples Jury - The Council considers the recommendations of the Peoples Jury and builds recs that can be delivered directly by the Council into its plans		Local area energy plan	Local area energy plan (LAEP) has proceeded through procurement (Energy Systems Catapult, June 2023). This document will provide a high-level, costed roadmap to net zero for the district. The LAEP is a 12-month project that will involve Member, stakeholder and public engagement.	Mark Cassidy	30/06/2024		

13/03/2024 The Council continues to make good progress regarding net zero pathways. The Local Area Energy Plan will outturn in Summer, which will identify the most cost-effective pathway for the district to reach net zero. Meanwhile the council's own efforts to ensure that its own activities are net zero are by 2030 are progressing well. The recent news that the Council was successful again in the Public Sector Decarbonisation Fund (March 2024) allows the council to implement the next phase of building decarbonisation works.

7	SR07 The Council fails to deliver its key priorities due to the lack of an underpinning strategy setting out expected delivery / outcomes.	On the 29 January 2019, Full Council approved the Council's strategic priorities for the purpose of informing budget decisions for 2020-21 and future years.  Link to Council Plan 24-27: Whole document.	6 (3x2)	Strategy	Carbon Zero +	More details can be found on our website: <a href="https://www.lancaster.gov.uk/sites/cclimate-emergency/new-and-updates">https://www.lancaster.gov.uk/sites/cclimate-emergency/new-and-updates</a>	4 (2x2)	Local Development Plan	Local Development Plan	Mark Davies	30/09/2024	26/02/2024	Suzanne Lodge removed from being risk owner
					Medium Term Financial Strategy (MTFS)	MTFS - in place to set out how the council proposes to manage its financial resources in line with corporate priorities.							
					Programme Management	Programme Management - in place to ensure strategy is followed and monitored on a regular basis.							
					Corporate Plan / Plan 2030	Corporate Plan / Plan 2030 - Updated in December 2021 to lay out the councils vision.							
8	SR08 The Council fails to deliver its key projects due to the lack of capacity and resources.	The Council has a number of key projects (Canal Quarter, Eden Project Morecambe, OBR, My Mainway, Heysham Gateway, Frontierland etc) all of which have detailed strategies for implementation. In order to deliver these key projects it is essential they are properly prioritised and resourced.  Link to Council Plan 24-27: 4.5 Innovative Public Services	6 (3x2)	People Financial	Local Plan	Local Plan	3 (3x1)	Local Plan	Local Plan	Mark Davies	31/03/2024	06/02/2024	Staffing Capacity Action closed and replaced with People Plan action.
					Medium Term Financial Strategy (MTFS)	Medium Term Financial Strategy (MTFS)		Funding the Future Strategy	Funding the Future Strategy	Mark Davies	31/03/2024		
					Investment Strategy	Investment Strategy		Reserves	Adequate reserves are maintained to allow, due diligence of property investment, regeneration projects and key strategic planning strategies.	Mark Davies Paul Thompson	31/03/2024		
					Capital Programme	Capital Programme		Capital Programme	Ensure capital programme is prioritised to facilitate match funding leverage and maximise the potential to attract external funding.	Mark Davies Paul Thompson	31/03/2024		
					The Council continues to resource key service teams in Planning, economic development, regeneration, property investment	The Council continues to resource key service teams in Planning, economic development, regeneration, property investment and facilities management.		People Plan	3-Year People Plan in place and being delivered, which includes emphasis on upskilling and staff development, as well as initiative to support recruitment and retention.	Alex Kinch	31/03/2026		
					Collaborative Working	We work in collaboration with other stakeholders. For example, on the Eden Project we are working closely with the County Council.							
					Partnership Working	Many of our projects involve working in collaboration with other partners. For example, working with the County Council for the Eden Project Morecambe.							
10	SR10 Changes in Government policy impact on our ability to deliver major projects and programmes that would benefit our	SR10 Changes in Government policy impact on our ability to deliver major projects and programmes that would benefit our	6 (3x2)	Strategy	Continued monitoring and horizon scanning of Government policy	Continued monitoring and horizon scanning of Government policy	6 (3x2)					22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council

	major projects and programmes that would benefit our communities.	programmes that would benefit our communities. Link to Council Plan 24-27: 4.1 Value for money			Clear and focused Council strategy to maximise alignment with Government policy and resourcing	Clear and focused Council strategy to maximise alignment with Government policy and resourcing							links to the new Council Plan 24-27" which replaces Plan 2030.
					Strategic Plans	Strategic Plans - Continue to develop Council strategic plans and documentation in light of emerging Government policy							
11	SR11 International and national issues rapidly impact on the strategic and financial context of the Council and / or partners, businesses and communities.	SR11 International and national issues rapidly impact on the strategic and financial context of the Council and / or partners, businesses and communities.  This risk is outside of the control of the Council. It can not be fully mitigated against but should still be recorded on the strategic risk register.	9 (3x3)	Strategy Financial	Retention of in-house expertise to provide agility and resilience in rapidly-emerging issues	Retention of in-house expertise to provide agility and resilience in rapidly-emerging issues	9 (3x3)					09/02/2024	Strategic Risk report discussed at Leadership Team on 06/02/24.
					Strategic responsiveness through continued risk management review	Strategic responsiveness through continued risk management review							
					Agility and Resilience	Agility and Resilience - Continue to develop agility and resilience across the organisation							
					Strategic risk management approach	Strategic risk management approach							
12	SR12 Budgetary proposals are brought forward / agreed that are then challenged, causing delays or changes to implementation.	SR12 Budgetary proposals are brought forward / agreed that are then challenged, causing delays or changes to implementation.  Link to Council Plan 24-27: 4.5 Innovative Public Service	6 (3x2)	Strategy Financial	Budget Development	Comprehensive, robust and transparent approach to budget development and service delivery.	4 (2x2)	OBR	Outcomes-Based Resourcing (OBR) approach to focusing on where resources can have maximum impact on strategic priority areas.	Mark Davies	31/12/2024	26/02/2024	OBR action plan owner changed to Mark Davies
13	SR13 The Council's reputation is damaged through its own actions or actions of others in the District	SR13 The Council's reputation is damaged through its own actions or actions of others in the District.  Link to Council Plan 24-27: 3.4 Community Engagement	3 (3x1)	Strategy People	Communications	Pro-active communications and transparency	3 (3x1)					22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
					Strategic Management of Activities	Strategic management of all Council activities to ensure continued high reputation							
					Delivery of Services	Delivery of Services - Continue to manage and deliver services in a way that supports the authority's reputation as a Co-operative, Kind and Responsible Council.							
					Strategic communication	Strategically communicate and engage with residents, partners and stakeholders to ensure actions align with reputation							
14	SR14 Major, sudden unforeseen expenditure or income reduction arises, necessitating significant change or reduction to services.	SR14 Major, sudden unforeseen expenditure or income reduction arises, necessitating significant change or reduction to services.  Link to Council Plan 24-27: 4.1 Value for money	6 (3x2)	Operations Financial	Budget and Performance Panel	Budget and Performance Panel	6 (3x2)	Move to sustainable solutions	Minimise exposure to cost spikes such as energy by moving to sustainable solutions independent of external pressures	Mark Davies Paul Thompson	31/12/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
					Reserves Policy	Reserves Policy							
					Continue financial forecasting	Continue financial forecasting and scenario planning e.g. for energy costs							
15	SR15 The Council's infrastructure fails to meet the future needs of the organisation and the residents of the district.	SR15 The Council's infrastructure fails to meet the future needs of the organisation and the residents of the district.  Link to Council Plan 24-27: 4.5 Innovative Public Services; 4.1 Value for money	4 (2x2)	Strategy	Asset Management Plan	Asset Management Plan	2 (1x2)	Asset Management Plan	Conduct a major review of Council infrastructure and assets, taking a future focused approach to asset management.	Mark Davies	27/09/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
					Continuous review of assets and infrastructure	Continuous review of assets and infrastructure							
16	SR16 The Council's services fail to adapt to socioeconomic and demographic trends within the district, resulting in failure to meet the needs of local residents and businesses.	SR16 The Council's services fail to adapt to socioeconomic and demographic trends within the district, resulting in failure to meet the needs of local residents and businesses.	6 (2x3)	Strategy	Corporate Plan	Corporate Plan	3 (1x3)					22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
					Policy Framework	Policy Framework							
					Continuous review of strategy and policy	Continuous review of strategy and policy, and alignment with service delivery.							

	the needs of local residents and businesses.	Link to Council Plan 24-27: 4.5 Innovative Public Services		LGA Workshop with Members	These took place in September 2023.								
17	SR17 Negligent or unlawful action by the Council, resulting in financial or other liabilities.	SR17 Negligent or unlawful action by the Council, resulting in financial or other liabilities.  Link to Council Plan 24-27: 4.6 Openness	6 (2x3)	Legal	Corporate Governance	Corporate Governance	6 (2x3)	Training and development	Training and development to ensure staff and members are equipped to follow governance requirements	Luke Gorst	31/03/2024	09/02/2024	Strategic Risk report discussed at Leadership Team on 06/02/24.
					Continuous review of governance processes	Continuous review of governance processes to ensure they are fit for purpose							
					Annual Governance Statement and Code of Corporate Governance	The Accounts and Audit Regulations (2015), as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.  The Council has recently reviewed and adopted an amended Code of Corporate Governance (dated April 2022). The Preparation and publication of this Annual Governance Statement is in accordance with the principles set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016) (The Framework).							
18	SR19 Failure of the Canal Quarter programme to deliver regeneration through use of the Council's assets in the area.	SR19 Failure of the Canal Quarter programme to deliver regeneration through use of the Council's assets in the area.  Link to Council Plan 24-27: 2.4 Investment and Regeneration	4 (2x2)	Project / Programme	Programme Management	Programme Management	2 (1x2)	Development of a Canal Quarter Masterplan	Development of a Canal Quarter Masterplan that sets out a route to successful regeneration of the area in line with local needs and the Council's priorities	Jonathan Noad	31/03/2024	22/12/2023	Risks which contained a link to "Plan 2030" have now been updated to show links to the new "Council Plan 24-27" which replaces Plan 2030.
19	SR20 Non compliance with Building Safety Executive for LCC owned high-rise buildings	LCC has three high rise buildings which now fall under the Building Safety Act 2022, and require registration with the Building Safety Executive (BSE). There are numerous risks around non-compliance.  Link to Council Plan 24-27: 3.1 Access to Quality Housing	6 (3x2)	Property Financial	Registration with BSE for high rise blocks	Fortnightly senior housing management meetings updating on risks and plans around building safety review.	2 (2x1)	Registration with BSE for high rise blocks	Tenant engagement strategy for building safety to be approved.	Paul Mackie Joanne Wilkinson	28/06/2024	20/04/2024	Case files for the 3 x high rise blocks have been pulled together - now waiting for call in. Resident engagement strategy for building safety developed - requires sign-off. Cabinet approved closing down Bridge House - team will now work to enact this which reduces the councils risk somewhat. Awaiting for the BLRF application outcome on options for demolition Bridge House.
					Registration with BSE for high rise blocks	Fire safety works being completed.							
					Registration with BSE for high rise blocks	Fire door audits being undertaken							
					Registration with BSE for high rise blocks	Monthly Compliance Steering Group comprising staff from across the Housing Service meet to discuss issues and tasks that are needed.							
					Registration with BSE for high rise blocks	Tenants Voice group established							
					Registration with BSE for high rise blocks	Registration of blocks with BSE complete							
					Registration with BSE for high rise blocks	On-going and regular campaigns on fire safety undertaken with residents.							
					Registration with BSE for high rise blocks	Cabinet (Feb 24) approved decommissioning Bridge House - Housing team now progressing decision.							
					Registration with BSE of high rise blocks	Building Safety Case files prepared ready for call in.							

20	SR21 Non compliance with Regulator of Social Housing Standards	The Social Housing White Paper and subsequent amendments through to the introduction of the Social Housing Regulation Act have highlighted a significant shift in requirements for social housing providers. This will be the biggest shift in a generation, with changes to standards and expectations. Failure to keep up with changes could result in unlimited fines / DLUHC, Regulator or Ombudsman intervention / bad publicity. However clearly the Regulator has laid out that it is unlikely that Councils will meet the required new standards fully and expect to work with landlords to improve performance against new requirements.  Link to Council Plan 24-27: 3.1 Access to Quality Housing	6 (3x2)	Property Financial	Social Housing Regulation	Attendance at benchmarking groups with the Regulator / Ombudsman to stay abreast of updates / developments / best practice / learning	2 (2x1)	Social Housing Regulation	Self-assess against new regulatory standards which have been released and action plan.	Pete Linsley Joanne Wilkinson	28/06/2024	19/04/2024	Reviewed current position. New Regulatory standards have now been published and the Council Housing Team are working through these and updating our self-assessment document. This will help identify current position and any gaps. Regulator has made it very clear that particularly council landlords are unlikely to reach the required standard and expectations of this across the sector are understood.
					Social Housing Regulation	Action planning within the service occurs in preparation for changes							
					Social Housing Regulation	Quarterly reports available for portfolio holder outlining changes in the previous quarter produced.							
					Social Housing Regulation	Service Improvement Plan well established							
					Social Housing Regulation	Annual self assessment undertaken against current standards							
					Social Housing Regulation	Member advisory group for continued / wider input into the housing service established.							
					Social Housing Regulation	Various external audits utilised e.g. TPAS, Resolve, Pennington Choices							
					Social Housing Regulation	Breaches Policy in place							
22	SR23 Procurement of Health and Safety Consultations and recruitment to new role	H&S Consultations engaged since September '23, audit completed and action plan being implemented. Recruitment to new post of Senior Corporate H&S Manager in Q4.  Link to Council Plan 24-27: 4.3 Investing in Our Skills and Facilities	9 (3x3)	Legal	Health and Safety Checklist for New Starters	Health and Safety Checklist for New Starters	4 (2x2)	Procurement of Health and Safety Consultants	H&S consultants being procured to assess as is and implement changes to address shortfalls and support create of culture of collective ownership of Health and Safety.	Alex Kinch	29/02/2024	06/02/2024	Risk title and description amended at the request of the risk owner.
					Intranet guidance	Intranet guidance							
					Health and Safety Policy	Health and Safety Policy							
					Risk assessments	Risk assessments							
					H&S Training Courses	H&S Training Courses							
					DSE assessments	DSE assessments							
					H&S Committee established	Health and Safety Committee set up. First meeting took place in October 2023, the next meeting is due in December 2023.							
23	SR24 ICT Data Centre	Data Centre is dated and improvements needed to satisfy future demand.  Link to Council Plan 24-27: 4.3 Investing in Our Skills and Facilities	6 (3x2)	Technology	Air conditioning in place to keep the data centre at optimal temperature		2 (2x1)	Full Fibre Project		Nick Goulden	28/06/2024	10/11/2023	Reviewed by individual Chief Officers and discussed at Leadership Team on 7/11/23
					Back up Date Centre at SALC								
					Regular fire safety servicing carried out								
					Water ingress alerts	To alert all ICT senior managers to any water detected in data centre							
24	SR25 LCC Property Portfolio (non housing) does not meet its Health and Safety compliance obligations	The Council fails to effectively manage Property portfolio health and safety / compliance and meet statutory requirements. Risk is not managed and steps are not taken to protect workers and others from harm. A structure is not in place to ensure that compliance is prioritised and a proactive culture does not exist.  Link to Council Plan 24-27: 4.3	6 (3x2)	Property Financial	Property Group Compliance	Regular reports shared with SLT highlighting current position.	1 (1x1)	Property Group compliance	New Asset Management Strategy to be developed	Paul Mackie Joanne Wilkinson Dan Wood	31/10/2024	20/04/2024	Positive progress being seen in condition surveys being completed, team understanding position better. Team well on way to evidence compliance position - this is reported to Leadership Team, OBR Assets Group and portfolio holders.
					Property Group Compliance	Dedicated Team established - combining expertise from Council Housing Compliance Team to monitor and address compliance within the service.							
					Property Group Compliance	Team employs sector expert to support overall approach to health and safety and compliance.							
					Property Group	Established accurate data							

Investing in Our Skills and Facilities

				Property Group compliance	Established accurate data recording and position statement through individual workbooks for assets.								
				Property Group Compliance	Full Stock Condition Survey authorised and being completed.								
				Property Group compliance	Budget secured within General Fund for compliance / asset management work.								
				Property Group compliance	OBR - Assets group established								
25	SR26 - Increasing costs of temporary accommodation for the homeless	In 23-24 we are forecasting the Council will be required to contribute an additional £500k towards the cost of B+B accommodation for homeless residents. This is expected to continue into 24-25. Increase in costs is linked to increasing homelessness, reduced subsidy recovery from HB and reduced grant availability. Costs of accommodation also increasing and increase in larger families needing to be accommodated for longer. The subsidy can be met from within budgets this year (23-24), however this will need to be factored into future budgets moving forward. Funding temporary accommodation for those who need it is a stat requirement.  Link to Council Plan 24-27: 3.1 Access to Quality Housing	6 (2x3)	Financial	Increasing homeless temporary accommodation costs	Budget reviews ongoing with service accountant.	2 (1x2)	Increasing homeless temporary accommodation costs	Letter to registered provider chief execs to be sent reminding of responsibility around consumer regulation and responsibilities to supporting local authorities around homelessness.	Joanne Wilkinson	28/06/2024	20/04/2024	Limited change since last review. Costs of B+B continue to be monitored however process requires further work. Planning permission for CAB building providing 4 x additional units achieved at the end of the last quarter. Work will be ongoing now to progress with a tender to fully understand costings. Housing Taskforce meeting regularly to review options about how the private rented sector can support reduction of B+B provision.
				Increasing homeless temporary accommodation costs	Some access to grant funding to off-set costs (although limited and unpredictable).		Increasing homeless temporary accommodation costs	To work with finance to develop weekly spend sheets monitoring spend on accommodation	Sharon Parkinson	28/06/2024			
				Increasing homeless temporary accommodation costs	Bed and breakfast plan developed for DLUHC		Increasing homeless temporary accommodation costs	To review costs of accommodation with each provider to ensure reaching VFM	Sharon Parkinson	28/06/2024			
				Increasing homeless temporary accommodation costs	Regular case work management in team of cases in bed and breakfast								
				Increasing homeless temporary accommodation costs	All B+B placements passed by manager for approval								
				Increasing homeless temporary accommodation costs	New Homelessness Strategy approved by Cabinet Oct 2024								
				Increasing homeless temporary accommodation costs	Housing Taskforce established - clear focus on how the private rented sector can support reduction in B+B usage.								
26	SR27 - Waste Strategy	Increased revenue cost burden to the authority and failure to deliver in line with milestones set out by government (31st March 2026).  Link to Council Plan 24-27: 1.5 Reduced Waste		Strategy Financial								09/02/2024	Strategic Risk report discussed at Leadership Team on 06/02/24.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

**AUDIT COMMITTEE**

**22 May 2024**

**Annual Report of the Head of Internal Audit and Assurance  
Report of Head of Internal Audit**

**PURPOSE OF REPORT**

The purpose of this Head of Internal Audit Opinion (HOIAO) is to contribute to the assurances available to the Accountable Officer and the Council which underpin the Council’s own assessment of the effectiveness of the organisation’s system of internal control. This Opinion will assist the Council in the completion of its Annual Governance Statement (AGS), along with considerations of organisational performance, regulatory compliance and the wider operating environment.

**This report is public**

**RECOMMENDATIONS**

- (1) That the Audit Committee receive the HOIAO for the year 2023/24.**
- (2) Options and Options Analysis (including risk assessment)**  
There are no other options available.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

Not applicable

**FINANCIAL IMPLICATIONS**

None directly arising from this report

**SECTION 151 OFFICER’S COMMENTS**

In accordance with the Accounts and Audit Regulations, Internal Audit (IA) is required to form an opinion on the adequacy and effectiveness of the council’s internal control environment, which includes consideration of any significant risk or governance issues and control failures that have been identified throughout the year. In arriving at an opinion, consideration is given to;

- An assessment of the design and operation of the underpinning strategic governance, risk management arrangements and supporting processes;
- An assessment of the range of individual assurances arising from risk-based internal audit assignments that have been reported throughout the period. This assessment has taken account the relative materiality of systems reviewed and management’s progress in respect of addressing control weaknesses identified.
- An assessment of the Council’s response to Internal Audit recommendations, and the extent to which they have been implemented.



**LEGAL IMPLICATIONS**

None directly arising from this report

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

Internal Audit Plan 2022/23

Internal Audit Plan 2023/24

Internal Audit Progress Reports 2023 & 2024

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# Internal Audit Annual Report & Head of Internal Audit Opinion 2023/24

Lancaster City Council

# Contents

- 1 Executive Summary
- 2 Head of Internal Audit Opinion
- 3 Internal Audit Coverage and Outputs
- 4 Areas for consideration – your Annual Governance Statement
- 5 MIAA Quality of Service Indicators

# 1 Executive Summary

We are pleased to have provided your internal audit services for 2023/24. The highlights of the delivery of our services are summarised in this report.

This annual report provides your 2023/24 Head of Internal Audit Opinion, together with the planned internal audit coverage and outputs during 2023/24 and MIAA Quality of Service Indicators.

Key Area	Summary
<p>Head of Internal Audit Opinion</p>	<p>The overall opinion for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 provides Moderate Assurance, that there is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some of the organisation’s objectives at risk.</p> <p><b><i>In considering the overall opinion, we have considered that Internal Audit resource has been directed into known risk areas by Council Officers and the Audit Committee. Moving forward, the Council needs to ensure that there is a continued focus on the strengthening of its control framework and completing management actions on a timely basis.</i></b></p> <p>This opinion is provided in the context that the Council like other organisations across the public sector is facing a number of challenging issues and wider organisational factors particularly with regards to financial challenges and increasing collaboration across organisations and systems.</p> <p>In providing this opinion we can confirm continued compliance with the definition of internal audit (as set out in your Internal Audit Charter), code of ethics and professional standards. We also confirm organisational independence of the audit activity and that this has been free from interference in respect of scoping, delivery and reporting.</p> <p>The purpose of our Head of Internal Audit (HoIA) Opinion is to contribute to the assurances available to the Accountable Officer and the Council which underpin the Council’s own assessment of the effectiveness of the system of internal control. As such, it is one component that the Council takes into account in making its Annual Governance Statement (AGS).</p> <p>The opinion does not imply that we have reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework.</p>
<p>Planned Audit Coverage and Outputs</p>	<p>The 2023/24 Internal Audit Plan has been delivered with the focus on the provision of your Head of Internal Audit Opinion. This position has been reported within the progress reports across the financial year. Review coverage has been focused on:</p> <ul style="list-style-type: none"> <li>• The organisation’s assurance framework</li> </ul>

Key Area	Summary
	<ul style="list-style-type: none"> <li>• Core and mandated reviews, including follow up; and</li> <li>• A range of individual risk-based assurance reviews.</li> </ul> <p><i>Please include the summary text in the table above when referring to the HoIA Opinion in your AGS.</i></p>
Recommendations / Management Actions	<ul style="list-style-type: none"> <li>• We have raised 50 recommendations as part of the reviews undertaken during 2023/24 (not including confidential reviews). All recommendations raised by MIAA have been accepted by management.</li> <li>• Of these recommendations: none were critical and 5 were high risk recommendations in relation to the reviews of Contract Management and Payroll including Additional Payments.</li> <li>• During the course of the year, we have undertaken follow up reviews from 2019/20, 2021/22, 2022/23 and 2023/24 and can conclude that the organisation implemented/superseded 61 actions during 2023/24.</li> <li>• The total number of recommendations yet to be implemented as at April 2024 is 67, 17 of these are high risk and relate to the reviews of Purchase to Pay, Collection of Income and Reconciliations, Resilience and Emergency Preparedness, Time Recording Systems, Financial Controls, CCTV, Contracts, IKEN Review and Payroll.</li> <li>• Of the 67 actions yet to be implemented, none are critical risk 7 high risk, 10 medium risk and 17 low risk were overdue or overdue and in progress at April 2024. The remaining 33 recommendations were not yet due.</li> </ul>
MIAA Quality of Service Indicators	<p>MIAA operate systems to ISO Quality Standards. The External Quality Assessment, undertaken by CIPFA (2020), provides assurance of MIAA’s full compliance with the Public Sector Internal Audit Standards (PSIAS). We also undertake regular internal assessments to ensure our ongoing compliance with requirements. In year we completed our annual self-assessment of compliance with PSIAS and can continue to confirm full compliance with these standards.</p> <p>MIAA are committed to delivering and demonstrating the highest standards of information governance and cyber security to protect not only our information and systems but to protect the data we collect and create through our audit and advisory activities with clients.</p> <p>We have consistently submitted a compliant NHS Data Security and Protection Toolkit return and we are one of only circa 20 NHS organisations certified to the Cyber Essentials Plus standard. Certification to this standard required rigorous independent testing of our cyber security controls across our devices. That we have achieved this certification is a demonstration not only of the</p>

Key Area	Summary
	security of our devices but also a validation of the proactive monitoring and maintenance that we have in place to protect data and systems from malicious threats.

## 2 Head of Internal Audit Opinion

Your internal audit service has been performed in accordance with MIAA's internal audit methodology which conforms with PSIAS. PSIAS require that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform our work to obtain sufficient, appropriate evidence on which to base our conclusion.

### 2.1 Roles and Responsibilities

The whole Council is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The AGS is an annual statement by the Leader of the Council and Chief Executive, on behalf of the Council, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievements of policies, aims and objectives;
- the purpose of the system of internal control as evidenced by a description of the risk management and review processes, including the Assurance Framework process; and
- the conduct and results of the review of the effectiveness of the system of internal control, including any disclosures of significant control failures together with assurances that actions are or will be taken where appropriate to address issues arising.

The organisation's assurance framework should bring together all of the evidence required to support the AGS requirements.

In accordance with PSIAS, the HoIA is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with management and approved by the Audit Committee, which can provide assurance, subject to the inherent limitations described below. The outcomes and delivery of the internal audit plan are provided in Section 4.

### 2.2 Opinion

Our opinion is set out as follows:

- Basis for the Opinion;
- Overall Opinion; and

- Commentary

### 2.2.1 Basis for the Opinion

The basis for forming our opinion is as follows:

- 1 An assessment of the design and operation of the underpinning strategic governance, risk management arrangements and supporting processes.
- 2 An assessment of the range of individual assurances arising from our risk-based internal audit assignments that have been reported throughout the period. This assessment has taken account the relative materiality of systems reviewed and management’s progress in respect of addressing control weaknesses identified.
- 3 An assessment of the organisation’s response to Internal Audit recommendations, and the extent to which they have been implemented.

### 2.2.2 Overall Opinion

Our overall opinion for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 is:

High Assurance, can be given that there is a strong system of internal control which has been effectively designed to meet the organisation’s objectives, and that controls are consistently applied in all areas reviewed.	
Substantial Assurance, can be given that that there is a good system of internal control designed to meet the organisation’s objectives, and that controls are generally being applied consistently.	
<b>Moderate Assurance</b> , can be given that there is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some of the organisation’s objectives at risk.	✓
Limited Assurance, can be given that there is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls impacts on the overall system of internal control and puts the achievement of the organisation’s objectives at risk.	



No Assurance, can be given that there is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the organisation’s objectives.

### 2.2.3 Commentary

The commentary below provides the context for our opinion and together with the opinion should be read in its entirety.

Our opinion covers the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 inclusive, and is underpinned by the work conducted through the risk-based internal audit plan.

#### Assurance Framework

Our work has consisted of assessing progress with implementing the recommendations from the internal audit review of risk management that was completed in 2022/23 and provided moderate assurance. Since the review the Council’s Risk Management Strategy & Policy have been updated and approved which incorporates a risk scoring model. All of the recommendations from the 2022/23 Risk Management have been completed. A further review of Risk Management has been completed in 2023/24, providing substantial assurance.

#### Core & Risk-Based Reviews Issued

We issued:

<b>No high assurance opinions:</b>	No reviews received High Assurance	Two <b>limited</b> assurance opinions:	Payroll including Additional Payments Contract Management*
<b>Four substantial assurance opinions:</b>	Risk Management Efficiency Savings Financial Controls – Budgetary Management National Non-Domestic Rates (NDR) - <i>Draft</i>	No <b>no</b> assurance opinions:	No reviews received No Assurance

	Climate Change* - Draft		
One moderate assurance opinions:	IKEN Case Management System	One review without an assurance rating/assurance rating to be provided verbally	Mobile Device Management**

\*22/23 reviews which were concluded during 23/24 and were not included within the 22/23 HoIAO.

\*\*To be provided verbally

### Follow Up

During the course of the year we have undertaken follow up reviews and can conclude that the organisation has made **reasonable progress** with regards to the implementation of recommendations. We will continue to track and follow up outstanding actions.

*Chris Harrop*

Managing Director, MIAA  
March 2024

*Louise Cobain*

Assurance Director, MIAA  
March 2024

### 3 Internal Audit Coverage and Outputs

The 2023/24 Internal Audit Plan has been delivered with the focus on the provision of your Head of Internal Audit Opinion. This position has been reported within the progress reports across the financial year.

Of the reviews completed in the year, assurance ratings were given in 9 cases. Assurance rating were not applicable in 1 review, due to the nature of this work. The audit assignment element of the Opinion is limited to the scope and objectives of each of the individual reviews. Detailed information on the limitations (including scope and coverage) to the reviews has been provided within the individual audit reports and through the Audit Committee Progress Reports throughout the year.

A summary of the reviews performed in the year is provided below:

	Review	Assurance Opinion	Recommendations Raised				
			Critical	High	Medium	Low	Total
1	Risk Management	Substantial	-	-	1	5	6
2	Efficiency Savings	Substantial	-	-	3	1	4
3	Financial Systems – Budgetary Management <i>Draft</i>	Substantial	-	-	4	3	7
4	Iken Case Management	Moderate	-	1	3	2	6
5	National Non-Domestic Rates – <i>Draft</i>	Substantial	-	-	4	1	5
6	Payroll including Additional Payments	Limited	-	1	5	-	6
7	Mobile Device Management Solution	Verbal Update	Verbal Update Provided				

	Review	Assurance Opinion	Recommendations Raised				
			Critical	High	Medium	Low	Total
8	Climate Change - <i>Draft</i>	Substantial	-	-	4	1	5
9	Contract Management	Limited	-	3	6	2	11
		<b>TOTAL</b>	-	<b>5</b>	<b>30</b>	<b>15</b>	<b>50</b>

We will continue to follow up progress against all recommendations as part of the 2024/25 Internal Audit Plan.

**ADVISORY SUPPORT AND GUIDANCE:** Areas where MIAA have supported the organisation in strengthening arrangements in respect of governance, risk management and internal control.

Review and Chief Internal Auditor Declaration of Changing Places Grant Fund 2021/22 and 2022/23

Review and Chief Internal Auditor Declaration of Defra Food Waste Collections 2024

Advisory work on Eden Project Governance

Advisory work on Eden Project Funding claims

**CONTRIBUTION TO GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL ENHANCEMENTS:** *Additional areas where MIAA have provided added value contributions.*

Ongoing discussion with lead Officers, Managers and Members throughout the year.

Specific audit review of third party assurances to the Council (e.g. Preston City Council).

Providing an Audit Committee Development Session, Risk Management Training session and input into Audit Committee events.

Facilitation of committee workshops, effectiveness sessions, including an Audit Committee effectiveness survey and facilitation of session with briefing document provided.

Effective utilisation of internal audit including in year communication, requests for changes to the audit plan in respect of Air Quality Duty replaced with National Non Domestic Rates (NNDR), Housing Inspections Review replaced with a Reactive Maintenance Review and the focus of the Financial Controls Review was a Budgetary Management Review.

To keep our clients informed on emerging governance and wider policy developments we ran 10 events in 23/24 as part of our North West Masterclass Collaboration. Each event was accompanied by an event summary published on our website. We also issued a Risk Management Checklist for Local Authorities to support organisations in assessing their risk maturity.

Continued involvement and representation on National Bodies including the Institute of Internal Auditors (IIA) and CIPFA enabling us to be proactive in sharing best practice, wider benchmarking and providing early insights on national issues.

Continued involvement and representation on Local Bodies including the Lancashire Local Government Head of Internal Audit Group and the Lancashire Local Government Information Technology Group.

## 4 Areas for Consideration – your AGS

The Head of Internal Audit Opinion is one source of assurance that the organisation has in providing its AGS other third party assurances should also be considered. In addition the organisation should take account of other independent assurances that are considered relevant.

We have identified a number of other strategic challenges that should be considered by the Council when drafting the AGS. Whilst the scope of the Internal Audit Plan would have considered elements of these, it is important that the Council more widely on how these should be factored into the AGS. Areas for consideration include:

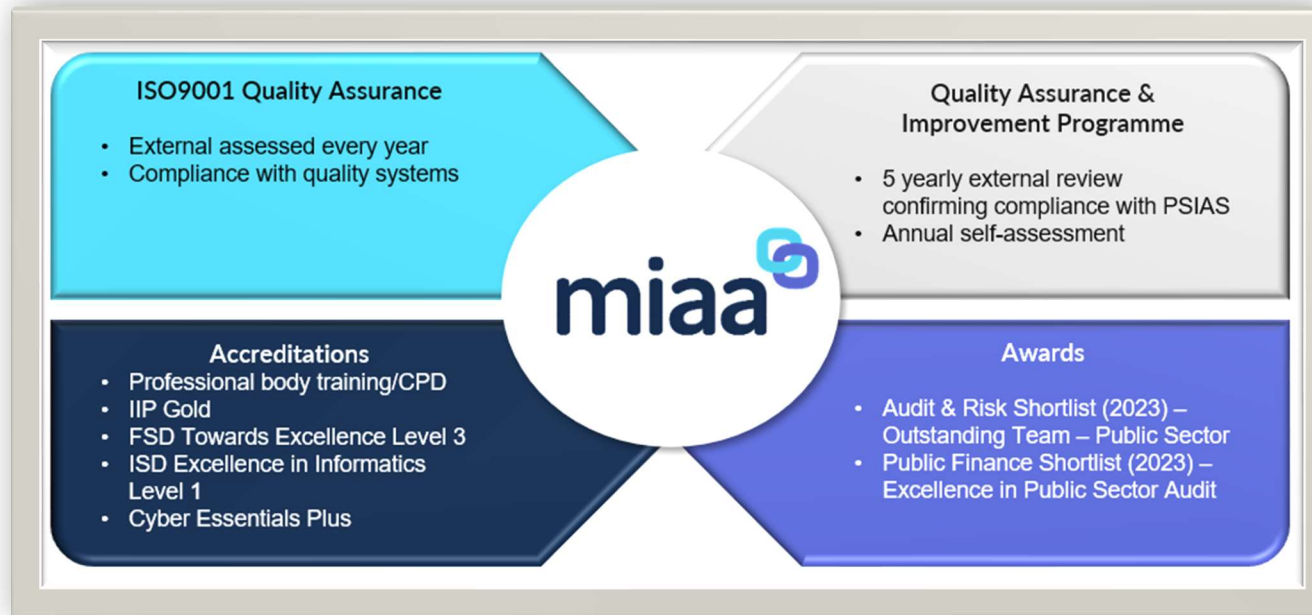
- Wider partnership/ collaborative working and engagement across the Lancashire Footprint (e.g. Lancashire Resilience Forum).
- Continued establishment and delivery of cross-organisation arrangements for the Better Care Fund and other pooled budgets development (e.g. Lancashire County Council)
- Impact of the revised financial regime on decision making, achieving financial duties, ongoing financial viability, delivery of savings, service pressures and key relationships/ performance of third parties.
- Changes to governance, risk management and internal control arrangements (including the impact on decision making processes).
- Council/Service leadership, including any significant changes to the Council and Senior Management Team
- Workforce capacity, engagement, wellbeing and development.
- Ensuring there is a fit for purpose infrastructure.
- Cyber security, information governance risks and any associated reportable incidents to the Information Commissioner.
- Relationship and management of 3rd party providers upon which the organisation places reliance, and the provision of assurances from these (e.g. Preston City Council).
- Compliance with all relevant laws, standards and regulations.
- Organisation performance, including challenges in achieving financial duties, delivery of Priority Based Budgets and service pressures managed in year.
- Wider partnership working risks and challenges.

## 5 Ensuring Quality

MIAA's strategy has quality at the heart of everything we do and our overall approach to quality assurance includes ISO9001:2015 accreditation, compliance with PSIAS, the quality of our people and how we supporting them, staffing levels, compliance and outcome measures.

### Professional Standards and Accreditations

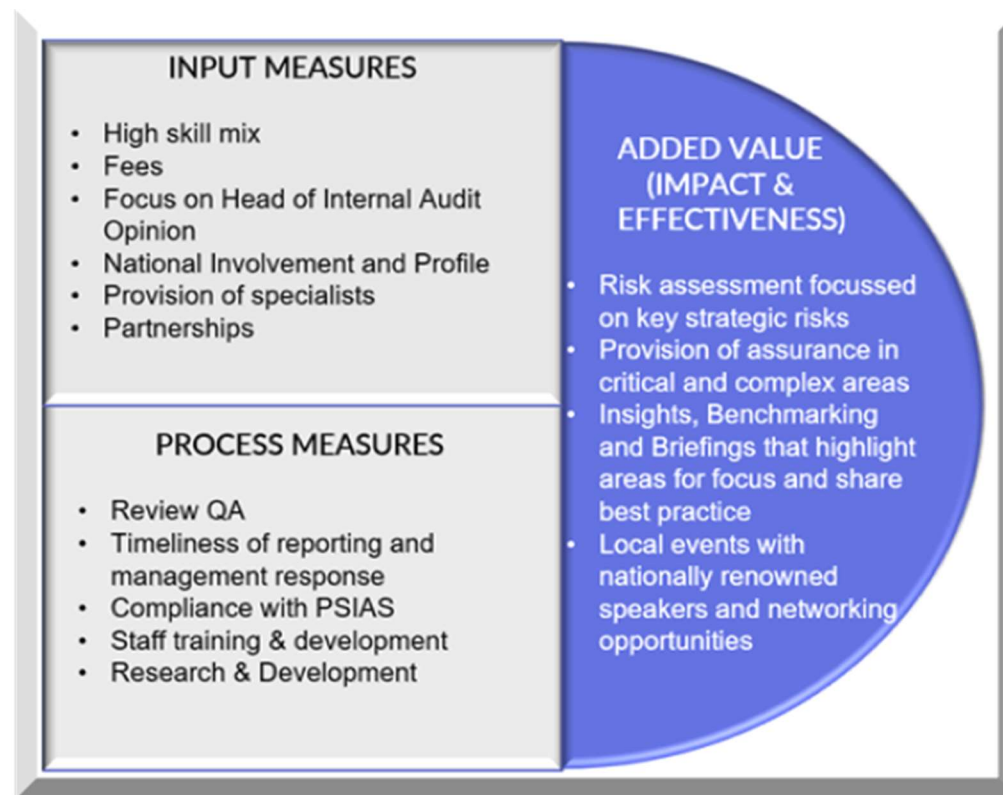
MIAA comply fully with professional best practice, internal audit standards and legal requirements.



### Service delivery and outcome measures

It is important that client organisations ensure an effective Internal Audit Service, and whilst input and process measures offer some assurance, the focus should be on outcomes and impact from the service. The infographic on this page confirms the measures that we believe demonstrate an effective service to you.

MIAA regularly report on input and process KPIs as part of our Audit Committee Progress reports, and the impact and effectiveness measures can be assessed through the HOIA Opinion.





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**AUDIT COMMITTEE**

**22 May 2024**

**Internal Audit Progress Report**

**Report of Head of Internal Audit**

**PURPOSE OF REPORT**

To advise Members of the latest monitoring position regarding the Internal Audit plans 2022/23 and 2023/24

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

**This report is public**

**RECOMMENDATIONS**

**(1) That the latest monitoring position in relation to the 2022/23 and 2023/24 audit plans be noted.**

**1.0 Audit Plan monitoring**

1.1 An Internal Audit Plan is agreed on an annual basis and is continually reviewed during the year for appropriateness.

1.2 As part of the service provision MIAA include a separate progress report to each Audit Committee detailing progress against the agreed plans and highlighting key messages for Audit Committee attention.

1.3 Management Team and Service Managers continue to be consulted in delivering both the audit plan and the Annual Governance Statement action plan.

**2.0 Options and Options Analysis (including risk assessment)**

2.1 As this report is for noting there are no other options presented.

**3.0 Conclusion**

3.1 The programme of audits for the rest of the year continues to be implemented in consultation with Service Managers.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

Not applicable

**FINANCIAL IMPLICATIONS**

None directly arising from this report

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments

**LEGAL IMPLICATIONS**

None directly arising from this report

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

Internal Audit Plan 2022/23

[Agenda for Audit Committee on Wednesday, 23rd March 2022, 6.10 p.m. - Lancaster City Council](#)

Internal Audit Plan 2023/24

[Agenda for Audit Committee on Wednesday, 22nd March 2023, 6.10 p.m. - Lancaster City Council](#)

MIAA Internal Audit Progress Reports

[Agenda for Audit Committee on Wednesday 24th May 2023, 6.10pm - Lancaster City Council](#)

[Agenda for Audit Committee 26 July 2023 6pm](#)

[Agenda for Audit Committee on Wednesday 22 Nov 2023 6pm - Lancaster City Council](#)

[Agenda for Audit Committee 20 March 2024 6pm](#)

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# Internal Audit Progress Report Audit Committee (May 2024)

Lancaster City Council

# Contents

## 1 Introduction

## 2 Key Messages for Audit Committee Attention

Appendix A: Contract Performance

Appendix B: Performance Indicators

Appendix C: Key Areas and Actions to be Delivered

Appendix D: Follow-up of Previous Internal Audit Recommendations

Appendix E: Assurance Definitions and Risk Classifications

## Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards and conforms with the International Standards for the Professional Practice of Internal Auditing.

## Executive Summary

This report provides an update to the Audit Committee in respect of the progress made in against the Internal Audit Plans for 2022/23 and 2023/24 and brings to your attention matters relevant to your responsibilities as members of the Audit Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

Comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are available to Committee Members on request. In addition a consolidated follow up position is reported on a periodic basis to the Audit Committee.

This progress report covers the period March 2024 to May 2024.

### 3 Executive Summary

Since the last meeting of the Audit Committee, there has been the focus on the following areas:

#### Audit Reviews

The following reviews have been finalised:

- Risk Management (Substantial Assurance)
- Payroll including Additional Payments (Limited Assurance)
- Mobile Device Management Solution (Confidential verbal update to be provided)
- Audit Committee Effectiveness Briefing Note

Refer to Appendix C for details of Key Areas and Actions to be Delivered

The reviews below are currently in progress:

- National Non Domestic Rates (NNDR) (draft report)
- Climate Change (draft report)

- Budget Management (draft report)
- Reactive Maintenance (fieldwork)

## Follow Ups

A summary of the current status of all follow-up activity is included in Appendix D, however, we would draw the committee's attention to the following: There has been progress with the implementation of recommendations since the previous Audit Committee in March 2024. 13 recommendations have been completed with 56 actions either in progress or are not yet due. There are 11 actions which are overdue and we are awaiting updates.

## Audit Plan Changes

Audit Committee approval will be requested for any amendments to the original plan and highlighted separately below to facilitate the monitoring process. The current proposal to amend the approved 2024/25 audit plan, as a result of an emerging risk is as follows:

- Q4 Community Engagement Review to be replaced with a Q1 Procurement Card Review. The Community Engagement Review will be included in the 2025/26 audit plan.

## Public Sector Internal Audit Standards

In January the Institute of Internal Auditors issued revised Global Internal Audit Standards (GIAS).

The Relevant Internal Audit Standard Setters (RIASS) for the UK Public Sector have agreed to use the new GIAS as the basis for internal auditing for the UK Public Sector and have asked the UK Public Sector Internal Auditing Standards Advisory Board (IASAB) to carry out a review of the new standards with a view to identifying and producing any sector specific interpretations or other material needed to make them suitable for UK public sector use.

The implementation date for the new standards in the UK public sector will be 1st April 2025. Until then, the existing Public Sector Internal Audit Standards will continue to apply.

When the IASAB issues material for application in the UK public sector MIAA will review this and amend our processes if required to continue to ensure full compliance with standards.

The latest updates from the IASAB can be accessed via the following link: <https://www.iasab.org/latest-news>

## Added Value

### Briefings

Our latest briefings/blogs are:

- [24/25 MIAA Insight - Council Audit Committee Work Plans](#)

### Events



- [The Roots of the Nation's Poor Health & Widening Health Inequalities \(23rd May 2024\)](#): This session will address the wider social and economic factors that contribute to poor public health. It will demonstrate how current public health challenges such as health inequity, obesity, physical inactivity and poor mental health are the result of structural factors and will offer illustrative examples of how politics and economics can influence population health – for better and worse.
- [AI and the Public Sector: Use Cases and Guidance \(26th June 2024\)](#): The world of artificial intelligence (AI) is evolving at pace, sparking both excitement and apprehension within the public sector. It has the potential to make a significant difference to health and social care. Through its ability to analyse large quantities of complex information, AI presents opportunities to improve care and productivity in health and care settings. We're already seeing some great applications of AI, but more needs to be done to fully harness the benefits of these technologies so they can be used safely and ethically at scale.
- [Creating a Restorative, Just and Learning Culture \(19th July 2024\)](#): This session will help you understand how your teams/services/organisations can create cultures that foster learning when things don't go as expected. People will leave with an understanding of a just and learning culture alongside insights around implementation in their own organisations.






## Appendix A: Contract Performance






The Public Sector Internal Audit Standards (PSIAS) state that ‘The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.’

Below sets out the position regarding the outstanding 2022/23 Internal Audit reviews. Please note, reviews which were not included in the 2022/23 Head of Internal Audit Opinion\*, will be included in the opinion for 2023/24.

HOIA Opinion Area	TOR Agreed	Status	Assurance Level	Audit Committee Reporting
<b>2022/23 Reviews</b>				
Contract Management*		Completed	Limited	March 2024
Climate Change*		Draft Report	Substantial	

Below sets out the overview of delivery for your Head of Internal Audit Opinion for 2023/24

<b>2023/24 Reviews</b>				
<b>Core/Mandated Assurances</b>				
Risk Management		Completed	Substantial	May 2024
Budget Management		Draft Report	Substantial	
NNDR		Draft Report	Substantial	

Risk Based Reviews				
Eden Project Governance	Completed by MIAA Solutions (Consultancy) Team.			
Eden Funding Claims				
Efficiency Savings		Completed	Substantial	November 2023
Corporate Health & Safety		Review deferred to Q1/2 2024		
Iken Case Management System		Completed	Moderate	March 2024
Reactive Maintenance (was Housing Inspections)		Fieldwork		
Payroll (inc. Additional Payments)		Completed	Limited	May 2024
Mobile Device Management Solution		Completed	Confidential	May 2024
Follow Up				
Quarter 1		Completed	N/A	
Quarter 2		Completed	N/A	
Quarter 3		Completed	N/A	
Quarter 4		Completed	N/A	

Added Value / Support & Guidance				
Changing Places Grant Award Assurance	N/A	Completed	N/A	
Food Waste Capital Grant Award	N/A	Completed	N/A	
Audit Committee Effectiveness – Briefing Note	N/A	Completed	N/A	
Management				
Head of Internal Audit Opinion/Annual Report/Annual Governance Statement		Completed	N/A	
Planning and Management		Ongoing	N/A	
Reporting and Meetings		Ongoing	N/A	
Contingency		Ongoing	N/A	

If due to circumstances beyond our control we are unable to achieve sufficient depth or coverage, we may need to caveat opinions and explain the impact of this and what will be done to retrieve the position in future.

## Appendix B: Performance Indicators

The primary measure of your internal auditor's performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Audit Committee	Green	There is ongoing engagement and communications regarding delivery of key reviews to support the Head of Internal Audit Opinion.
Issue a Client Satisfaction Questionnaire following completion of every audit.	Ongoing	Green	Link to questionnaire included within each audit report.
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 75% qualified staff. The Senior Team delivering the Internal Audit Service to the Council are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. The External Quality Assessment, undertaken by CIPFA, provides assurance of MIAA's compliance with the Public Sector Internal Audit Standards. MIAA conforms with the Public Sector Internal Audit Code of Ethics.

## Appendix C: Key Areas from our Work and Actions to be Delivered

Report Title	Risk Management			
Executive Sponsor	Chief Officer People and Policy			
Objective	The overall objective of the review was to provide assurance on the design and operating effectiveness of the Council’s risk management processes.			
Assurance Rating	Substantial			
Recommendations	0 x Critical	0 x High	1 x Medium	5 x Low
Summary	<p>Overall, it was found that there is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are generally being applied in areas reviewed.</p> <p>A risk appetite statement was approved by the Cabinet in December 2023 and is available on the intranet. The 2024 Risk Management Policy has recently been updated and approved by the Audit Committee. This Policy sets out the Risk Management process and is supported by training videos and support documentation on the intranet. However, there is no detailed procedure in the Risk Management Policy detailing how risks would be escalated from the Operational Registers to the Strategic Risk Register.</p> <p>Training on risk management and the GRACE system is monitored and reminders issued to staff to ensure they receive the training.</p> <p>Review of a sample of operational risks against Policy compliance identified some anomalies including three operational risks which had longer review date periods than that prescribed based on their risk rating. For a number of risks the impact score had changed between the initial risk recording and the residual rating inappropriately. Control measures and action plans were not recorded for a couple of risks. Additionally, there was no report produced and reviewed identifying closed risks to ensure they have not been closed inadvertently.</p>			

	All the recommendations identified in the previous report have been satisfactorily addressed.
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<b>Report Title</b>	<b>Payroll including Additional Payments</b>			
Executive Sponsor	Chief Officer Resources & Chief Officer People and Policy			
Objective	The overall objective of the review was to provide an assessment of the effectiveness of the systems of control operating at the Council to ensure that only employees of the Council are paid, and only for work that they perform on behalf of the Council.			
Assurance Rating	Limited			
Recommendations	0 x Critical	1 x High	5 x Medium	0 x Low
Summary	<p>Overall, the audit identified areas for improvement in both control design and operating effectiveness. Areas of good practice included employee bank detail changes, including the correct forms had been filled in and were signed by the employee. The Council had policies and procedures in place outlining the different responsibilities of HR and management but was limited in payroll responsibilities. There were multiple procedures in place to assist management with completing change forms.</p> <p>The main area of enhancement related to amendments to pay, including overtime payments. Review of a sample identified deficiencies including, forms not being appropriately signed, and payroll checks not being completed. There were also differences between forms and employee payments. Sample testing of new starters, contractual changes and terminations identified weaknesses; these included reconciling differences between the forms and system data, Payroll not being informed of changes in a timely manner and forms not being appropriately signed. The honorariums sample identified gaps in sign off and notification delays to Payroll and HR. A further issue noted was there not being a Payroll check to validate any large or exceptional payments on the payment run. Finally, there was no overpayment procedure in place, consequently management were unsure of the correct process to follow, additionally there were instances where overpayments not been referred to debtors for overpayment invoices to be raised for monies to be collected.</p>			

## Appendix D: Follow up of previous internal audit recommendations

The status of the actions is as at May 2024.

AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due	C	H	M	L	
<b>2021/22</b>											
Council Tax	8	Moderate	5	3	-	-	-	-	3	-	All recommendations in progress or completed.
P2P System	4	Limited	1	1	2	-	-	2	1	-	Two remaining recommendations overdue and one in progress.
Conflicts of Interest	9	Substantial	5	4	-	-	-	-	-	4	All remaining recommendations in progress.
Collection of Income and Reconciliations	4	Limited	2	2	-	-	-	2	-	-	All remaining recommendations in progress.
<b>2022/23</b>											
Budgetary Controls	3	Substantial	-	3	-	-	-	-	1	2	All remaining recommendations in progress.
Externally Managed Events	7	Substantial	1	-	6	-	-	-	1	5	Remaining recommendations overdue. Awaiting update.
Cyber Security	Confidential										
Data Protection: Policy and Process Follow up	Confidential										

AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due	C	H	M	L	
Resilience and Emergency Preparedness	7	Limited	2	5	-	-	-	2	2	1	All remaining recommendations in progress.
Time Recording Systems	7	Moderate	3	4	-	-	-	1	1	2	All remaining recommendations in progress.
Project Management	10	Moderate	10	-	-	-	-	-	-	-	All remaining recommendations completed.
Financial Controls	10	Moderate	6	-	3	1	-	1	2	1	All recommendations are in progress with revised completion date of August 2024.
CCTV	4	Limited	-	4	-	-	-	4	-	-	All recommendations are in progress with revised completion date of June 2024.
Recruitment	5	Moderate	4	1	-	-	-	-	-	1	Remaining recommendation in progress.
Contracts	11	Limited	-	10	-	1	-	3	6	2	Recommendations in progress or not yet due with revised completion date of August 2024.
<b>2023/24</b>											
Efficiency Savings	4	Substantial	4	-	-	-	-	-	-	-	All remaining recommendations completed.
IKEN Review	6	Moderate	1	5	-	-	-	1	2	2	All remaining recommendations in progress.
Payroll	6	Limited	-	-	-	6	-	1	5	-	All recommendations not yet due.
Risk Management	6	Substantial	-	-	-	6	-	-	1	5	All recommendations not yet due.



AUDIT TITLE (YEAR)	NO OF RECS	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS				COMMENTS
			✓/S	P	X	Not due	C	H	M	L	
Mobile Device Management			Confidential								
<b>TOTALS</b>	<b>111</b>		<b>44</b>	<b>42</b>	<b>11</b>	<b>14</b>	<b>-</b>	<b>17</b>	<b>25</b>	<b>25</b>	

Key to recommendations:

✓/S	Implemented or Superseded	C	Critical priority recommendation	L	Low priority recommendation
P	Partially implemented/recommendation in progress	H	High priority recommendation		
X	Recommendation not implemented/awaiting update	M	Medium priority recommendation		

## Appendix E: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function or process objectives but also the achievement of the organisation's objectives in relation to: <ul style="list-style-type: none"> <li>the efficient and effective use of resources</li> <li>the safeguarding of assets</li> <li>the preparation of reliable financial and operational information</li> <li>compliance with laws and regulations.</li> </ul>
High	Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: <ul style="list-style-type: none"> <li>has a low impact on the achievement of the key system, function or process objectives;</li> <li>has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.</li> </ul>
Low	Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.

## Limitations

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

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<b>AUDIT COMMITTEE</b>
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## Audit Committee Assurances in Relation to the Financial Reporting Process

**22 May 2024**

### Report of Chief Finance Officer

<b>PURPOSE OF REPORT</b>
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To summarise how the Audit Committee gains assurance, as 'those charged with governance', from management in order to fulfil its responsibilities in relation to the financial reporting process.
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<b>This report is public</b>
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#### RECOMMENDATION

The Committee is asked:

- To consider whether the responses at Appendices 1 and 2 are consistent with its understanding, and whether there are any further comments it wishes to make.

#### 1.0 BACKGROUND

- 1.1 The Council's external auditor, KPMG, is required to comply with the requirements of the International Standards on Auditing (UK) (ISA), as adopted by the UK Financial Reporting Council (FRC), in conducting the audit of the Council's financial accounts for the year ended 31 March 2024.
- 1.2 Under the ISA's KPMG have specific responsibilities to communicate with the Audit Committee on certain specific matters and, as part of the risk assessment procedures, KPMG is required to obtain an understanding of the management processes, and the Audit Committee's oversight, of a number of the following areas in respect of the year ended 31 March 2024.
- General Enquiries of Management
  - Fraud.
  - Laws and Regulations.
  - Related Parties; and
  - Accounting Estimates
- 1.3 To support this work and to assist the Audit Committee as 'those charged with governance' (TCWG), to fulfil its responsibilities in relation to the financial reporting process, management has reviewed a number of documents and compiled a series of questions and responses covering the 2023/24 financial year. Although not exhaustive details of these are provided at **Appendices A and B**. Additional assurance will be required from the Chair of the Committee, and also Internal Audit, these will be dealt with directly with the individuals and passed to the External Auditor.

## **2.0 GENERAL ENQUIRES OF MANAGEMENT**

2.1 ISA's (UK) 300 and 315 deal with the external auditors' responsibilities to plan the audit of the financial statements and identify and assess the risks of material misstatement within them.

2.2 To assist in discharging these obligations the auditors make a range of detailed and general enquires.

- Significant changes to the Council's control environment
- Key events & policies
- Accounting policies
- Complex transactions
- Areas of litigation or contingencies

## **3.0 FRAUD**

3.1 ISA (UK) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements.

3.2 The primary responsibility for prevention and detection of fraud rests with both the Audit Committee and management. Management, with the oversight of the Audit Committee, needs to ensure a strong emphasis on fraud prevention and deterrence and encourage a culture of honest and ethical behaviour. As part of its oversight, the Audit Committee should consider a number of issues such as the potential for override of controls and inappropriate influence over the financial reporting process.

3.3 The External Auditors are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. This includes considering the arrangements management has put in place with regard to fraud risks including.

- process for identifying and responding to risks of fraud, including any identified specific risks,
- communication with the Audit Committee regarding its processes for identifying and responding to risks of fraud, and
- communication to employees regarding business practices and ethical behaviour

## **4.0 LAW AND REGULATIONS**

4.1 ISA (UK) 250 requires auditors to consider the impact of laws and regulations in an audit of the financial statements.

4.2 Management, with the oversight of the Audit Committee, is responsible for ensuring that the Council's operations are conducted in accordance with laws and regulations including those that determine amounts in the financial statements.

4.3 As noted above auditors are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. Where the auditors become aware of information of non-compliance, or suspected non-compliance they need to gain an understanding of this and the possible effect on the financial statements.

## **5.0 RELATED PARTIES**

5.1 ISA (UK) 550 requires auditors to review the Council's procedures for identifying related party transactions and obtain an understanding of the controls that have been established to identify such transactions.

5.2 The Council is required to disclose transactions with entities/individuals that would be classed as related parties. These may include:

- entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the Council.
- associates.
- joint ventures; .
- an entity that has an interest in the authority that gives it significant influence over the Council.
- key management personnel, and close members of the family of key management personnel, and
- post-employment benefit plans (pension fund) for the benefit of employees of the Council, or of any entity that is a related party of the Council.

5.3 The Council is required to make a disclosure if a transaction (or series of transactions) is material on either side, i.e., if a transaction is immaterial from the other body's perspective but material from a related party viewpoint then the Council must disclose it.

## **6.0 ACCOUNTING ESTIMATES**

6.1 ISA (UK) 540 requires auditors to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates.
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates.
- How the entity's risk management process identifies and addresses risks relating to accounting estimates.
- The entity's information system as it relates to accounting estimates.
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

6.2 As part of this process auditors also need to obtain an understanding of the role of TCWG, which is particularly important where the estimates have high estimation uncertainty or require significant judgement. Specifically does the Audit Committee

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them.
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?

## **7.0 OPTIONS AND OPTIONS ANALYSIS**

7.1 The Committee could choose to accept the responses put forward by management or amend the comments as it wishes.

**8.0 CONCLUSION**

- 8.1 The attached Appendices set out a series of questions and responses from Management in respect of each of the above areas for consideration by the Audit Committee.
- 8.2 The responses demonstrate that the Audit Committee can gain assurance from management in order for it to fulfil its responsibilities in respect of the financial reporting process.

**CONCLUSION OF IMPACT ASSESSMENT  
(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

The report has no direct impact on the above issues.

**FINANCIAL IMPLICATIONS**

None arising directly from this report.

**OTHER RESOURCE IMPLICATIONS, SUCH AS HUMAN Resources, Information Service, Property, Open Spaces:**

None arising directly from this report.

**SECTION 151 OFFICER’S COMMENTS**

The Section 151 Officer has authored this report in his capacity as Chief Finance Officer

**LEGAL IMPLICATIONS**

The Local Audit and Accountability Act 2014 (the Act) states that the accounts of a relevant authority for a financial year must be audited:

- (a) in accordance with the Act and provisions made under it, and
- (b) by an auditor (local auditor) appointed in accordance with the Act or provision made under it.

A local auditor must, in carrying out the auditor’s functions in relation to the accounts of a relevant authority, comply with the Code of Audit Practice applicable to the authority that is for the time being in force. The current Code of Practice for UK Local Government is the Code of Audit Practice issued by the National Audit Office, which came into effect from the 2020/21 audit year. The Code adopts the International Standards on Auditing (ISAs) as issued by the FRC.

**MONITORING OFFICER’S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

N/A

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**Telephone:** 01524 582603  
**E-mail :** pthompson@lancaster.gov.uk  
**Ref:**



## APPENDIX 1 – ENQUIRES OF MANAGEMENT

### QUESTIONS & RESPONSES IN RELATION TO GENERAL ENQUIRES

	Question	Response
1	What are the key events or issues that have had a significant impact on the financial statements	<p>The continuing impact of economic factors such as general and pay inflation, interest rates and energy costs have impacted the Council in a number of areas.</p> <ul style="list-style-type: none"> <li>• additional costs and loss of income to the Council has led to variations in expenditure and income across all the Council's portfolios</li> <li>• impact on Collection Fund accounting</li> <li>• impact on provision for bad debts</li> </ul> <p>In addition to these economic factors there is the need to resolve a number of historic audit issues. These unresolved issues place additional pressures on the Finance team as well as on the Councils incoming external auditor (KPMG) as it seeks to build assurance over a number of areas.</p>
2	Has there been any events, or transactions that has caused a change or adoption of new accounting policies?	No changes to the accounting policies section of the Statement of Accounts document.
3	Has Management and the Audit Committee considered the appropriateness of the Councils accounting policies?	Audit Committee considers the Proposed Accounting Policies and Critical Judgements used in the Preparation of the Statement of Accounts annually.
4	Does that Council use any financial instruments including derivatives	There have been no changes to the Council's financial instruments in 2023/24, which remain simple and straightforward. The Council does not use LOBO's or derivatives or other complex arrangements.
5	Are there any significant transactions outside of the normal course of Council business?	No
6	Has there been any changes in circumstances or events that may lead to an impairment of non-current assets	The potential for impairment has been discussed with the in-house property valuer and the annual impairment review requested.

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

		We are not aware of any issues that would result in a significant impairment for 2023/24.
7	Is the Council a guarantor to any contracts	No
8	Are there any contingent liabilities and/ or any un-asserted claims that would affect the financial statements?	Although there are a number of claims against the Council these are being handled by the Council's legal team and insurers and are not expected to have an impact on the financial statements.  All known contingent liabilities are disclosed within the financial statements.
9	Other than our in-house solicitors are there any other solicitors used by the Council during the year?  Are they working on open litigation or contingencies from prior years?	a. Brabners LLP b. Eversheds Sunderland LLP c. Berrymans Lace Mawer LLP d. Gateley Plc e. Greenhalgh Kerr Solicitors  Eversheds Solicitors have been engaged in the collection of monies owed to the Council from prior litigation.
10	Has any of the Council's service providers reported any items of fraud, non – compliance with laws or regulations affecting the financial statements	None that we are aware of currently
11	What other advisors has the Council consulted during the year?	Anderton Gables – Project management/ advice in relation to the Mainway project Link Group – Treasury Management advisors PeopleToo – Advice in relation to the Outcomes Based Resourcing programme. MIAA Solutions – Eden Project governance

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

12	Are you aware of any instances which may have had an impact on the Councils Internal Control Environment?	The Committee will be aware of the long-standing capacity issues within Finance.
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### QUESTIONS & RESPONSES IN RELATION TO FRAUD

	Question	Response
1	<p>What is management's assessment of the risk that the financial statements may be materially misstated due to fraud</p> <p>What is the nature, extent, and frequency of such assessments?</p> <p>How has the process of identifying and responding to the risk of fraud been undertaken and what are the results of this process?</p>	<p>Overall, it is considered that there is a low risk that the financial statements being materially misstated (c£1M) due to fraud.</p> <p>There are a number of processes in place to prevent and detect fraud with the accounts.</p> <p>These include:-</p> <ul style="list-style-type: none"> <li>• Regular monitoring and review of expenditure/ income throughout the year with the budget holders</li> <li>• Finance Officers check accruals for reasonableness, including review of period on transactions.</li> <li>• Approval hierarchy/ limits in CIVICA – this is the point of authorisation for most of the spending.</li> <li>• Approval hierarchy for journals/ virements</li> <li>• Internal audit review of main control areas linking through to the Annual Governance Statement</li> <li>• Keeping up to date with the latest guidance to ensure proper accounting rules are adhered to.</li> </ul> <p>The Council has appropriate arrangements in place to identify and respond to the risk of fraud.</p> <p>These include the Anti-Fraud, Bribery and Corruption Policy (including the Fraud Response Plan), Raising Concern (Whistle</p>

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

		<p>blowing) Policy and a dedicated Corporate Fraud Team. These set out the Council's position regarding this area.</p> <p>There are various processes to highlight fraud risks and raise awareness, these include the circulation of fraud alerts and information received from the National Anti-Fraud Network to relevant managers and staff and the provision of eLearning packages for managers and staff covering fraud awareness, preventing bribery and corruption, and working with the Bribery Act.</p> <p>The Council has a dedicated whistle blowing phone number in place which is monitored by external staff who will follow up any calls relating to fraud allegations for appropriate investigation.</p> <p>The audit team are also informed of any potential or suspected fraud which may be brought to management's attention through other channels, such as the corporate complaints process.</p> <p>These are followed up under the whistle blowing policy where relevant. The results are reported to senior management and the Audit Committee</p> <p>The Council also participates in the National Fraud Initiative (NFI). NFI data matches are followed up to determine the reasons for the matches being identified and assess if they are the result of timing difference, fraud, or other errors.</p> <p>Chief Officers are responsible for self-assessing the effectiveness of the control arrangements in their departments and are required to complete an Assurance Statement annually to evidence this as part of the process to support the Annual Governance Statement. These statements include specific reference to effective controls to prevent, detect and deter fraud, anti-fraud and corruption and confirmation that budget monitoring is carried out on a regular basis.</p>
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## APPENDIX 1 – ENQUIRES OF MANAGEMENT

2	<p>What do we determine to be the classes of accounts, transactions and disclosures most at risk to fraud?</p>	<ul style="list-style-type: none"> <li>• Handling cash and banking</li> <li>• Ordering and payment for goods and services</li> <li>• Bank mandate fraud</li> <li>• Direct payments</li> </ul>
3	<p>Are you aware of any instances of actual, suspected or alleged fraud, errors or other irregularities either within the Council as a whole or within specific departments since 1 April 2023?</p>	<p>As with all Councils it is not possible to eliminate fraud entirely and as such there are a number of suspected, nonmaterial of alleged frauds currently under investigation.</p>
4	<p>Have you identified any specific fraud risks?</p> <p>Do you have any concerns there are areas that are at risk of fraud?</p> <p>Are there particular locations within the Council where fraud is more likely to occur?</p>	<p>The Council operates a shared Corporate Fraud Team with Preston and Fylde Councils and have identified a number of specific fraud risk areas such as Council Tax, Housing Benefit, Business Rates as well as COVID Business Grants. In addition, as noted above there are a number of areas of that are consider more susceptible to fraud.</p> <p>Internal Audit considers the Council's control and risk management framework and processes as part of the development of its risk-based plan, which is presented annually to the Audit Committee for approval, and as part of reviews of the related fundamental financial systems. Whilst areas for improvement have been identified to strengthen controls in place, with some exceptions identified regarding compliance with the controls in place, no material issues have been identified during the year.</p> <p>As noted previously, there areas within the Council that are more at risk of fraud such who handle cash or were large volume, small value procurement is undertaken such as cafes, Salt Ayre Leisure Centre etc</p>
5	<p>What processes does the Council have in place to identify and respond to risks of fraud?</p>	<p>The Council has various arrangements in place to identify and respond to the risk of fraud. These include.</p> <ul style="list-style-type: none"> <li>• Anti-Fraud, Corruption and Bribery Policy</li> <li>• Sanctions Policy and</li> <li>• Raising Concerns Policy (Formally Whistleblowing)</li> </ul>

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

		<p>These documents set out the Council's position regarding this area. There are various processes to highlight fraud risks and raise awareness, these include the circulation of fraud alerts and information received from the National Anti-Fraud Network to relevant managers and staff and the provision of eLearning packages for managers and staff covering fraud awareness, preventing bribery and corruption, and working with the Bribery Act.</p> <p>The Council has a dedicated whistle blowing phone number in place which is monitored by external staff who will follow up any calls relating to fraud allegations and will refer matters to either Internal Audit or the Council's Corporate Fraud Team. The Council also participates in the National Fraud Initiative.</p> <p>As noted above the Council operates a shared Corporate Fraud Team with Preston and Fylde Councils and has engaged Mersey Internal Audit Agency (MIAA) to deliver its internal audit service.</p> <p>Chief Officers are responsible for self-assessing the effectiveness of the control arrangements in their departments and are required to complete a Director's Assurance Statement annually to evidence this as part of the process to support the Annual Governance Statement. These statements include specific reference to effective controls to prevent, detect and deter fraud, anti-fraud and corruption and confirmation that budget monitoring is carried out on a regular basis.</p>
6	How do you assess the overall control environment for the Council, including	Despite previous issues around Internal Audit the Council has a comprehensive internal control framework in place, which includes Financial Regulations, Contract and Procurement Procedure Rules, an Officer Scheme of Delegation, an Anti-Fraud, Corruption and Bribery Policy and resource and budget monitoring processes.

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

	<p>the existence of internal controls, including segregation of duties; and the process for reviewing the effectiveness the system of internal control?</p> <p>If internal controls are not in place or not effective where are the risk areas and what mitigating actions have been taken?</p> <p>What other controls are in place to help prevent, deter or detect fraud</p>	<p>These various documents and processes are monitored and reviewed periodically to ensure that they are up to date and fit for purpose.</p> <p>Chief Officers are responsible for self-assessing the effectiveness of their arrangements and required to complete a Director's Assurance Statement annually to evidence this as part of the process to support the Annual Governance Statement. Internal Audit considers these control processes as part of the development of the risk based plan and as part of reviews of the related fundamental financial systems.</p>
7	<p>Are there any areas where there is potential for misreporting</p>	<p>Unlike private sector or other Public Sector bodies such as NHS there is little or no incentive for fraudulent reporting</p> <p>In relation to accruals and other estimation techniques, detailed guidance and key deadlines are sent out to budget holders for cascade down to staff in departments. Also, Finance teams work closely with budget holders to advise on recording expenditure and income in the correct accounting period.</p>
8	<p>How does the Council communicate and encourage ethical behaviours and business processes of its staff and contractors?</p> <p>How do you encourage staff to report their concerns about fraud?</p> <p>What concerns are staff expected to report about fraud?</p> <p>Have any significant issues been reported?</p>	<p>The Council has an Officer's Code of Conduct which is used to encourage ethical behaviour in staff.</p> <p>There are also instructions relating to Registers of Personal and Business Interests and the receipt of Gifts and Hospitality. An annual email is sent to senior staff reminding them of the importance of this area and the need to complete the appropriate declarations.</p> <p>Staff are expected to report any concerns that they may have regarding any potential or suspected fraud, either to their line manager or to Internal Audit</p>

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

		Issues have been reported outside of the Whistleblowing/ Raising Concerns Policy and this are being followed up in line with the Council policies.
9	<p>From a fraud and corruption perspective, what are considered to be high-risk posts?</p> <p>How are the risks relating to these posts identified, assessed and managed?</p>	<p>Those in relation to exchequer functions – making payments/ collecting and recording income etc. Treasury management – dealing with borrowing and investments. HR &amp; Payroll Setting up and of payment of staff. Posts responsible for procurement activity and raising and approving orders.</p> <p>Controls ensuring separation of duties e.g., setting up new vendors; change of bank details; authorisation hierarchy for ordering; set-up /changes to employee details etc. Financial Procedures, Procurement and Purchasing Rules are in place setting out staff roles and responsibilities.</p>
10	<p>Are you aware of any related party relationships or transactions that could give rise to instances of fraud?</p> <p>How do you mitigate the risks associated with fraud related to related party relationships and transactions?</p>	<p>None that we are aware of currently.</p> <p>Related party relationships and transactions are fully reviewed as part of the accounts closure process and all significant transactions disclosed in the notes to the accounts. Members Register of Interest reviewed for personal / business interest with which the Council has transactions. Chief Officers are each required to make a personal return in respect of their own/any family members potential interests with which the Council has transactions.</p>
11	<p>What arrangements are in place to report fraud issues and risks to the Audit Committee?</p> <p>How does the Audit and Governance Committee exercise oversight over management's processes for identifying and responding to risks of fraud and breaches of internal control?</p>	<p>The Audit Committee receives reports from Internal Audit setting out the progress of the approved Audit Plan and the Corporate Fraud Manager on progress against business plan.</p> <p>The Committee members are able to ask questions of Officers during the year regarding the details of the counter fraud activity to clarify any of the details reported and improve their understanding of this area. The Committee also invites senior officers to provide</p>



## APPENDIX 1 – ENQUIRES OF MANAGEMENT

		<p>updates on any significant areas of concern raised in the reports in respect of key or fundamental financial systems.</p> <p>The 2023/24 Internal Audit Annual Opinion Report presented to the Committee in July 2021, concluded that the Council has substantial systems of risk management, control and governance in place which are being applied to an adequate standard.</p> <p>The Committee also receives a Counter Fraud Annual report setting out the results of investigations carried out and counter fraud activity undertaken during the previous year.</p>
12	Are you aware of any whistle blowing potential or complaints by potential whistle blowers? If so, what has been your response?	As noted previously issues have been reported outside of the Whistleblowing/ Raising Concerns Policy and this are being investigated in line with the Council policies.
13	Have any reports been made under the Bribery Act?	None that we are aware of currently.

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

### QUESTIONS & RESPONSES IN RELATION LAW AND REGULATIONS

	Question	Response
1	<p>How does management gain assurance that all relevant laws and regulations have been complied with</p>	<p>The Council's Legal and Finance departments provide advice on law and regulation on a number of areas that relate to Council's business and activities. In addition, the Procurement and HR teams also advise on laws and regulations relating to that area. There are a number of qualified legal, HR and finance professionals with expertise in specific areas, who would provide advice support to departments.</p> <p>The Customer Service Team, Information Governance and Legal Team coordinate complaints received, and where they escalate undertake internal investigation and liaise with the LGO when referred.</p> <p>The consideration of and dealing with complaints are supported by qualified legal staff. Any legal issues that are identified from the complaints are actioned appropriately. Instruction of external legal advisers including Counsel as appropriate in complex matters. To update knowledge, qualified legal staff are required to undertake extensive training and collate CPD points-regulated by the Solicitor's Regulatory Authority.</p> <p>The Council's Constitution is regularly reviewed and updated, ensuring that relevant changes in the law are reflected and that the governance framework is legally sound.</p> <p>There have been no actual claims for judicial review issued against the Council for a number of years. However, letters before action under the Judicial review protocol were received which were responded to adequately and thereby negating the need for a claim to be made.</p>

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

		<p>Staff who are members of professional bodies are bound by their codes of conduct and requirements to comply with professional standards and relevant laws and regulations.</p> <p>Corporate and Departmental risk registers are in place.</p> <p>Chief Officers are required complete and sign and an annual assurance statement as part of the process to prepare the Council's Annual Governance Statement</p> <p>The risk-based audit plan would consider compliance with laws and regulations for key risk areas</p>
2	<p>What arrangements does the Council have in place to prevent and detect non-compliance with laws and regulations?</p>	<p>See above, but also the Monitoring Officer and 2 Deputy Monitoring Officers ensure lawful decision-making as well as provision/ procedure to ensure legal implications are considered for all Cabinet, Council and other reports.</p> <p>The Monitoring Officer (MO) and Senior Manager Democratic Services (Deputy MO) attend Council and various regulatory committees to advise as appropriate. The MO is now a member of Senior Leadership Team.</p> <p>External Inspections would also detect non-compliance e.g. a recent VAT inspection did not highlight any areas of non-compliance.</p> <p>Training is provided to elected members and officers at all levels from the in-house legal team and externally on a wide range of subject matter relating to our statutory duties and legal compliance in specific areas.</p> <p>Regular Statutory Officers Group meeting has been set up to focus on the overall governance of the Council, assurance including better decision-making.</p>

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

3	Are you aware of any changes to the Council's regulatory environment that may have a significant impact on the Council's financial statements?	No
4	How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?	Through Internal Audit reports and opinions on specific areas of business via the delivery of the risk based annual audit plan
5	Have there been any instances of non-compliance or suspected non-compliance with laws and regulation	None that we are aware of currently
6	Is there any actual or potential litigation or claims that would affect the financial statements?	There are some on-going litigation matters. They are not thought to have a material effect on the Council's Financial Statements.
7	What arrangements does the Council have in place to identify, evaluate and account for litigation or claims?	Litigation matters are covered by the Council's insurance policies are handled by the Authority's claim handlers and insurance solicitors in coordination with our in-house insurance officer. Matters not covered by insurance policies are identified by officers (in accordance with relevant policies) and referred to the Council's in-house legal department for evaluation. The Council has a designated litigation solicitor who evaluates and progresses litigation matters.
8	Have there been any report from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	There are no reports known of that would affect the financial statements. As noted above a recent VAT inspection did not highlight any areas of non-compliance.

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

### QUESTIONS & RESPONSES IN RELATION REALTED PARTIES

	<b>Question</b>	<b>Response</b>
1	<p>Have there been any changes in the related parties including those disclosed in the Council's financial statements? If so please summarise:</p> <ul style="list-style-type: none"> <li>• the nature of the relationship between these related parties and the Council</li> <li>• whether the Council has entered into or plans to enter into any transactions with these related parties</li> <li>• the type and purpose of these transactions</li> </ul>	<p>The Council established a More Homes for the Bay a Local Authority Trading Company (LATCO) however although incorporated it is yet to commence trading and does not hold any assets.</p>
2	<p>What controls are in place to identify and account for and disclose related party transactions and relationships</p>	<p>Related party relationships and transactions are fully reviewed as part of the accounts closure process and all significant transactions disclosed in the notes to the accounts.</p> <p>Members Register of Interest reviewed for personal / business interest with which the Council has transactions Senior Leadership Team are each required to make a personal return in respect of their own/ any family members potential interests.</p>
3	<p>What controls are in place to authorise and approve significant transactions and arrangements with related parties</p>	<p>Decision making hierarchy specified within the Council's Constitution. Significant transactions over £250K would be classed as "Key Decisions", which require reporting to/ decision making by the Executive Board and are published ahead of the decision on the Council's website.</p>
4	<p>What controls are in place to authorise and approve significant transactions and arrangements with related parties</p>	<p>As above.</p>

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

### QUESTIONS & RESPONSES IN RELATION TO ACCOUNTING ESTIMATES

	<b>Question</b>	<b>Response</b>
1	What are the classes of transactions, events and conditions, that are significant to the financial statements that give rise to the need for, or changes in, accounting estimate and related disclosures?	<p>Those where the basis of measurement for the amount recognised in the accounts is uncertain, therefore an estimation technique is required, e.g.:</p> <ul style="list-style-type: none"> <li>• Accruals of expenditure and income</li> <li>• Valuation and depreciation of property, plant, and equipment assets</li> <li>• Fair value measurements</li> <li>• Assumptions made when calculating accounting provisions.</li> <li>• The valuation of the Pensions liability</li> </ul>
2	How do management identify the methods, assumptions or source data, and the need for changes in them, in relation to key accounting estimates?	<p>Management follows the latest professional guidance to assist in identifying issues that may impact on accounting assumptions and estimates used in preparing the statement of accounts e.g., events causing increased uncertainties. In addition, issues are discussed with:</p> <ul style="list-style-type: none"> <li>• Lancashire CFO's Group and sub-groups to compare approach; and</li> <li>• external audit regarding any new areas they will be focussing on</li> </ul> <p>Assumptions/ source data is taken from historical data wherever possible amended to reflect known/ likely changes.</p>
3	How do management review the outcomes of previous accounting estimates?	Comparison of actual outcomes to estimates made – review and update historical information to inform future estimates.
4	Have any changes made to the estimation processes and, if so, what was the reason for these?	No
5	How do management identify the need for and apply specialised skills or knowledge related to accounting estimates	If estimates involve specialised professional judgements and access to specific relevant data, which the Finance team do not have or have access to, then a relevant expert/ advisor is needed e.g. Treasury Management Advisors/ Property Valuers/ Pensions Actuaries

## APPENDIX 1 – ENQUIRES OF MANAGEMENT

6	How does the Council determine what control activities are needed for significant accounting estimates, including the controls at any service providers or management experts?	For significant accounting estimates provided by the advisors above, the Finance team will review supplementary information to support the calculations provided by the advisors and discuss the methodology to ensure they understand the estimates made.
7	How do management monitor the operation of control activities related to accounting estimates, including the key controls at any service providers or management experts?	The Finance team will review movements in property valuations looking at significant movements in order to challenge the valuations carried out.
8	Are management aware of transactions, events, conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement	<p>Statement of Accounts Note 4: Assumptions Made About The Future and Other Major Sources of Estimation Uncertainty discloses key transactions that require significant estimates. The items disclosed are.</p> <p>Property, plant, and equipment</p> <ul style="list-style-type: none"> <li>• Valuations</li> <li>• Depreciation</li> </ul> <p>Fair Value Measurements Pensions Asset/ Liability Provision for Business Rate Appeals Debtors/ Arrears</p> <p>The disclosure also details the nature of the estimation uncertainties as well as providing movements should actual results differ from assumptions.</p>
9	How is the Audit Committee provided with assurance that the arrangements for accounting estimates are adequate ?	Explicitly reported to Audit Committee with specific disclosures included within the Statement of Accounts

## APPENDIX 2 – ACCOUNTING ESTIMATES

### Accounting Estimates

Estimate	Method / model used to make the estimate	Controls used to identify estimates	Whether Management have used an expert	Underlying assumptions: - Assessment of degree of uncertainty - Consideration of alternative estimates	Has there been a change in accounting method in year?
Property, Plant and Equipment  Valuations	The Council engages a valuation expert, who is a member of the Council's Property Team, to undertake property valuations.  All valuations are undertaken by qualified valuers. Properties are valued in line with accounting standard requirements and in accordance with Royal Institute of Chartered Surveyors Guidance on the basis of a three year rolling programme.	Appropriately qualified valuer is engaged to undertake valuations.	Yes	Since valuations are compiled by an expert using recognised measurement techniques and based on professional guidance, the underlying data is considered to be reliable and the scope to use judgement and change assumptions limited.	No
Council Dwellings  Valuations	As above, however, HRA assets are revalued at least every five years on a rolling programme, with desktop valuations in the intermediate years.	As Above	As Above	As Above	As Above
Investment Property  Valuations	As Above, however Investment Properties are valued on an annual basis	As Above	As Above	As Above	As Above
Property, Plant and Equipment and Council Dwellings	Real Asset Management software is used to calculate and process the annual depreciation charge based on the latest property valuation Depreciation is charged on a straight	Suitably qualified officers/ valuer advise the estimate of	Yes	The main assumption in the depreciation is the useful life of the asset.	No



## APPENDIX 2 – ACCOUNTING ESTIMATES

Depreciation	line basis over the useful life of each specific asset.	useful life for each asset.		Property assets have their useful life estimate by our expert valuer.  Other assets have their useful lives estimated by a suitably qualified officer.	
Valuation of defined benefit net pension fund liabilities	<p>The Projected Unit method of valuation is used to calculate:</p> <ul style="list-style-type: none"> <li>• benefit obligation (liability) - the total present value of individual scheme members benefits in relation to service completed up to the date of the calculations</li> <li>• Service cost - the total present value of individual scheme members benefits which is attributable to service during the accounting period</li> </ul>	Appropriately qualified experts used to derive valuations.	Actuarial services including calculation of accounting information provided by Scheme Actuary - Mercers	<p>Detailed information to support calculations and assumptions used is provided by the Actuary based on data submitted by the employer.</p> <p>The Council has not been subject to:</p> <ul style="list-style-type: none"> <li>• Significant outsourcing / bulk transfer of scheme members Amalgamation/ reorganisation</li> <li>• Significant redundancy/ restructuring programs</li> <li>• Average pay increases significantly in excess of assumptions adopted</li> </ul> <p>Therefore, the only cause of uncertainty is the impact of the war in Ukraine and general economic pressures on financial markets</p>	Yes, in previous years the Council has made a 3 year prepayment reduce liability from that assessed by Actuary. However, due to a change in the terms offered by the pension fund this arrangement has not been entered into for 2023/24.
Fair value estimates	PPE, investment property and treasury investments fair values as detailed above.	Appropriately qualified experts used	Fair value calculations provided by	The Council does not have any complex borrowings with high degrees of uncertainty.	No

## APPENDIX 2 – ACCOUNTING ESTIMATES

	The calculations for the fair value of borrowings are provided by the Council's treasury management advisers, Link Group These are generally for disclosure notes only.	to derive valuations	Link Group	The Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value – its professional treasury advisers, Link Group	
Provisions: Business Rates Appeals	Data from VOA for 2010, 2017 and current revaluation appeals	Approach discussed at LCFO's and Sub Group	Indicative levels of business rates appeals provided by Analysis Local	Uncertainty due to variance in appeal decisions and significant backdating. . Check & Challenge, appeal system has curtailed activity to some extent	No
Accruals	Creditors generated by Purchasing Module of Civica where orders receipted but not paid at 31/03/24.	Detailed guidance issued to budget holders and manual accruals reviewed by Finance team prior to input.	No	Some degree of uncertainty	No
Credit loss and impairment allowances	Consideration of age profile of arrears and other specific issues impacting on collectability of debt	The calculation is undertaken with Finance based on historic data	No	Age profile of arrears over a 3 year rolling period is considered a best estimate based on known patterns. Some degree of uncertainty remains	No

<b>AUDIT COMMITTEE</b>
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## Statement of Accounts Update

22 May 2024

### Report of Chief Finance Officer

<b>PURPOSE OF REPORT</b>
To provide the Committee with an updated position regarding the conclusion of the audits of the 2019/20, 2020/21, 2021/22 and 2022/23 Statement of Accounts, and the preparations for production of the 2023/24 Financial Statements.
<b>This report is public.</b>

#### RECOMMENDATIONS

The Audit Committee is recommended to note the following areas.

1. **The progress of the audit of the 2019/20, 2020/21, 2021/22, 2022/23 Statement of Accounts**
2. **Preparation for production and audit of the 2023/24 Statement of Accounts**

#### 1.0 INTRODUCTION

- 1.1 Members will be pleased to note that although the 2019/20, 2020/21, 2021/22 and 2022/23 Statement of Accounts still remain outstanding **significant progress** has been made in a number of key areas. This paper seeks to remind Members of the current opposition in regard to those Financial Statements and importantly provide information on the broadly agreed route and timescales for resolution. In addition, provide Members of the status of the 2023/24 Financial Statements and future audit arrangements.

#### 2.0 2019/20 STATEMENT OF ACCOUNTS POSITION

- 2.1 In line with previous updates, the only significant matters that remain outstanding are the objection from a local Council Taxpayer in regard to Note 42: Contingent Liabilities. The External Auditor has informed the Council that there are no issues in regard to the impact of the national infrastructure assets.

#### 3.0 2020/21 STATEMENT OF ACCOUNTS POSITION

- 3.1 As noted previously all audit matters that have been brought to officers' attention and requests for additional information to date have been addressed and any required revisions made to the draft 2020/21 financial statements.

3.2 The Committee will also be aware that, as with 2019/20 statement, Note 42: Contingent Liabilities, was once again subject to formal objections by a local Council Taxpayer. Progress in this area is discussed in more detail below. Similar to the 2019/20 position the External Auditor has informed the Council that there are no issues in regard to the impact of the national infrastructure assets.

#### **4.0 2021/22 STATEMENT OF ACCOUNTS POSITION**

4.1 The draft 2021/22 Statement of Accounts were published on the Council's website ahead of the 31 July 2022 deadline. A link was sent to Council Members, and paper copies are available on request.

4.2 The Committee should also note that, as with the 2019/20 & 2021/20 Statement of Accounts, Note 42: Contingent Liabilities, is subject to formal objections by local Council Taxpayer. Further discussion is provided below.

4.3 No audit work has been undertaken on the 2021/22 Financial Statements

#### **5.0 2022/23 STATEMENT OF ACCOUNTS POSITION**

5.1 The draft 2022/23 Statement of Accounts were published on the Council's website ahead of the 31 July 2023 deadline as agreed with Audit Committee at its meeting 22<sup>nd</sup> March 2023. A link was sent to Council Members, and paper copies are available on request.

5.2 The Committee should also note that, as with the 2019/20, 2020/21 and 2021/22 Statement of Accounts, Note 42: Contingent Liabilities, is subject to formal objections by local Council Taxpayer. Further discussion is provided below.

5.3 No audit work has been undertaken on the 2022/23 Financial Statements

#### **6.0 UPDATE ON OUTSTANDING MATTERS**

6.1 At its meeting 22 March 2024 the Committee were informed of a number of proposals and key deadlines for addressing the audit backlog and embedding timely audit. The following paragraphs provide an update on progress in addressing the significant issues outstanding, and timescales to enable completion and allow the outstanding audits to be concluded.

##### **Objections to the Financial Statements**

6.2 The Committee will recall that the 2019/20, 2020/21, 2021/22 and the 2022/23 Statement of Accounts are subject to formal objections by a local Council Taxpayer. In order to discharge its duties in regard to the objection and finally conclude the audits, the External Auditors requested that the Council seek assurances from a number of external third parties. Whilst two of the requests were presented to the External Auditor several months ago Members of the Committee will recall delays in obtaining the final assurance.

6.3 Following a series of meetings in April and May between the remaining party and the Council's solicitors an agreement has now been reached draw this matter to a conclusion. Details of this agreement have been shared with the External Auditor who has not raised any issues and feels, subject to sight of the final agreement is sufficient to allow him to address the substantive nature of the objections and finally conclude this matter.

6.4 Committee Members should be aware that the annual Audit Fee does not contain an amount for dealing with objections and so the associated costs will be borne by the Council. Current estimates are an additional cost to the Council of c£45K. This figure does not include a significant amount of internal officer time.

**Infrastructure Assets Restatement**

- 6.5 As initially reported to the Committee 25<sup>th</sup> May 2022 and subject of several updates, CIPFA was made aware of issues relating to the derecognition of parts of infrastructure assets. Specifically, where Councils have incurred on the replacement, or enhancement of existing infrastructure assets they may not be readily able to identify the cost and accumulated depreciation relating to the original asset components being replaced or enhanced.
- 6.6 This has been a long running and contentious issue and has caused significant delays to a considerable number of Councils across the Country, which now appears to have been resolved. The restatement exercise was completed and presented to the External Auditors for review in August 2023. Feedback received from the External Auditor is that this work is satisfactory and there are no issues that require further work.

**Work to Support the Value for Money Conclusions**

- 6.7 In addition to providing an opinion of the Council's Financial Statements the External Auditor is required to consider and report on the Council's arrangements for securing economy, efficiency, and effectiveness in the use of resources.
- 6.8 Information requested by the External Auditor to support their consideration is being collated across the Council. However, as the assessments relate to both 2019/20 and 2020/21 the information requested can stretch back to 2017/18 and earlier. Reporting on VFM arrangements remain a high priority and is part of the Audit Code consultation. Whilst work has been undertaken to support the VFM opinion clarification has been sought in regard to any new or revised requirements

**Statement of Accounts 2021/22 & 2022/23**

- 6.9 Although a substantial amount of work has been undertaken to address the 2019/20 and 2020/21 Statement of Accounts no audit work has been undertaken on either the 2021/22 or 2022/23 Financial Statements. Details of the 3 Phase proposals to address the national audit backlog were presented at the last Committee meeting but are summarised as.
- Phase 1: Reset - clearing the backlog of audit opinions up for 2022/23 and earlier years by **30 September 2024**
  - Phase 2: Recovery – preventing a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles.
  - Phase 3: Reform – addressing systemic challenges in the system and embedding timely financial reporting and audit.
- 6.10 As no audit work has been undertaken on the 2021/22 or 2022/23 financial statements, the External Auditor will not be able to meet the September 2024 deadline, and it is their intention to disclaim the audits. The level of work required to enable the External Auditor to disclaim the audits is yet to be agreed with the regulator, but the current proposals do mandate work to support the Value for Money Assessment and also that any objections must be resolved. The proposals do provide degree of discretion for remaining areas and the External Auditor has intimated that it is his intention to undertake the minimum work required in order to comply with the relevant Auditing Standards.
- 6.11 As reported to the Committee in March ***The s151 Officer would like to inform Members of the Committee that given the long-established and reported issues with the audit of our financial statements the Council will receive a disclaimed opinion as part of Phase 1.*** To be clear any modified/ disclaimed opinions attributable to the backstop date do not necessarily indicate significant financial reporting or financial management issues.

6.12 Drawing on the previous paragraphs and discussions with the External Auditor the following areas are required to finally conclude the audit backlog.

2019/20:       Objection to be formally closed  
                  Revision to supporting note.

2020/21:       Objection to be formally closed  
                  Revision to supporting note.  
                  Work to support the Value for Money Assessment

2021/22:       Objection to be formally closed  
                  Revision to supporting note.  
                  Work to support the Value for Money Assessment  
                  Work to allow the auditor to disclaim the 2021/22 audit.

2022/23:       Objection to be formally closed  
                  Revision to supporting note.  
                  Work to support the Value for Money Assessment  
                  Work to allow the auditor to disclaim 2022/23 audit.

6.13 It has been agreed that once confirmed with the regulator all work to support the disclaimer and the other areas will be presented for review by the External Auditor by 28 June 2024. This should enable him to consider the work and conclude the audits ahead of the 30 September 2024 deadline.

## **7.0 PREPARTION AND AUDIT OF THE 2023/24 STATEMENT OF ACCOUNTS**

7.1 Members will recall that at its March meeting the Committee noted the s151 Officers request to delay publication of the draft 2023/24 Financial Statements. This request was made in light of the lack of progress in addressing the outstanding audit work, the additional work required to address to audit backlog and the benefits of stretching the already limited capacity of the finance team to achieve the earlier submission deadline.

7.2 Regulation require that we publish a notice on its website advising of the delay and once available they must publish the formal Notice of the Commencement of the Period for the Exercise of Public Rights. This is the 30-day period during which any person interested, or any journalist may, on reasonable notice, inspect and make copies of the accounts or any Local Government Elector may raise an objection to any item of account.

7.3 Whilst disappoint not to achieve the 31 May 2024 deadline and subject to a technical issue regarding Business Rates affecting the Collection Fund and the governments NNDR3 production of the Statement of Accounts is progressing well.

7.4 For Councils such as us who are impacted by the backstop, auditors will not have the assurance from closing balances that would normally support opening balances for 2023/24. To further exacerbate this issue Members will recall that Public Sector Audit Appointments Ltd (PSAA) have appointed KPMG as the Council's External Auditors for the 5-year period 2023/24 – 2027/2028.

7.5 KPMG will therefore need to perform sufficient testing on opening balances to rebuild assurance. To prevent this recovery work causing delays to future audits, the proposals involve further backstop dates for all years up to and including 2027/28, so that recovery work might take a number of years as modified opinions/ disclaimers are rolled forward: The following are the current proposed audit deadlines.

<b>Financial Years Statements</b>	<b>Audit Deadline</b>
2023/24	31 May 2025
2024/25	31 March 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

7.6 Discussions have been held with KPMG and whilst there is pressure to meet the 31 May 2025 Recovery (Phase 2) deadline it is their intention to do so. Both the Council and KPMG have obligations and commitments through the year and are currently working to identify times which do not impact unduly on each other workloads throughout the year.

7.7 The External Auditors are required to present an annual audit plan setting out their approach to auditing the financial statements. It is expected that KPMG will present their plan to this Committee shortly.

## **8.0 DETAILS OF CONSULTATION**

8.1 The report provides the Committee with an update on the progress of the audit of the Statement of Accounts 2019/20 to 2022/23 Statement production and so consultation has been limited to discussion with the current and incoming External Auditors.

## **9.0 OPTIONS AND OPTIONS ANALYSIS**

9.1 As the report is for noting no alternative options are put forward, but the Committee could make supplementary recommendations regarding any matters arising.

## **10.0 CONCLUSION**

10.1 Members should note the progress and matters arising to date.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):**

No implications directly arising.

**LEGAL IMPLICATIONS**

S27 of the Local Audit and Accountability Act 2014 makes provision for an elector of the Council's area to make an objection to the local auditor in respect of the grounds set out at paragraph 3.4 of this Report. On receipt of an objection the local auditor must decide (a) whether to consider the objection, and (b) if the auditor does so, whether to take action within paragraph (a) and (b) of s27(1) in response.

In considering any objection, the auditor will need to have regard to the provisions of the 2014 Act and the code of audit practice applicable to the Council. The Local auditor must in carrying out functions under the 2014 Act, have regard to guidance issued by the Comptroller and Auditor General under paragraph 9 of Schedule 6 of the 2014 Act. This includes the Auditor Guidance Note 4.

An objector aggrieved by a decision of a local auditor not to consider the objection or not to apply for a declaration under s28 of the 2014 Act may within 6 weeks from notification of the decision require the auditor to provide written reasons for the decision and within 21 days from receipt of the written reasons may appeal against the decision to the court.

**FINANCIAL IMPLICATIONS**

There are no financial implication flowing directly from this report.

However, Member's should be aware of the additional audit fees that may accrue because of the objection to the financial statements.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces**

No implications directly arising.

**SECTION 151 OFFICER'S COMMENTS**

This report forms part of the Chief Finance Officer's responsibilities, under his role as s151 Officer.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

**BACKGROUND PAPERS**

Statement of Accounts 2019/20

<http://www.lancaster.gov.uk/the-council-and-democracy/budgets-and-spending/statement-of-accounts>

Statement of Accounts 2020/21

<http://www.lancaster.gov.uk/the-council-and-democracy/budgets-and-spending/statement-of-accounts>

**Contact Officer:** Paul Thompson

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**Ref:**



Statement of Accounts 2021/22

<https://www.lancaster.gov.uk/the-council-and-democracy/budgets-and-spending/statement-of-accounts>

Statement of Accounts 2022/23

[Statement of Accounts - Lancaster City Council](#)

External Audit Plan 2020/21

[Agenda for Audit Committee on Wednesday, 23rd March 2022, 6.10 p.m. - Lancaster City Council](#)

Statement of Accounts Updates

[Agenda for Audit Committee on Wednesday, 20th March 2024, 6.00 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 22nd November 2023, 6.00 p.m.](#)

[Agenda for Audit Committee on Wednesday, 26th July 2023, 6.00 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 24th May 2023, 6.10 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 22nd March 2023, 6.10 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 23rd November 2022, 6.10 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 25th May 2022, 6.10 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 23rd March 2022, 6.10 p.m. - Lancaster City Council](#)

[Agenda for Audit Committee on Wednesday, 24th November 2021, 6.10 p.m. - Lancaster City Council](#)

**AUDIT COMMITTEE**

**Audit Committee Proposed Training & Work Programme  
2024/25**

**Report of Chief Finance Officer**

**25 May 2024**

<b>PURPOSE OF REPORT</b>
To consider the Proposed Training & Work Programme for 2024/25
<b>This report is public</b>

**RECOMMENDATION**

- (1) That the Audit Committee note the proposed Programme, as detailed in Appendix A and make any further suggestions if required.

**1.0 INTRODUCTION**

1.1 Audit Committees are a key component of the Council’s Corporate Governance framework. Their overall purpose being to provide 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 process. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

**2.0 PURPOSE OF THE REPORT**

2.1 To provide the Audit Committee with details of expected reports and deadlines to enable it to meet its obligations as outlined in section 1.1 above and within its Terms of Reference.

**3.0 DETAILS OF CONSULTATION**

3.1 None specifically regarding this report, however the content and timing of the various reports have been discussed and agreed with the relevant officers.

**4.0 OPTIONS AND OPTIONS ANALYSIS**

4.1 The options available are to accept the proposed work programme attached at Appendix A, or recommend alternatives as necessary.

**5.0 CONCLUSION**

5.1 The attached proposed work programme will enable the Audit Committee to meet its obligations as outlined in section 1.1 above and its Terms of Reference

<p><b>CONCLUSION OF IMPACT ASSESSMENT</b>                  (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>Not applicable</p>	
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>None directly arising from this report</p>	
<p><b>SECTION 151 OFFICER'S COMMENTS</b></p> <p>The Section 151 Officer has authored this report in his capacity as Chief Finance Officer</p>	
<p><b>LEGAL IMPLICATIONS</b></p> <p>None directly arising from this report</p>	
<p><b>MONITORING OFFICER'S COMMENTS</b></p> <p>The Monitoring Officer has been consulted and has no further comments</p>	
<p><b>BACKGROUND PAPERS</b></p>	<p><b>Contact Officer:</b> Paul Thompson  <b>Telephone:</b> 01524 582603  <b>E-mail:</b> pthompson@lancaster.gov.uk  <b>Ref:</b></p>

# Audit Committee Training & Work Programme 2024/25

## Contacts

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 Sarah Moorghen Democratic Support Officer (01524) 582132 [smoorghen@lancaster.gov.uk](mailto:smoorghen@lancaster.gov.uk)

Meeting Date	Training/ Report	Agenda Publication	Training Provider/ Report Author
22nd May 2024	<p><b>Training 17.15 - 17.45</b> Effectiveness of Internal Audit</p> <p><b>Report</b> Risk Management Update Internal Audit Annual Report &amp; Head of Internal Audit Opinion Internal Audit Progress Report Audit Committee Assurances in Relation to the Financial Reporting Process Statement of Accounts Update Audit Committee Training &amp; Work Programme</p>	14th May 2024	<p>Mersey Internal Audit Agency</p> <p>Chief Executive Head of Internal Audit Head of Internal Audit CFO/ s151 Officer CFO/ s151 Officer CFO/ s151 Officer</p>
31st July 2024	<p><b>Training 17.15 - 17.45</b> Statement of Accounts 2024/25 Narrative Sections</p> <p><b>Report</b> Risk Management Q1 Update Internal Audit Progress Report Counter Fraud Annual Report 2023/24 CIPFA Financial Management Code Annual Governance Statement 2023/24 Statement of Accounts Update</p>	23rd July 2024	<p>Corporate Fraud Team</p> <p>Chief Executive Head of Internal Audit Corporate Fraud Manager CFO/ s151 Officer Monitoring Officer CFO/ s151 Officer</p>
27th November 2024	<p><b>Training 17.15 - 17.45</b> Statement of Accounts 2023/24 - Performance</p> <p><b>Report</b> Risk Management Q2 Update Internal Audit Progress Report Statement of Accounts Update AGS Action Plan Monitoring External Audit Plan: Year ending 31 March 2023</p>	21st November 2024	<p>Chief Executive HoIA CFO/ s151 Officer CFO/ s151 Officer CFO/ s151 Officer</p>
19th March 2025	<p><b>Training 17.15 - 17.45</b> TBC</p> <p><b>Report</b> Risk Management Q3 Update Review of Audit Committee Terms of Reference Internal Audit Charter Internal Audit Strategy and Risk Based Plan 2025/26 Internal Audit Progress Report Review of Internal Audit Effectiveness Annual Review of Audit Committee Performance Review of the Council's Counter Fraud Policies Annual Review of the Regulation of Investigatory Powers Act 2020 (RIPA) Policy and Procedure AGS Action Plan Monitoring Statement of Accounts Update Proposed Accounting Policies and Critical Judgements used in the Preparation of the Statement of Accounts 2024/25</p>	11th March 2025	<p>Chief Executive HoIA HoIA HoIA HoIA HoIA HoIA Corporate Fraud Manager Information Governance Manager Monitoring Officer CFO/ s151 Officer CFO/ s151 Officer</p>