

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

AUDIT COMMITTEE ANNUAL REPORT 2020-21

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To consider the annual report of the Audit Committee under the council's governance arrangements for the year 2020-21.
- 1.2 Key points in the report are:
- 1.2.1 The Annual Report of the Audit and Committee is designed to inform Full Council of the Committee's activities during the Council year (May 2020 – to April 2021), and how it has discharged its responsibilities.
- 1.2.2 The report demonstrates that the committee operates in line with expected practice, and also identifies areas for further development.

2. BACKGROUND INFORMATION

- 2.1 The annual report of the Audit and Governance Committee is attached. It summarises the activities of the Committee, and demonstrates how it has discharged its duties. The report includes the outcome of the updated self-assessment against good practice identified by the Chartered Institute of Public Finance and Accountancy (CIPFA) that was carried out by the committee.
- 2.2 The main conclusions of the report are that the Audit Committee has effectively discharged its duties, and its design and operation complies with expected practice and this can be further enhanced as follows:
- Invite a wider range of Directors and Heads of Service to obtain assurance as to how they manage risks and internal control in their areas of responsibility.
 - Invite managers with adverse internal audit reports to meet with the Committee to receive assurance on how they are dealing with the issues identified.

- In the new municipal year have a session with members to allow them to assess their core knowledge and skills.

3. OPTIONS FOR CONSIDERATION

- 3.1 In line with good practice that the Audit Committee receive the report and agree its presentation to Full Council.
- 3.2 The Audit Committee does not produce an annual report and present it to Full Council.

4. ANALYSIS OF OPTIONS

- 4.1 Although not mandatory an annual report is considered good practice as it promotes the role and work of the Audit Committee to the rest of the Council, provides assurance on its effectiveness, and demonstrates how it discharges its duties. By including a self-assessment it also ensures that the Audit Committee can ensure that its operations in line with good practice, and provide supporting evidence for the Annual Governance Statement (AGS)
- 4.2 Not producing and promoting an annual report would make it more difficult for the Audit Committee to demonstrate how it carries out its roles and responsibilities.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

- 5.1 None

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

- 6.1 The Audit Committee provides a key role in receiving assurance on how potential risks to good governance and an effective control environment are being managed, as well as assurance on the design and operation of the Council's overall risk management arrangements. The annual report demonstrates that the Committee receives the required level of assurance regarding the management of these risks.

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

- 7.1 Due to the content of the Annual Report an integrated risk assessment is not required.

8. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

8.1 Not applicable

9. **RECOMMENDATIONS**

9.1 That the Audit Committee approve the Annual Report and approve it being received by Full Council in October 2021.

DIRECTOR: GOVERNANCE AND PARTNERSHIPS

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Background Papers used in the preparation of this report –

Audit Committees: Practical Guidance for Local Authorities and Police (2018).