



# NORWICH City Council

**Committee Name: Audit**  
**Committee Date: 21/11/2023**  
**Report Title: Work Programme**

**Portfolio:** Councillor Kendrick, cabinet member for resources

**Report from:** Head of Legal and Procurement

**Wards:** All Wards

## **OPEN PUBLIC ITEM**

### **Purpose**

This report sets out the committee's work programme to fulfil its terms of reference as set out in the council's constitution and agreed by council.

### **Recommendation:**

It is recommended that the committee considers and agrees the work programme, and if further information is required.

### **Policy Framework**

The council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report meets the corporate priority to ensure Norwich City Council is in good shape to serve the city.

## **Report Details**

### **Introduction**

1. In accordance with its terms of reference, which is part of the constitution, the committee should consider the proposed work programme, set out below. The terms of reference meet the relevant regulatory requirements of the council for accounts and audit matters, including risk management, internal control and good governance.
2. The programme includes requests for further information agreed by the committee and reflects the actions identified as part of the committee's self-assessment.
3. The committee may wish to propose further reports on additional topics relevant to the committee's terms of reference.
4. The committee meeting scheduled for 17 October 2023 was not convened. Therefore, the agenda items for that meeting have been moved forward for consideration at this meeting.

### **Considerations**

5. The proposed work programme for the remainder of 2023/24 is set out below.
6. The action plan that came out of the committee's self-assessment, agreed at the meeting on 21 March 2023, is attached at Appendix A. The committee is asked to review the actions and target dates. It is proposed that an informal meeting is held in December 2023 to prepare for the next self-assessment session. The date of this meeting is to be agreed.
7. During the self-assessment process, the committee was satisfied with the committee's terms of reference but asked to view the terms of reference of similar size of councils where a leadership/executive model is in place. Appendix C contains the terms of reference of Oxford City Council, Exeter City Council, and Ipswich Borough Council for comparison. Cambridge City Council has a different structure to the city council's and therefore was not used for comparison purposes. When making comparisons members are reminded that in accordance with our constitution, full council sets the council tax and governance arrangements for the councillors' conduct are the function of the Standards Committee.
8. It may be necessary to convene an extraordinary meeting of the committee to sign off the Annual Governance Statement, Statement of Accounts and Audit Results Report 2021/2022 and 2022/23.

### **Work Programme 2023/24**

9. The proposed work programme for 2023/24 is as follows:

### **23 January 2024**

Progress Report on Internal Audit Activity 2023/24  
Review of Accounting Policies  
Cybersecurity  
Work Programme

### **19 March 2024**

Risk Management Update  
Progress Report on Internal Audit Activity 2023/24  
Strategic and Annual Internal Audit Plans 2024/25  
Committee Self-Assessment  
Work Programme

### **Actions Arising from the previous meeting**

10. The action tracker has been circulated to members and attached to this report at Appendix B. All actions have been closed off.

### **Training and development**

11. An informal session was held on 19 September 2023 facilitated by Gareth Robinson, Interim Head of Finance, on the Statement of Accounts 2022/23. This session gave members an opportunity to ask questions in an informal setting.
12. Councillor Price attended the Chairs of Audit Committees – Eastern Region Forum meeting in October 2023. The papers for this meeting have been shared with members of the committee. The information includes slides from presentations on the PSAA and the Department for Levelling Up, Housing and Communities proposals for addressing the backlog of local audit opinions.

### **Consultation**

13. The committee will review the work programme and actions identified as part of the annual committee self-assessment exercise at each meeting.

### **Implications**

#### **Financial and Resources**

Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan and Budget.

14. The service expenditure falls within the parameters of the annual budget agreed by the council.

#### **Legal**

15. There are no direct legal implications arising from this report; reviewing its work programme supports the audit committee in delivering its role effectively, operating in line with good practice identified by CIPFA, supported by DLUHC.

## Statutory Considerations

Consideration	Details of any implications and proposed measures to address:
Equality and Diversity	None
Health, Social and Economic Impact	None
Crime and Disorder	None
Children and Adults Safeguarding	None
Environmental Impact	None

## Risk Management

Risk	Consequence	Controls Required
Include operational, financial, compliance, security, legal, political or reputational risks to the council	There are no risk implications.	None  Risk management reports feature in the programme.

## Other Options Considered

16. There is no alternative. The committee may wish to propose further reports on additional topics relevant to the committee's terms of reference.

## Reasons for the decision/recommendation

17. As a result of the delivery of the work programme the committee will have assurance through audit conclusions and findings that internal controls, governance and risk management arrangements are working effectively or confirmation that there are plans in place to strengthen controls.

## Background papers:

None

## Appendices:

Appendix A - Actions arising from the Committee's Self-Assessment approved at Audit Committee on 21 March 2023

Appendix B – Action tracker

Appendix C – Terms of reference comparison

**Contact Officer:**

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## Audit Committee 21 November 2023 Work Programme

### Appendix A - Actions arising from the Committee's Self-Assessment approved at Audit Committee on 21 March 2023

Question	Assessment	Action	Proposed Target Date
4	Partly	Training to be considered for members outside of the committee to raise awareness of the role of the Audit Committee.	December 2023
6	Partly	The Committee has reflected on its engagement with Cabinet and resolved to explore a process where a more formal escalation of concerns were highlighted through to cabinet.	November 2023
8	Partly	An annual self-assessment of the Audit Committee is now carried out. However, the Committee has suggested that a review is undertaken to compare its TOR to Audit Committee's at City Councils of a similar size such as Oxford and Cambridge.	November 2023
9	Yes	CLT and the Committee have considered whether Treasury Management is an appropriate area of involvement for the Audit Committee. As a result of this a Treasury Management Panel has been set up to review the Councils arrangements and provide assurance on the robustness of controls in this area.	Complete
12	Partly	To enhance knowledge skills and independence of the Committee, it was agreed that an independent person would be appointed. The Council successfully appointed an independent person in June 2022. The Committee has expressed an interest in appointing a second independent person and it has been agreed this will be progressed following May 2023 elections. The Committee have suggested that it would be useful for the personal specification to stipulate that accountancy skills would be desirable.	December 2023
15	Partly	The membership of the committee has now been assessed against the core knowledge and skills framework. A training programme covering identified gaps in skills and knowledge has been provided to the Committee for	January 2024

Question	Assessment	Action	Proposed Target Date
		comment. A training plan will be arranged when this is agreed. It is also suggested that the assessment is completed following the May 2023 elections and the training needs of the Committee are updated.	
18	Partly	Feedback to be received by the Committee as part of the presentation of the annual report. However, the Committee suggests that a survey of staff and other members interacting with the Committee such as Cabinet, Scrutiny Committee is undertaken to seek feedback. Head of Internal Audit to draft questions for Audit Committee agreement for circulation and anonymous feedback to be provided following presentation of the annual report.	December 2023
19	Partly	As part of the self-assessment exercise the Committee has evaluated how it is adding value. Part two of the 2022 version of the Cipfa self-assessment will be carried out as a part of next year's review to provide examples of strengths and weaknesses in each area.	January 2024



## Audit Committee – Action Tracker

Date of Meeting	Minute Item	Action to be taken	Responsible officer	Comments
10 July 2023	<b>5. Annual Report on Counter Fraud Arrangements</b>	Ask the Head of Legal and Procurement to provide information on the position of Civil Enforcement Officers having access to DVLA information and data from Norfolk County Council on Blue Badge holders.	Jackie Rodger Senior Committee Officer	Footnote in minutes.
10 July 2023	<b>6. Internal Audit Progress Update July 2023</b>	(a) circulate and publish revised versions Executive Summaries – NC2326 Disaster Recovery and the NC2325 Cybersecurity;  (b) share the final version of the Safeguarding internal audit review report with members, and note that any final internal audit reviews that have received a limited completed in the period will be shared with members after verification.	Jackie Rodger  Faye Haywood, Head of Internal Audit	Completed  Completed - Safeguarding internal audit review and Key Controls have been shared with members
10 July 2023	<b>7. Internal Audit Annual Report and Opinion 2022/23</b>	(a) add a review of the Internal Audit Plan to the committee's work programme for a mid year review;  (b) ask the Head of Internal Audit to share the series of questions used to survey managers on the effectiveness of the internal audit service with the Independent Person and any member of the committee on request. add a review of the Internal	Jackie Rodger  Faye Haywood	Completed  Completed

## Audit Committee – Action Tracker

Date of Meeting	Minute Item	Action to be taken	Responsible officer	Comments
		<p>Audit Plan to the committee's work programme for a mid year review;</p> <p>(b) ask the Head of Internal Audit to share the series of questions used to survey managers on the effectiveness of the internal audit service with the Independent Person and any member of the committee on request.</p>		
10 July 2023	<b>8. Cyber Security Update</b>	Ask the Head of Legal and Procurement to arrange the publication of the main report;	Jackie Rodger	Report published on the website
10 July 2023	<b>10. Cyber Security Update (paragraph 3)</b>	To note that the Head of Legal and Procurement will report on failed authorities to the next meeting of the committee.	Leah Mickleborough, Head of Legal and Procurement	On work programme for committee meeting 21 November 2023
10 July 2023	<b>Work programme</b>	<p>(2) ask the chair to write to:</p> <p>(a) Councillor Ackroyd, chair of Scrutiny Committee proposing that the Scrutiny Committee undertakes a self-assessment exercise to ensure that it fulfils its terms of reference;</p> <p>(b) Councillor Stonard, Leader of the Council and chair of Cabinet, proposing that Cabinet develops and approves a Communications and Consultation Strategy for the council.</p>	Cllr Price	Completed.

## **Audit Committee 21 November 2023**

### **Work Programme**

#### **Appendix C**

##### **Terms of Reference of Audit Committees:**

As part of the self-assessment process, members asked to review terms of reference of similar councils. The terms of reference of the audit committees of Norwich City Council, Ipswich Borough Council, Exeter City Council and Oxford Council are included for your information.

### **Norwich City Council**

#### **Audit Committee**

Membership of the Audit Committee shall comprise 8 members appointed by the Council (excluding Cabinet members). Additionally, up to two independent non-voting co-opted members may be appointed on the basis of their skill, knowledge, qualification and experience relevant to the role of the committee.

The chair of the committee is elected by the council and the vice-chair is appointed by the committee.

Within the policies laid down by the council and within the Corporate Plan to exercise the following powers of the council:

#### **Corporate governance**

1. Review the effectiveness of internal control across the council and the adequacy of actions taken to address any weaknesses or control failures.
2. Consider the adequacy and effectiveness of the council's arrangements for the identification and management of the organisation's business risks; including the risk management policy, strategy and risk register.
3. Receive and consider regular reports at least twice a year on the risk environment, corporate risk register and associated management actions.
4. Review and ensure the adequacy of the council's anti-fraud and corruption policy and strategy and the effectiveness of their application.
5. Review and ensure that adequate arrangements are established and operating to deal with situations of suspected or actual fraud and corruption.
6. Review, consider and agree the Annual Governance Statement, including the adequacy of the corporate governance framework and improvement action plan contained within it.
7. Receive periodic updates on improvement actions taken.

#### **Internal and external audit**

8. Approve the internal audit charter.
9. Approve and monitor delivery of the internal audit strategy.

10. Consider, endorse and monitor delivery of the internal audit annual work programme, including any significant in-year changes to the programme or resource requirements.
11. Ensure adequate resourcing of the internal audit function, approving any significant additional consulting services requested from internal audit not already included in the internal audit annual work programme.
12. Receive and consider the annual internal audit report and opinion on behalf of the council.
13. Oversee the annual review of the effectiveness of the system of internal audit, to include the performance of the internal audit function, compliance with standards and delivery of improvement actions.
14. Contribute to the external quality assessment of internal audit that takes place every five years.
15. Commission work from internal and external audit and consider the resulting reports.
16. Comment on the scope and depth of external audit work and ensure it gives value for money.
17. Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
18. Seek assurance that action has been taken to implement the recommendations arising from the findings of significant audit and inspection work.

### **Statement of accounts**

19. Discuss the annual audit plan for the audit of the financial statements with external audit.
20. Consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
21. Review and approve the annual statement of accounts, including subsequent amendments on behalf of the council.

### **Referral powers**

22. Make recommendations for due consideration on all matters described above. Recommendations relating to all paragraphs except 9-10 and 12-21 shall be made to the Cabinet and Chief Finance Officer. Recommendations relating to paragraphs 9-10 and 12-21 shall be made to the Chief Finance Officer.

### **Accountability arrangements**

23. Report to those charged with governance on the committee's findings, conclusions and recommendations concerning the effectiveness of their

governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.

24. Report to full council on the committee's performance in relation to the terms of reference and effectiveness of the committee in meeting its purpose.

# Ipswich Borough Council

## 5.3 Terms of Reference

### 5.3.1 The Audit and Governance Committee is to:

- (a) agree the strategic and annual internal audit plans;
- (b) monitor the execution of the internal audit plan and scrutinising the timely implementation of internal audit recommendations;
- (c) review the Head of Internal Audit's Annual Report and Opinion and internal audit reports;
- (d) receive and respond to ad hoc reports and referring such reports to the appropriate committees of the Council as necessary.
- (e) consider the annual external audit plan;
- (f) monitor the execution of the external audit plan and the timely implementation of external audit recommendations;
- (g) be satisfied that the Council's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it;
- (h) review the financial statements, the external auditor's opinion, their Annual Governance Report and monitor the progress of management actions to address issues arising;
- (i) consider the reports of external audit and other inspection agencies published and referring these items to the appropriate committee(s) of the Council as necessary;
- (j) consider the effectiveness of the Council's anti-fraud and anticorruption arrangements
- (k) monitor the effective development and operation of risk management and corporate governance in the Council;
- (l) commission work from internal and external audit' and
- (m) promote the value of the audit process.

### 5.3.2 In relation to Codes of Conduct:

- (a) to promote and maintain high standards of conduct by members and co-opted members of the Council;
- (b) to assist members and co-opted members of the Council to observe the Council's Code of Conduct;

- (c) to make recommendations to the Full Council about making, changing or revoking Codes of Conduct or Protocols for Councillors, co-opted committee members and employees;
- (d) to monitor the operation of Codes of Conduct and Protocols approved by the Council;
- (e) to make representations to the Local Government Association and Central Government, or other organisations, about any matter relating to the general principles of conduct for Members of the Council;
- (f) to consider and determine any allegations against Councillors (including members of Committees who are not members of this council) of misconduct. (Misconduct means a breach of any Code or Protocol adopted by the Council.) The Committee may issue a report on any finding of misconduct;
- (g) to consider any applications from Members for Dispensations in relation to any interests of Members as provided for by the Localism Act 2011 and any regulations made thereunder;
- (h) to appoint Sub Committees as required to deal with applications for Dispensations from Members;
- (i) to be responsible for liaison between the Council and external agencies, in particular the District Auditor and the Local Government Ombudsman, in connection with any matter within the Committee's Terms of Reference;
- (j) to provide advice and guidance to Councillors and employees and make arrangements for training in connection with any matters within the Terms of Reference of the Committee;
- (k) any other Function conferred upon the former standards committee by law.

### **5.3.3 In relation to Corporate Governance Issues:**

- (a) To review the Council's performance in relation to transparency and public accountability for its decision making;
- (b) To review the Council's performance in relation to its relationship with external stakeholders in terms of disclosure, fairness and ethical practices;
- (c) To review the way the Council considers and implements its wider social economic and sustainable duties in the way it conducts its business.

## **Exeter City Council**

### **Article 9 – Audit and Governance Committee**

#### **9.01 Audit and Governance Committee**

The Council will appoint an Audit and Governance Committee with a membership comprising one or more representative of each political group.

#### **9.02 Composition**

Audit and Governance Committee will meet on a quarterly basis and report directly to full Council. It will comprise 11 members, excluding Executive members and the chairmanship will be subject to local protocol.

#### **9.03 Role and Function**

The Audit and Governance Committee will have the following terms of reference:

1. To approve, but not direct, the Internal Audit Strategy and annual audit plan ensuring that appropriate risk assessments have been carried out when formulating the internal audit plan and to monitor performance against the plan
2. To review any revisions to the plan as advised by the Audit Manager and agreed by the Director Finance.
3. To review half yearly internal audit reports and the main issues arising and seek assurance from management that action has been taken, where necessary
4. To consider a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale
5. To consider the Audit Manager's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements
6. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance
7. To consider specific reports as agreed with the external auditor
8. To comment on the scope and depth of external audit work and to ensure it gives value for money
9. To commission work from internal and external audit

#### **Regulatory Framework**



10. To review any issue referred to it by the Chief Executive, senior management or any council body
11. To monitor the effective development and operation of risk management and corporate governance in the Council and agree necessary actions to ensure compliance with best practice
12. To review the Annual Governance Statement (AGS) and to recommend its adoption
13. To consider the Council's compliance with its own and other published standards and controls
14. To advise the City Council on the adoption of Codes of Conduct with the aim of promoting and maintaining high standards of conduct by members and officers and the subsequent monitoring and updating of the Codes.
15. To develop and adopt a Code of Practice on relations between members and officers.
16. To develop and monitor a Local Planning Code.
17. To ensure the provision of advice and training to members and officers on the above Codes of Conduct/Practice.
18. To hear and determine allegations of misconduct.
19. To be responsible for the Council's procedure for investigating and responding to complaints.
20. To give advice to Members on the declaration of interests.
21. To monitor the "Whistle blowing Policy" which meets the requirements of the Public Interest Disclosure Act 1998, to encourage employees to report suspected malpractice, fraud or crime by other staff, the public or organisations having dealings with the Council.
22. To monitor and review the Council's Anti-fraud, Anti-bribery and Anti-corruption Strategy
23. To monitor the Council's constitution and, having regard to any report of the Monitoring Officer, to make appropriate recommendations where necessary.

### **Accounts**

24. To approve and adopt the Council's Statement of Accounts, income, expenditure and balance sheet or record of receipts and payments.

25. To consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
26. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts

## Oxford City Council

### 7.5 Audit and Governance Committee

The Audit and Governance Committee is responsible for setting the Council Tax base and for:

(a) Internal control and risk management

Reviewing internal control and risk management, particularly:

- the way the Council identifies and deals with key risks
- policies for making sure the Council follows regulatory guidance
- the way the Council's strategies, policies, processes and procedures are working in respect of anti-fraud and corruption and money-laundering
- the Annual Governance Statement
- the statement on internal control to be included in the internal auditor's annual report and all risk and control related disclosure statements before they go to Council.

(b) Audit and risk

- reviewing the internal audit programme
- considering the main findings of internal audit investigations and the management's response
- ensuring co-ordination between internal and external auditors
- ensuring the Council allocates enough resources to audit and risk and takes audit and risk sufficiently seriously

(c) External audit

- considering the choice of auditor and the auditor's fees
- discussing the terms of reference of audits before they happen
- making sure that all external audits and inspections are co-ordinated
- reviewing external audit reports, including value for money reports and
- annual audit letters, along with the management response.

(d) Statement of accounts

Considering and approving the annual statement of accounts, focusing on:

- whether the Council's accounting policies and practices are up-to-date
- areas where serious criticisms and important adjustments resulted from the audit.