

AGENDA

AUDIT AND RISK MANAGEMENT COMMITTEE

MONDAY, 24 JULY 2023

4.00 PM

**COUNCIL CHAMBER, FENLAND HALL,
COUNTY ROAD, MARCH**

Committee Officer: Jo Goodrum
Tel: 01354 622285
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Although this is a public meeting, members of the public are encouraged to view the meeting via our YouTube channel: <https://youtube.com/live/BdHGcgfai7I?feature=share>

- 1 To appoint a Chairman for the Municipal Year.
- 2 To receive apologies for absence.
- 3 To appoint a Vice Chairman for the Municipal Year.
- 4 Previous Minutes. (Pages 3 - 6)

To confirm the minutes of the meeting held 20 March 2023.
- 5 To report additional items for consideration which the Chairman deems urgent by virtue of special circumstances to be now specified.
- 6 Members to declare any interests under the Local Code of Conduct in respect of any item to be discussed at the meeting.
- 7 Internal Audit Outturn and Quality Assurance Review 2022/23 (Pages 7 - 24)

To provide an overview of the work undertaken by Internal Audit during 2022/23.

8 Annual Report 2022/23 (Pages 25 - 34)

To report to Full Council the commitment and effectiveness of the Audit and Risk Management Committee's work from 1 April 2022 to 31 March 2023.

9 Internal Audit Charter (Pages 35 - 46)

The Accounts & Audit Regulations 2015 require every local authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

The attached "Internal Audit Charter" is a document that reflects best practice audit guidance and is reviewed every three years by the Audit and Risk Management Committee.

10 Internal Audit Progress Report 2023-24 Q1 (Pages 47 - 50)

To report progress against the Internal Audit Plan 2023-24 for the period 1 April 2023 until 30 June 2023 and the resulting level of assurance from the planned work undertaken, and to provide an update to members on the resourcing issues of the Internal Audit team.

11 Audit and Risk Management Committee Work Program (Pages 51 - 56)

To set the program of works for the year to be kept under review quarterly.

12 Items of Topical Interest.

13 Items which the Chairman has under item 5 deemed urgent.

Friday, 14 July 2023

Members: Councillor K French (Chairman), Councillor S Harris (Vice-Chairman), Councillor G Booth, Councillor G Christy, Councillor J Clark, Councillor J Mockett and Councillor S Tierney

AUDIT AND RISK MANAGEMENT COMMITTEE

MONDAY, 20 MARCH 2023 - 4.00 PM



PRESENT: Councillor K French (Chairman), Councillor Mrs M Davis (Vice-Chairman), Councillor I Benney, Councillor Mrs J French, Councillor N Meekins and Councillor R Wicks

APOLOGIES: Councillor G Booth, Councillor M Purser, Councillor R Skoulding, Councillor S Tierney and Councillor F Yeulett

Officers in attendance: Peter Catchpole (Corporate Director and Chief Finance Officer), Stephen Beacher (Head of ICT Digital & Resilience), Tammy Smith (Apprentice Internal Audit) and Jo Goodrum (Member Services and Governance Officer).

ARMC24/22 PREVIOUS MINUTES.

The minutes of the meeting of 6 February 2023 were approved and signed.

ARMC25/22 EXTERNAL QUALITY ASSESSMENT

Members considered the External Quality Assessment Report presented by Peter Catchpole.

Members asked questions, made comments, and received responses as follows:

- Councillor Mrs French stated that she would like to congratulate the officers for their work over the last 2 years which has been a very difficult and challenging period.
- Councillor Benney stated that he would also like to thank the officers for their hard work and efforts in order to achieve results in the most challenging of times.

Proposed by Councillor Mrs French, seconded by Councillor Wicks and AGREED to note the full External Quality Assessment Report and the findings that Fenland District Council's Internal Audit Services generally conforms with the requirements of the Public Sector Internal Audit Standards.

ARMC26/22 RISK MANAGEMENT POLICY & STRATEGY REVIEW

Members considered the Risk Management Policy and Strategy Review report presented by Stephen Beacher.

Members asked questions, made comments and received responses as follows:

- Councillor Wicks stated that he has no issue with the two-year cycle but as the risk register is a living document, he would like assurances that any required changes will be made at the appropriate time. Stephen Beacher stated that this is correct, and any required alterations will remain with the same schedule.

Proposed by Councillor Wicks, seconded by Councillor Mrs French and AGREED the Risk Management Policy and Strategy Review report.

ARMC27/22 RIPA ANNUAL UPDATE

Members considered the RIPA Annual Update report presented by Peter Catchpole.

Members asked questions, made comments, and received responses as follows:

- Councillor Mrs French stated that Anglia Revenues Partnership undertake a great deal of surveillance with regards to benefit fraud and she asked Peter Catchpole if that work would fall under the remit of the Council. Peter Catchpole stated that it is his understanding that it would be the responsibility of ARP under their RIPA authority and if any issues arise they would be brought forward to the ARP Joint Committee. Councillor Mrs French stated that she is aware that one of the biggest issues appears to be the fraudulent claiming of Council Tax single person discount.

Proposed by Councillor Meekins, seconded by Councillor Mrs French and AGREED to note the RIPA annual report.

ARMC28/22 RISK BASED INTERNAL AUDIT PLAN 2023/24

Members considered the Risk Based Internal Audit Plan 2023/24 report presented by Peter Catchpole.

Members asked questions, made comments and received responses as follows:

- Councillor Mrs Davis stated that she is aware that there are statutory audits that have to be undertaken on specific topics, however, some of the audits that are undertaken come back without any recommendation for change and she asked whether in those cases the life span can be looked at in those cases so that audits are undertaken on a less frequent basis. Peter Catchpole explained that this is what has been taking place and the Audit Plan is risk based and whilst there are some audits which would not take place annually, there are some fundamental audits that the Council would want to carry out on a yearly basis. He explained that some audits are risk based and if there are no issues that come to light then they will be dormant for two or three years, unless there are any process changes, incidents or external factors to be considered.

Proposed by Councillor Mrs Davis, seconded by Councillor Mrs French and AGREED to acknowledge the Internal Audit resources and to consider and note the attached draft Internal Audit Plan for 2023/24.

ARMC29/22 AUDIT AND RISK COMMITTEE WORK PROGRAMME 2023/24

Councillor Miss French presented the Audit and Risk Management Committee Work Programme 2023/24 for information.

AGREED to note the contents of the Audit and Risk Management Committee work programme.

ARMC30/22 ITEMS OF TOPICAL INTEREST.

Peter Catchpole explained that the external audit report and the finalisation of the audit for 21/22 audit accounts had been due to be brought forward to this meeting, however, it is unfortunate that the audit is not yet complete. He added that the audit has already commenced however, there are resource issues in the industry which members of the committee are aware of, and it is hoped that the audit will be concluded this month which will mean that the audit results report will be brought back to the committee in the first meeting of the new municipal year.

Peter Catchpole explained that the draft accounts were published by the deadline and the only issue is working through the statutory audit of which there are no anomalies expected. He explained that the 21/22 audit is likely to be finalised by the end of the month.


Peter Catchpole advised the committee that he has received a letter from the external auditors, Ernst and Young, which advises that there should not be any expectation for any audit resource to review the 22/23 details until 1 November 2023 at the earliest.

Councillor Mrs French stated that the team has done well and should be congratulated, and she made the point that Fenland is in a much better position than some of the other District Councils.

4.20 pm

Chairman

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Agenda Item No:	7	
Committee:	AUDIT AND RISK MANAGEMENT	
Date:	24th July 2023	
Report Title:	INTERNAL AUDIT OUTTURN AND QUALITY ASSURANCE REVIEW	

1 Purpose / Summary

- To provide the Audit and Risk Management Committee with an overview of the work undertaken by Internal Audit during 2022-23;
- To provide the interim Internal Audit Manager's annual opinion on the system of internal control;
- To consider the effectiveness of Internal Audit.

2 Key issues

- Public Sector Internal Audit Standards (PSIAS or Standards) have been issued to set the standard of internal auditing in the public sector. These standards are mandatory for all principal local authorities and other relevant bodies subject to the Accounts and Audit Regulations 2015. The Chartered Institute of Public Finance and Accountancy (CIPFA) has provided an additional Local Government Application Note (LGAN). Both documents constitute 'proper practices' in internal control as per the Accounts & Audit Regulations 2015.
- Under the Accounts and Audit Regulations 2015, the Council "*must conduct a review of the effectiveness of the system of internal control*".
- The work of Internal Audit forms part of the assurance provided to Councillors and Management Team and supports the Annual Governance Statement (AGS).
- The PSIAS state that the Internal Audit Manager "*must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement*".

This report fulfils that requirement.

- The LGAN states that the Internal Audit Annual Report should include both the Annual Audit Opinion, and the results of the continuous quality assurance and improvement program (QAIP).
- Regulation 5 (1) of the Accounts and Audit Regulations 2015 requires that relevant authorities must undertake an effective Internal Audit to evaluate the effectiveness of its governance, risk management and control (GRC) processes, taking into account PSIAS or guidance. A continuous QAIP is undertaken so that the Council continues to provide an effective Internal Audit service.

3 Recommendations

- To note the outturn for Internal Audit for 2022-23, which highlights the audits that were completed as per the agreed Internal Audit Plan, and their associated

assurance ratings and also the additional assurances gained from other sources of work completed in house and externally to support the Annual Audit Opinion.

- To note the Interim Internal Audit Manager’s opinion on the “adequacy” of GRC processes.
- To note the positive outcome of the independent quality assurance review.

Wards Affected	All
Forward Plan Reference	Not applicable
Portfolio Holder(s)	Not applicable
Report Originator(s)	David Thacker – Interim Internal Audit Manager
Contact Officer(s)	Peter Catchpole - Corporate Director & Chief Finance Officer Amy Brown – Assistant Director & Deputy Monitoring Officer David Thacker – Interim Internal Audit Manager
Background Paper(s)	Internal Audit Plan 2022-23 Internal Audit Progress Report Q3 Public Sector Internal Audit Standards CIPFA PSIAS Local Government Application Note 2019 Accounts and Audit Regulations 2015 CIPFA Statement on the role of the Head of Internal Audit CIPFA Guidance – Head of Internal Audit Annual Opinions: Addressing the Risk of a Limitation of Scope

4 Background / Introduction

- 4.1 This report includes details, for the year 2022-23, of: -
- the coverage provided by Internal Audit; and
 - the Interim Internal Audit Manager's opinion on levels of internal control across the Council.
 - the independent review of the effectiveness of the Internal Audit team.
- 4.2 The permanent Internal Audit Manager left the Council in November 2022 and was not replaced immediately. The Interim Internal Audit Manager was appointed in May 2023 on a short-term contract. During the six-month period of no Internal Audit Manager, the Assistant Director & Deputy Monitoring Officer covered the responsibility.
- 4.3 The (Interim) Internal Audit Manager has a professional reporting line to the Corporate Director & Chief Finance Officer, the responsible officer for duties under Section 151 of the Local Government Act 1972 and the Assistant Director & Deputy Monitoring Officer. The Internal Audit service provides assurance to Senior Management regarding levels of control for systems for which they are responsible.
- 4.4 Full details of the Internal Audit objectives are contained within the Internal Audit Charter, which is approved by the Audit and Risk Management Committee.

5 Internal Audit Outturn

- 5.1 The annual Internal Audit Plan is formulated in advance, following an assessment of risks inherent to services and systems of the Council based on Internal Audit and Management knowledge at that time. During the period that follows, changes in the control environment may occur, for example: -
- introduction of new legislation/regulations,
 - changes of staff,
 - changes in software,
 - changes in procedures and processes,
 - changes in service demand,
- 5.2 Audit and Risk Management Committee approved the Internal Audit Plan 2022-23 on 14 March 2022 (ARMC48/21).
- 5.3 The team has remained within budget but, due to the departure of the Internal Audit Manager in November 2022 with no replacement, was unable to achieve the anticipated level of planned and proactive unplanned work by the end of the year. The impact of the Internal Audit Manager's departure was that the work allocated to her was not done and the remaining Audit staff had to share some of the Internal Audit Manager's reporting responsibilities. This led to some audits having to be deferred to the 2023-24 Audit Plan. The Audit and Risk Management Committee were made aware of the resource situation on 6 February 2023 (ARMC21/22).
- 5.4 As a consequence, the team completed 18 (56%) of the 32 planned audits for 2022-23. However, the interim Internal Audit Manager believes that the completed work covered a broad spectrum of audits over the Council's corporate objectives, enabling an appropriate assessment for the Annual Audit Opinion.
- 5.5 In addition to the planned audit work further assurances have been obtained by the team as follows:
- Care and Repair Disabled Facilities Grants declaration

- Grant Funding declarations, including Test and Trace schemes and COMF funding
 - National Fraud Initiative work
 - Fraud Investigation work
 - Risk Management Group
 - Major Project support and advice
 - Follow up reviews on outstanding recommendations
- 5.6 Also, this is the fifth year of the shared auditing arrangements for Anglia Revenues Partnership (ARP) functions that cover Council Tax, Housing Benefits and Business Rates on behalf of several local authorities including Fenland District Council (FDC).
- 5.7 Further assurances have been obtained from external organisations to support the Internal Audit Opinion, by providing assurance of the following areas:
- Designated Person Report: Audit of the Marine Safety Management System of Nene Ports – **97.6%** conformity with achievable measures.
 - ICT – Public Service Network (PSN) compliance certificate – **fully compliant**.
 - Materials Recycling Facility (MRF) Procurement Support to Cambridgeshire & Peterborough Waste Partnership (RECAP) – **Review of current and future options**.
 - Business Grants – Post Payment Assurance reporting – **No issues identified in sample testing conducted by BEIS**.
- 5.8 Appendix A lists the processes and systems audited in the financial year and the number of recommendations made for each audit. Appendix B highlights the status of recommendations agreed from previous years' audits.
- 5.9 Audit work includes testing of system controls, and this has not highlighted any significant fraud. Any errors or irregularities that have been identified have been resolved during the course of the audit and/or Management action plans have been agreed with the system owners including timescales for improvement appropriate to the level of risk. These action plans will be followed up by Internal Audit with Management.
- 5.10 A key performance objective of the team was to complete 'fundamental' audits, which are considered key financial systems. Historically these systems had continued to operate to a satisfactory standard and were evaluated as having substantial assurance. Four 'fundamental' audits, concerning ARP Enforcement, Council Tax, Housing Benefit and Business Rates, required review in the 2022-23 plan. The first fundamental audit is carried out by the Council but the others are carried out by the larger Councils as part of the SLA covering audits of the Anglia Revenues Partnership (ARP) that administers Revenues & Benefits on behalf of several local authorities including FDC.
- 5.11 The Internal Audit activity was conducted free from interference in determining the scope of internal auditing, performing work and communicating results throughout the year.

6 Annual Internal Audit Opinion on the Internal Control Environment

- 6.1 The Council is required to report in its annual statutory financial statements an assessment as to the adequacy of the GRC arrangements. This is referred to as the Annual Governance Statement (AGS).
- 6.2 Information for this purpose is drawn from many sources one of which is the work of Internal Audit in that financial year, and up to the date of the approval of the annual accounts. All audits have been carried out in conformance with the PSIAS.
- 6.3 As part of the AGS evaluation, an assurance mapping exercise takes place which documents and establishes additional sources of assurance.
- 6.4 The annual Audit Opinion concludes on the overall adequacy and effectiveness of the Council's framework of GRC.

- 6.5 Based on the work that Internal Audit has performed the interim Internal Audit Manager's opinion for 2022-23 is that, **there is "adequate" assurance as to the adequacy and effectiveness of internal controls, the risk management and governance arrangements.** Management has adopted plans for improvement in control, and within appropriate timescales that will be followed-up to ensure further improvement is delivered. Potential risks and opportunities for further improvement have been incorporated into Management action plans.
- 6.6 On the basis of the work undertaken during the year, it is considered that the key systems operate in a sound manner and that there has been no fundamental breakdown in control resulting in material discrepancy. However, the Internal Audit Manager's opinion can only provide a reasonable, not absolute, level of assurance as to the adequacy and effectiveness of these systems.
- 6.7 At the time of writing this report, the External Auditor's (EY) Annual Audit Report for 2021-22 had not been finalised. Hence, it cannot be included in the Opinion.

7 Review of the effectiveness of Internal Audit

- 7.1 Regulation 5 (1) of the Accounts and Audit Regulations 2015 requires that relevant authorities must undertake an effective Internal Audit to evaluate the effectiveness of its GRC processes, taking into account PSIAS or guidance.
- 7.2 DCLG guidance on the Accounts and Audit Regulations cites proper practice in relation to Internal Audit in local authorities:
- All Public Sector Internal Audit teams are required to comply with the Public Sector Internal Audit Standards (PSIAS) issued by the Institute of Internal Auditors (IIA). CIPFA issued a mandatory 'Local Government Application Note' (LGAN) intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector.
 - CIPFA has also issued guidance on the 'role of the Head of Internal Audit in Local Government' which supplemented the Code.
- 7.3 The Internal Audit Charter, the Risk-Based Internal Audit Plan and delivery, are based on these professional standards. Performance monitoring is also supplemented through frequent interaction between the Internal Audit Manager and the Corporate Director & Chief Finance Officer and Assistant Director & Deputy Monitoring Officer. Audit and Risk Management Committee have also increased their oversight of the delivery of the Audit Plan through quarterly monitoring of performance including number of audits completed and number of and rating of recommendations.
- 7.4 An independent review of effectiveness has been completed by an external quality assessment (EQA) process completed in November 2022 by an assessor from TIAA. This is based on the latest guidance and professional standards and took the form of a self – assessment checklist covering all areas of the PSIAS, LGAN and CIPFA's Role on the Head of Internal Audit.
- 7.5 The external assessment concluded that 'the self-assessment is a good reflection of the Internal Audit Service's practices and its contribution to the organisation. It is also our opinion that the service **GENERALLY CONFORMS** to the requirements of the PSIAS and to the LGAN.' This is the highest accolade that can be given from the assessor. The results for 2022/23 can be seen in Appendix C.

8 Effect on Corporate Objectives

- 8.1 The delivery of an effective Internal Audit Service is a key factor in maintaining an adequate level of internal control in the Council and contributes to a Quality Organisation.

9 Conclusions

- 9.1 The Council has maintained an effective Internal Audit team which demonstrates a commitment to comply with the PSIAS, and the CIPFA LGAN, as standards of good quality.
- 9.2 The Internal Audit team has provided audit and assurance work throughout the year to form an opinion on the effectiveness of internal control. There are no serious concerns highlighted and this assurance will form evidence for the production of the AGS, which accompanies the Statement of Accounts.

Appendix A: Audits completed

Audit	Overall opinion	High	Medium	Low	Recommendation Theme
Anglia Revenues Partnership (ARP) – Enforcement	Substantial	-	-	-	There were no procedural or control issues identified during the course of the audit
* Business Rates (NNDR)	Adequate	-	3	3	There are no high-risk recommendations. The 3 medium risk issues relate to second checks, reconciliations and reliefs, exemptions and discounts.
* Council Tax Billing and Benefits	Adequate	-	11	12	The medium-risk recommendations relate to Council Tax refund process, Self Employed claimants, reconciliations and system access controls. Low-risk recommendation are noted for areas of best practice and will not be reported upon.
* Council Tax Recovery and Housing Benefit Overpayments	Adequate	-	5	2	The medium risk recommendations relate to the recovery of Council Tax and Housing Benefit Overpayments, reconciliations, system access and Housing Benefit Overpayment credit balances
Trading Operations – Port, Commercial and Marine (2021/22) To gain assurance that that the Council has robust procedures and guidance in place with relation to pilotage, wharfage, and administration. That there is appropriate management of income and record keeping and appropriate governance in place, as per legislation.	Adequate	1	-	3	The High-risk recommendation is restated from a previous audit - there is no current formal agreement between FDC and Lincolnshire County Council with regards to the Sutton Bridge Cross Keys Marina. The low-risk recommendations relate to best practice improvements in relation to filing and record keeping

<p>Construction Industry Scheme (CIS) (2021/22)</p> <p>To gain assurance that that the Council has robust procedures and guidance in place demonstrating appropriate procedures for self-employed contractors.</p>	Adequate	1	1	2	<p>The High and medium risk recommendations relate to the implementation and responsibility of IR35 regulations.</p> <p>The low-risk recommendations relate to business continuity and segregation of duties in processing CIS transactions</p>
<p>Licensing – Alcohol (2021/22)</p> <p>To gain assurance that the Council has robust procedures and guidance in place demonstrating appropriate issuance of both Premises and Personal Licenses – Alcohol. That legislation is followed accordingly, and that income is collected promptly and accounted for.</p>	Substantial	-	1	-	<p>The recommendation relates to the renewals process for Premises Licences.</p>
<p>Development – Planning Obligations (S106/CIL) (2021/22)</p> <p>the Internal Audit Service has undertaken a <i>follow-up investigation</i> to the recommendations of the systems-based review of Development Control – Planning Obligations that was performed in 2017/18, issued in April 2018.</p> <p>This audit was performed to establish current status of implementation of the recommendations identified in the previous audit report and to gain assurance that there are adequate internal controls and procedures in place for the recording, monitoring and following up of all S106 Agreements within the District.</p> <p>This audit consisted of discussion with the Head of Planning and the following up recommendations identified only – no additional testing has been completed.</p>	Adequate	-	-	-	<p>No further recommendations were identified and satisfactory improvements have been made in respect of implementing and actioning previous recommendations. The previous report identified 2 high risk and 3 medium risk recommendations. This were raised and discussed with the Head of Planning. There were two recommendations identified; 1 high and 1 medium, that the Head of Planning has not agreed, and reasoning has been given. The remaining recommendations have been implemented successfully.</p>

<p>3C's Process</p> <p>To gain assurance that there are sufficient policies and procedures in place for the Council to record, monitor and report on the Council's correspondence, compliments and complaints received.</p> <p>My Fenland Team are responsible for the monitoring and recording of the 3C's, performance reporting of statistics and liaising with relevant service managers, aiming to provide customer resolution and satisfaction.</p>	Adequate	-	5	1	<p>There were no High-risk issues raised.</p> <p>The Medium risk issues related to procedure notes to be updated to reflect current practice and contact officer details; ensuring that monthly performance reports are complete and accurate and reflect actual performance; reviewing and revising monitoring spreadsheet to ensure formulas for reporting are complete and accurate; monthly performance reports to be published on the intranet for awareness; raising awareness with service managers of the importance to take ownership and responding within timescale for customer complaints</p>
<p>ICT Cyber Security</p> <p>To gain assurance that there appropriate levels of internal controls for cyber security across the Council incorporating the following areas:</p> <ol style="list-style-type: none"> 1.Internal policies and procedures exist and that they are regularly updated and complied with 2.National Cyber Assessment Framework is complied with 3.Cyber security controls are regularly tested by specialist IT external auditors 4.Adequate controls are in place to prevent unauthorised access 5.Adequate controls are in place for mobile devices 6.Appropriate training is given to staff 	Substantial	-	2	1	<p>There were no High-risk issues raised.</p> <p>The Medium risk issues related to completing a review of the Acceptable Use Policy and update as necessary to ensure compliance with revised strategy; and ensuring cyber security training is actively completed by all officers and new starters in order to comply with ICT Policy and guidance. Timescales for completion to be adhered to, otherwise further action to be taken.</p> <p>The low-risk issue related to ensuring that a revised and updated version of the ICT Strategy and Information Security Policy is agreed, formalised and published.</p>

<p>Contract Monitoring – Animal Control (Stray dogs)</p> <p>To gain assurance that there are effective controls in place to provide a stray dog collection service to Fenland area:</p> <ol style="list-style-type: none"> 1. There are adequate policies and procedures in place 2. There is adequate reconciliation of income 3. There is regular and frequent monitoring of the contract and evaluation of the contractor’s performance 	Substantial	-	-	-	
<p>Safer Fenland Partnership</p> <p>To gain assurance that that there is an up-to-date strategy with clear priorities and effective government arrangements in place for the delivery of ‘Safer Fenland’.</p> <ol style="list-style-type: none"> 1. Effective Governance of the Community Safety Partnership 2. Information is managed effectively and securely 3. Grant distribution / finding has sufficient audit trails 	Substantial	-	-	-	
<p>Trading Operations – Partner Leases</p> <p>To gain assurance that there are appropriate and effective procedures and controls in place for the monitoring of Partner Leases</p> <ul style="list-style-type: none"> • Income is collected for Partner Leases/Licences. • Leases/Licences completed and signed. • Resources have been accounted for – e.g., utilities. 	Limited	3	2	-	<p>The High-risk recommendations relate to raising invoices in a timely manner for efficient income collection; communication with debtors re outstanding invoices and improving security arrangements at the BASE.</p> <p>The Medium risk issues related to complete lease / licence being in place for all occupants; and rent reviews are completed in a timely manner for cost efficiency.</p>

<ul style="list-style-type: none"> • Building security is not compromised. 					
<p>Economic Development</p> <p>To gain assurance that the Council’s key business objectives for the service are being met.</p> <ul style="list-style-type: none"> • There is an up to date and consulted strategy • Delivery of the strategy • Promotion of services complies with Council rules and procedures • Budget is spent effectively • Grant applications are risk managed and monitored 	Substantial	-	-	-	
<p>Play Areas</p> <p>To gain assurance that Play Areas are maintained as per the Contract, meeting key objectives of the Authority.</p> <ul style="list-style-type: none"> • There is an up-to-date maintenance contract in place, covering all play areas in the district • Play areas are inspected regularly as agreed, by trained contractors and reported to the Authority in a timely manner • Play areas are maintained by contractors and in a safe condition in accordance with RoSPA guidelines • Repairs are actioned in a timely manner in accordance with the contract 	Adequate	-	2	2	<p>There were no High-risk issues.</p> <p>The Medium risk issues related to the Contractor being asked to confirm inspections have taken place and report these in an alternative manner until the technical issue is resolved; and up to date RoSPA (or equivalent) certificates being obtained for all Contractors responsible Internal Audit Report for play area inspections.</p> <p>The Low risk issues related to contractors being requested to supply photographic evidence of a play area or it’s equipment ‘cordoned off’ when a high-risk remedial action is required; and a follow up process should be considered to ensure that all</p>

					remedial actions are completed.
<p>Corporate Finance – Budgetary Control</p> <p>To gain assurance that the Council’s budgetary control framework is efficient and effective at monitoring income and expenditure and identifies any levels that vary from expectations.</p> <ul style="list-style-type: none"> • Comprehensive procedures should be in place in relation to revenue budget setting and monitoring at all levels within the Council • Budgets should be approved prior to the start of the financial year. They should be complete and be based upon appropriate and reasonable assumptions • Budgets should be input into the general ledger prior to the start of the financial year. Budgets should be assigned to appropriate named personnel and should be monitored regularly throughout the year • Pay and pensions costs and budget reports should be monitored and reviewed monthly • Budgetary information should reconcile to the general ledger • Budget monitoring reports should be produced and reviewed on a timely basis in accordance with procedures 	Substantial	-	-	-	
<p>Development Delivery – Planning</p> <p>To gain assurance that the Council has robust procedures and guidance in place demonstrating appropriate treatment of planning applications.</p> <ul style="list-style-type: none"> • There is an up-to-date Local Plan in place, agreed by Full Council • Applications are managed within agreed 	Substantial	-	-	3	Three low risk issues concerning the planning process, Council objectives and resource review.

<p>timescales adhering to national guidance and legislation</p> <ul style="list-style-type: none"> • Approvals/refusals are managed effectively by Officers/Committee • Effective communication to customers through tools such as website and planning portal • Payments are received and reconciled timely • There is an application monitoring process in place 					
<p>Contract Monitoring – Ground Maintenance</p> <p>To gain assurance that there is an effective contract in place, that policies and procedures are adhered to and contract expenses are valid.</p> <ul style="list-style-type: none"> • An effective and efficient Grounds Maintenance Contract is delivered • Assurance there are adequate performance management arrangements in place • Assurance that contract payments are monitored 	Substantial	-	-	1	The low-risk issue related to a diarised monthly check should be implemented to ensure that regular reports are received.
<p>Creditors</p> <p>To gain assurance that the key business objectives for the service as covered by the audit scope are met appropriately.</p> <ul style="list-style-type: none"> • The computer system is operated in accordance with approved procedures and secure from unauthorised access • All due payments are correctly and efficiently processed • Exceptions are detected • Payment instruments are securely held and distributed 	Substantial	-	-	1	The low risk issue related to adequate business continuity and consideration be given to restoring access for the accountant to perform Creditors runs, as and when necessary.

Audits *marked with an ** have been undertaken by other Councils and reviewed by Fenland District Council Audit Manager as part of the Quality Assurance process. The recommendations relate to the partnership as a whole and will not be reported upon in quarterly progress reports.

An assurance rating is applied, when a system or process is reviewed, which reflects the effectiveness of the control environment.

The text below is an indication of the different assurance ratings used:

Assurance	Description
Full	There is a sound system of control designed to proactively manage risks to objectives.
Substantial	There is a sound system of control, with further opportunity to improve controls which mitigate minor risks.
Adequate	There is a sound system of control, with further opportunity to improve controls which mitigate moderate risks.
Limited	There are risks without effective controls, which put the objectives at risk.
None	There are significant risks without effective controls, which put the objectives at risk. Fraud and/or error are likely to exist.

Appendix B – Recommendation progress 2020/21, 2021/22 and 2022/23

Total Recommendations 2020/21				
	High	Medium	Low	Total
Total Recommendations	3	21	23	47
Total Complete	3	19	21	43
Outstanding	0	2	2	4
Overdue	0	2	2	4

- This data includes recommendations made from our ARP Audit Partners who conducted audits for the partnership. These have all been completed or superseded by the audits of 2021/22.

- **The outstanding and overdue recommendations relate to CCTV – a Memo of Understanding and a Maintenance Agreement – both of which rely on Peterborough CC and are nearing finalisation, according to the Assistant Director for Community Safety.**

Total Recommendations 2021/22				
	High	Medium	Low	Total
Total Recommendations	4	31	34	69
Total Complete	3	17	23	43
Outstanding	1	14	11	26
Overdue	1	4	9	14

- This table does not include the recommendations made in relation to the ARP audits, conducted by partner authorities as they are reported to their respective authorities at this stage.

- **The overdue high-risk action relates to the Safeguarding audit and progress has been made in drafting a new Safeguarding Vulnerable Adults Policy – this will be published following Cabinet approval in Q3.**
- **The overdue medium risk actions relate to Housing Standards, Safeguarding and Corporate Finance. All are being chased with the relevant Head of Service and raised at Management Team.**

Total Recommendations 2022/23				
	High	Medium	Low	Total
Total Recommendations	5	13	13	31
Total Complete	2	11	10	23
Outstanding	3	3	3	9
Overdue	2	1	0	5

- This table does not include the recommendations made in relation to the ARP audits, conducted by partner authorities as they are reported to their respective authorities at this stage.

- **The overdue high-risk actions relate to the Trading Operations – Partner Leases audit in respect of debt recovery processes. Estates and Finance are discussing the process. The other is from the Construction Industry Scheme audit in respect of being non-compliant with IR35 rules for two subcontractors.**
- **The overdue medium risk action on Trading Operations – Partner Leases is being chased with the relevant Head of Service and raised at Management Team.**

Appendix C: Summary of Internal Audit Effectiveness

					Compliance		
		Cat	Category of checklist	Comments	C	P	N
	Mission of Internal Audit	1	To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.	Audit Charter	C		
	Definition of Internal Auditing	2	Definition of Internal Auditing	Audit Charter	C		
Core Principals	The Core Principals are based on conformance with the Code of Ethics (Integrity, Seven Principles of Public Life)	3.1	Demonstrates integrity	Declaration of Interests	C		
		3.2	Demonstrates Competence and due professional care	Qualification	C		
		3.3	Is objective and free from undue influence	Reporting Lines	C		
		3.4	Aligns with the strategies, objectives, and risks of the organisation	Audit Plan	C		
		3.5	Is appropriately positioned and adequately resourced	Audit Plan	C		
		3.6	Demonstrates quality and continuous improvement	Progress Reports	C		
		3.7	Communicates effectively	Progress Reports	C		
		3.8	Provides risk-based assurance	Audit Plan	C		
		3.9	Is insightful, proactive, and future-focused	Audit Plan	C		
		3.10	Promotes organisational improvement	Audit Plan	C		
Code of Ethics		4.1	Integrity	QA review	C		
		4.2	Objectivity	QA Review	C		
		4.3	Confidentiality	QA Review	C		
		4.4	Competency	QA Review	C		
		4.5	Seven Principles of Public Life	QA Review	C		
Attribute	These address the characteristics of organisations and parties performing internal audit activities	5.1	1000 Purpose, Authority and Responsibility	QA Review	C		
		5.2	1100 Independence and Objectivity	QA Review	C		
		5.3	1200 Proficiency and Due Professional Care	QA Review	C		
		5.4	1300 Quality Assurance and Improvement Programme	QA Review	C		
Performance	These describe the nature of internal audit activities and provide quality criteria against which the performance of these services can be evaluated.	6.1	2000 Managing the Internal Audit Activity	Audit Manual	C		
		6.2	2100 Nature of Work	Audit Manual	C		
		6.3	2200 Engagement Planning	Audit Manual	C		
		6.4	2300 Performing the Engagement	Audit Manual	C		
		6.5	2400 Communicating Results	Audit Manual	C		
		6.6	2500 Monitoring Progress	Audit Manual	C		
		6.7	2600 Communicating the Acceptance of Risks	Audit Manual	C		
					28		

C = Conforms: P = Partial: N = Not conforming

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Agenda Item No:	8	
Committee:	AUDIT AND RISK MANAGEMENT	
Date:	24 JULY 2023	
Report Title:	AUDIT AND RISK MANAGEMENT COMMITTEE ANNUAL REPORT	

1 Purpose / Summary

To report to Full Council the commitment and effectiveness of the Audit and Risk Management Committee's work from 1 April 2022 to 31 March 2023.

2 Key issues

2.1 A good Corporate Governance framework helps the Council to deliver its Corporate Priorities.

The role of the Audit and Risk Management Committee includes:

- providing independent assurance of the adequacy of the governance, risk management framework and the control environment, plus
- independently scrutinising the Authority's financial and non-financial performance, and overseeing the financial reporting process.

2.2 The Committee has taken action to ensure that its members are adequately informed on key themes of the Governance Framework via regular reports including:

- Governance;
- Internal control;
- Risk management;
- Anti-fraud & corruption;
- Accounts and policies;
- Treasury management;

2.3 There have not been any reports from the External Auditors.

2.4 The Committee has been fundamental in the review and maintenance of the Council's Governance Framework.

2.5 In addition to the report attached the Interim Internal Audit Manager has completed a review of the committee's effectiveness using a checklist compiled by CIPFA. This was a recommendation made by the external quality assessment and endorsed by Corporate Governance Committee in February 2018. The completed checklist is attached as Appendix A

3 Recommendations

It is recommended that Committee agree the Audit and Risk Management Committee Annual Report for 2022-23 to be forwarded to Full Council.

Wards Affected	All
Forward Plan Ref	Not applicable
Portfolio Holder(s)	
Report Originator(s)	Amy Brown – Assistant Director & Deputy Monitoring Officer David Thacker – Interim Internal Audit Manager
Contact Officer(s)	Peter Catchpole – Corporate Director & Chief Finance Officer Amy Brown – Assistant Director & Deputy Monitoring Officer David Thacker – Interim Internal Audit Manager Mark Saunders - Chief Accountant
Background Paper(s)	Audit and Risk Management Committee minutes CIPFA Position Statement on Audit Committees 2022 Audit Committees – Practical Guidance for Local Authorities and Police (CIPFA 2018)

Appendix: Annual report

Report of the Audit and Risk Management Committee

April 2022 - March 2023



1 What is corporate governance?

1.1 Corporate Governance in Fenland District Council is an essential part of the Council's standards for transparent and informed management and decision-making. It provides assurance of the adequacy of the risk management framework and the control environment, independent scrutiny of the Authority's financial and non-financial performance and to oversee the financial reporting process.

2 Responsibilities of the Committee

2.1 The Committee's purpose identified in the terms of reference states:

The purpose of our Audit and Risk Management Committee is to provide independent assurance to the members and other parties of the adequacy of the risk management framework and the internal control environment. It provides independent review of Fenland District Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place. It also ensures the Council is managing the risk of ensuring services have the resources to deliver on the Council's statutory responsibilities and corporate priorities whilst recognising the Council's financial position.

3 Members commitment to corporate governance in 2022-23

3.1 The committee is committed to delivering governance oversight for the Council and meetings included development briefings, and items of topical interest, to maintain knowledge and awareness of the Council's Governance Framework. Examples were:

- the role of Corporate Governance, Officers and the annual work plan;
- interpretation of Annual Financial Statements;
- the role of internal audit in Local Government. Update report on audits completed is provided which includes the number of and theme of recommendations;
- risk management;
- reports on the Regulation of Investigatory Powers Act; and
- reports from external audit;

3.2 During the course of the year Audit and Risk Management Committee members received training to develop and enhance their understanding of the Statement of Accounts

3.3 Training for Members of the Audit and Risk Management Committee routinely discussed when reviewing the committee's Work Plan for the year. All members are invited to submit their ideas and suggestions for relevant topics for training or briefing sessions, that will continue to develop their skills or support identified gaps in knowledge.

4 Work programme and outcomes

4.1 The Committee considered the matters in the table below as part of its work programme for 2022-23

Programme	Outcome
Annual Governance Statement 2021-22	<p>The Authority has a statutory duty to publish a statement as to the level of effectiveness its governance and internal control framework.</p> <p>The Audit and Risk Management Committee was able to consider the sources of assurance and approve the content of the Statement prior to its publication with the Financial Accounts.</p> <p>The statement included an action plan which was reviewed during the year to ensure that governance and control framework weaknesses were addressed.</p> <p>This has helped the Council to proactively identify and manage governance and control risks that could affect Corporate Priorities. Examples include changes in legislation, finance and Government policy.</p>
Internal Audit work programme	<p>The Audit and Risk Management Committee received reports, from the Internal Audit Manager, for review of the:</p> <ul style="list-style-type: none"> • Risk based annual plan and strategy, • Performance Outturn 2021-22, • Internal Audit Manager’s opinion on the overall adequacy and effectiveness of the Council’s control environment, and • Progress updates on delivery of the annual plan <p>These reports demonstrate that the Council has arrangements in place to comply with the Accounts and Audit Regulations, to maintain an adequate and effective internal audit and system of Internal Control.</p>
Review of effectiveness of Internal Audit	<p>The Committee received assurances from the Corporate Director & Chief Finance Officer, following a review of Internal Audit effectiveness for 2022-23</p> <p>This confirmed that the Internal Audit Team “generally conforms” and is effective and follows professional quality standards such as the CIPFA “Local Government Application Note” for “Public Sector Internal Audit Standards” and the CIPFA “Statement on the role of the Head of Internal Audit”.</p>

Programme	Outcome
<p>Risk Management Framework</p>	<p>The Committee received regular updates on the Corporate Risk Register, discussed emerging risks, and completed an annual review of the Risk Management Strategy.</p> <p>This provided assurance that significant risks are identified and managed for the Council.</p> <p>In addition, Members requested additional items to be considered which led to some changes to the risk register which have been implemented.</p>
<p>Treasury Management</p>	<p>The Committee received reports throughout the year on the Treasury Management Strategy, Capital Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy and financial performance.</p> <p>This provided assurance that the Council's assets are managed in accordance with the CIPFA Code of Practice on Treasury Management.</p>

APPENDIX 1

**Fenland District Council
Audit and Risk Management Committee Self-Assessment Exercise**

For the year 2022-23

No	Issue	Y	P	N	Evidence/ Comment	Action Required
AUDIT COMMITTEE PURPOSE AND GOVERNANCE						
1	Does the authority have a dedicated audit committee?	Y			Referred to as the Audit and Risk Committee	
2	Does the audit committee report directly to full council? (applicable to local government only)	Y				
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	Y			The Audit and Risk Management Committee has a Terms of reference that follow CIPFA's guidance on Audit Committees	A review will be undertaken in 2023 following the update of CIPFA's Position Statement in June 2022
4	Is the role and purpose of the audit committee understood and accepted across the authority?	Y			The committee's Terms of Reference are documented in the Council's Constitution, which is available on the website, where officers and members can access relevant documentation. The revised Terms of Reference were agreed at Full Council in May 2023.	
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	Y			The committee supports the authority by following the Nolan Principles adopted by the authority and ensuring to the best of their ability that the corporate plan and strategic goals of the authority are adhered to.	
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Y			The Audit and Risk Management Committee reports to Council and provides an annual report to Council. Throughout the year other members of the Council may request to attend meetings.	
FUNCTIONS OF THE COMMITTEE						
7	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?	Y			The Committee's Terms of Reference were updated in 2019/20 and now cover all areas identified in CIPFA's Position Statement	


	good governance	Y				
	assurance framework, including partnerships and collaboration arrangements	Y				
	internal audit	Y				
	external audit	Y				
	financial reporting	Y				
	risk management	Y				
	value for money or best value	Y				
	counter fraud and corruption	Y				
	supporting the ethical framework	Y				
8	Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	Y			The Audit and Risk Management Committee completes an annual report, which encompasses this review. The committee also considers as part of its annual work the Annual Governance Statement and Corporate Risk Register. The Committee regularly receives reports from Internal Audit, External Audit and reviews the financial statements.	
9	Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	Y			The committee reviews Treasury Management reports and has oversight of the annual report.	
10	Where coverage of core areas has been found to be limited, are plans in place to address this?	Y			A review of the Terms of Reference has been completed.	
11	Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	Y				
MEMBERSHIP AND SUPPORT						

12	<p>Has an effective audit committee structure and composition of the committee been selected?</p> <p>This should include:</p> <ul style="list-style-type: none"> • separation from the executive • an appropriate mix of knowledge and skills among the membership • a size of committee that is not unwieldy • consideration has been given to the inclusion of at least one independent member (where it is not already a mandatory requirement) 	Y			<p>The current Committee is separate from the Executive. The current membership has an appropriate mix of knowledge and skills, and the size is not unwieldy. The mix of members from each political party is in line with current policies.</p> <p>The Committee gave due consideration to appointing and independent member and requested that the item be included on the Committee's action plan to review the need and requirement on an annual basis.</p>	A report was presented to the Committee in July 2022 and remains under ongoing review
13	Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council or the PCC and chief constable as appropriate for the organisation?				Not applicable	See 12 above
14	Does the chair of the committee have appropriate knowledge and skills?	Y			<p>The current Chair of the Committee has the appropriate subject knowledge for the position. Members of the Committee are given opportunity to freely discuss matters with fellow members of the Committee. Officers attending the meetings are always available for advice to the chair if required.</p> <p>Training is given to all members of the Audit and Risk Management Committee to ensure appropriate skills are up to date and relevant.</p>	
15	Are arrangements in place to support the committee with briefings and training?	Y			Training for members of the Committee is given to members on specific subjects (mainly technical areas – AGS, Statement of Accounts etc) prior to the official meetings taking place when requested.	
16	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?	Y			<p>The Committee membership is formed from members with financial backgrounds, historical knowledge of the authority, knowledge from other authorities resulting in a varied mix of experience and knowledge.</p> <p>A formal assessment has not taken place, but could be considered.</p>	An assessment of current members against the core knowledge and skills framework is underway
17	Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	Y			All meetings are attended by a mixture of officers, including the Corporate Director / S151 officer, external audit, Chief Accountant, Head of Governance and Internal Audit Manager	

18	Is adequate secretariat and administrative support to the committee provided?	Y			Relevant officers attend meeting to facilitate secretarial and administrative support to the Committee.	
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EFFECTIVENESS OF THE COMMITTEE

19	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Y			The Chairman of the Audit Committee presents an annual report to the Council and receives feedback from the Executive.	
20	Are meetings effective with a good level of discussion and engagement from all the members?	Y			All members are encouraged to be involved fully at all meetings. Relevant officers are invited to attend meetings to provide greater detail to help discussions and engagement.	
21	Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?	Y			The Committee engages with the relevant responsible officers when discussing risks and action plans. Examples of this are the AGS, Corporate Risk Register, Treasury Reports and RIPA policies.	
22	Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	Y			All reports presented to the Committee for approval are discussed and actions minuted on suggested improvements. These actions are reviewed by the officers to ensure they are followed up on and discussed at the following meeting.	
23	Has the committee evaluated whether and how it is adding value to the organisation?		P		No formal evaluation has taken place, but the annual audit committee effectiveness report considers this to some degree.	Consider whether the committee is adding value using the information provided in CIPFA 2018 guidance.
24	Does the committee have an action plan to improve any areas of weakness?	Y			An action plan for the Committee was introduced this year to monitor actions and is included as part of the workplan	Continue to monitor the action plan and how it adds value to the organisation.
25	Does the committee publish an annual report to account for its performance and explain its work?	Y			Audit and Risk Management Committee Annual Report.	

Agenda Item No:	9	
Committee:	Audit and Risk Management	
Date:	24 July 2023	
Report Title:	Internal Audit Charter	

1 Purpose / Summary

The Accounts & Audit Regulations 2015 require every local authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

The attached “Internal Audit Charter” is a document that reflects best practice audit guidance and is reviewed every three years by the Audit and Risk Management Committee.

2 Key issues

- The “Charter” establishes the practices of the Internal Audit Team, for example:
 - the position of independence in the organisation,
 - establishing a right of access to all records, and
 - enabling the Internal Audit Manager to deliver an audit opinion.
- The “Charter” also incorporates additional objectives in respect of Risk Management, Corporate Governance and Anti-Fraud and Corruption.
- The “Charter” has been prepared according to ‘Public Sector Internal Audit Standards’ (PSIAS) and the “CIPFA Local Government Application Note for PSIAS” (LGAN).
- In November 2022 (issued February 2023) an External Quality Assessment was undertaken by Peter Harrison of TIAA which reviewed various internal audit documents including the Internal Audit Charter. As a result of this review the Internal Audit function was assessed to “generally conform” to the PSIAS.
- The “CIPFA Local Government Application Note” was reissued in 2019 and this document has been considered in the review of the “Charter”.
- Job titles, roles and terminology have been updated in the current review.
- All amendments have been highlighted in yellow.

3 Recommendations

It is recommended that the Audit and Risk Management Committee consider and approve the attached “Internal Audit Charter”.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	
Report Originator(s)	David Thacker – Interim Internal Audit Manager
Contact Officer(s)	Peter Catchpole – Corporate Director & Chief Finance Officer Amy Brown – Assistant Director & Deputy Monitoring Officer David Thacker – Interim Internal Audit Manager
Background Paper(s)	Accounts and Audit Regulations 2015 Public Sector Internal Audit Standards 2017 CIPFA Local Government Application Note 2019

4 Background / Introduction

- 4.1 The Internal Audit Charter defines the purpose, authority and responsibility of Internal Audit activities. It supports the Internal Audit plan and helps demonstrate compliance with professional standards.
- 4.2 The Charter is reviewed and presented every three years to confirm its ongoing validity and completeness normally following an External Quality Assessment (EQA) of the Internal Audit function. The document is based on standards established through the “CIPFA Local Government Application Note 2019 for the United Kingdom Public Sector Internal Audit Standards” (LGAN).
- 4.3 The standards cover the following areas:
- Definition of Internal Auditing;
 - Code of ethics;
 - Attributable standards (characteristics); and
 - Performance standards (activities and measurement)
- 4.4 The Chartered Institute of Public Finance & Accountancy (CIPFA) is a global body that represents the public sector accounting and auditing profession. They produce the LGAN to help Local Government Internal Audit teams operate effectively. Internal Audit teams have to demonstrate compliance with the LGAN, which is reported to the Committee annually.
- 4.5 The LGAN is based upon the “Public Sector Internal Audit Standards 2017” (PSIAS) which were published by the Institute of Internal Auditors (IIA). The IIA is a global body that represents Internal Auditors in both the public and private sector. They maintain an International Professional Practices Framework (IPPF) which establishes good practice in internal auditing. The IPPF has recently been reviewed, and the changes may also be adopted by CIPFA following consultation.

5 Considerations

- 5.1 An EQA was undertaken by Peter Harrison of TIAA in November 2022, which was issued in February 2023. The assessment outlined suggestions and recommendations to ensure our Audit Charter complied with the PSIAS. The Internal Audit function was assessed to “generally conform” to the PSIAS. This is the highest rating that can be achieved using the IIA’s EQA assessment model.
- 5.2 The Accounts and Audit regulations set the requirement to undertake an effective internal audit. The regulations have been updated to bring them closer to corporate governance requirements in the private sector, and elsewhere in the public sector. Consequently, there are some minor changes to terminology used. The requirement continues to be the same.

6 Effect on corporate objectives

- 6.1 The Internal Audit Charter and Risk Based Plan supports the Council’s Local Code of Governance, which contributes to the Quality Organisation corporate objective.

7 Conclusions

- 7.1 The “Charter” continues to reflect guidance set by the IIA and CIPFA.
- 7.2 It is good practice for the Audit and Risk Management Committee to review and approve the “Charter” periodically, as it supports the Internal Audit plan.

Internal Audit Charter



1 Introduction

- 1.1 Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control (GRC) processes.
- 1.2 All principal local authorities in the UK must make provision for internal audit. In England this is covered by the 2015 Accounts and Audit Regulations (regulation 5) which requires that: 'a relevant authority must undertake an effective Internal Audit to evaluate the effectiveness of its GRC processes, taking into account public sector internal auditing standards or guidance'.
- 1.3 The Public Sector Internal Audit Standards (PSIAS) set the standard for internal Auditing. Their objective is to:
 - define the nature of internal auditing within the UK public sector
 - set basic principles for carrying out internal audit in the UK public sector
 - establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations, and
 - establish the basis for the evaluation of internal audit performance and to drive improvement planning.
- 1.4 The PSIAS are mandatory and comprise:
 - Mission of Internal Audit
 - Definition of Internal Auditing
 - Core Principles for the Professional Practice of Internal Auditing
 - Code of ethics
 - Attributable standards (characteristics); and
 - Performance standards (activities and measurement).
- 1.5 The Chartered Institute of Public Finance and Accountancy (CIPFA) is a Relevant Internal Audit Standard Setter (RIASS) and are responsible for publishing guidance and Code of Practice to help Internal Audit deliver the PSIAS.
- 1.6 All Internal Audit activity is also carried out in accordance with corporate policy, with specific authority for Internal Audit contained in Financial Regulations C.16 to C.25.
- 1.7 Additional standards for conduct, procedure, and ethics are derived from the professional guidance. This includes the IIA Code of ethics, the CIPFA Code of ethics, plus any additional guidance considered "proper internal audit practices" referred to by the Accounts and Audit Regulations 2015.
- 1.8 The Internal Audit Charter is a formal document that defines the Internal Audit activities purpose, authority and responsibility. It establishes the Internal Audit activity's position within the Council, including the nature of the Internal Audit Manager's functional reporting relationship with CMT and the Audit and Risk Management Committee; authorises access to records, personnel and physical properties relevant to the performance of work; and defines the scope of internal audit activities.
- 1.9 The existence of Internal Audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner.

2 Objectives of Internal Audit

- 2.1 The Mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.
- 2.2 The objectives of Internal Audit are designed to complement the Council's Corporate Priorities, and to add value and improve the Council's operations.
- 2.3 The PSIAS define Internal Audit activity as "assurance" and "consulting". All internal audit assurance and consulting services fall within the scope of the Definition of Internal Auditing.
- 2.4 The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the Internal Audit Manager to provide an annual Internal Audit opinion based on an objective assessment of the framework of GRC.
- 2.5 Consulting services are advisory in nature and are generally performed at the specific request of the organisation, with the aim of improving GRC and contributing to the overall opinion.
- 2.6 The Internal Audit activity must evaluate and contribute to the improvement of GRC processes using a systematic and disciplined approach. Delivery of these objectives will include:
 - Supporting the Corporate Director & Chief Finance Officer to discharge their duties as the Council's "Section 151 Officer";¹
 - promote and raise standards of a positive anti-fraud and corruption culture:
 - facilitate the corporate approach to anti-fraud & corruption
 - help management identify fraud and error risks;
 - provide investigation provision (excluding Housing / Council Tax Benefit fraud);
 - promote and raise standards of risk management:
 - support the corporate approach to risk management;
 - help management identify hazards and risks;
 - communicate risk and control information to appropriate areas of the Council;
 - promote and raise standards of internal control:
 - assist management with continuous improvement by identifying areas in need of improvement and recommending solutions to problems;
 - advise on internal control implications of new systems and changes to existing systems;
 - comply with laws, regulations and ethical standards;
 - assess information technology governance;
 - promote and raise standards of corporate governance:
 - support corporate governance, performance and risk management processes by continuous evaluation and promotion of tools and good practice;

¹ Section 151 of the Local Government Act 1972 requires that an organisation must "make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs".

- include consideration of social concerns, including environmental, equality and community & customer service concerns, impacted upon by audit findings;
- promoting appropriate ethics and values within the organisation;
- evaluate the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities;
- promote and raise standards for efficiency and effectiveness
 - ensure when reviewing systems that consideration is given to identifying and reporting efficiency opportunities, and this work will be performed jointly with the Council's Policy & Communication Team;

3 Location of Internal Audit

- 3.1 Internal Audit is located within the Licensing, Procurement, Internal Audit, Deputy Monitoring Officer, Member Services, RIPA, Information Governance team under the direction of the Assistant Director & Deputy Monitoring Officer, who reports to the Corporate Director & Chief Finance Officer .
- 3.2 The Corporate Management Team is the 'Senior management' of the Council that review the Charter before it is placed before Audit and Risk Management Committee.
- 3.3 The Audit and Risk Management Committee is the 'Board' of the Council that approve the Charter.
- 3.4 The Internal Audit Manager shall report to Audit and Risk Management Committee:
- the Internal Audit Charter;
 - the annual risk-based plan, including adequacy of resource;
 - regular performance and progress of the Internal Audit plan;
 - the opinion on assurance as to levels of internal control;
- 3.5 The Internal Audit Manager, in consultation with the Chief Finance Officer and Assistant Director, will meet with the Audit and Risk Management Committee to discuss GRC. If required, the Internal Audit Manager can meet in private with the Corporate Director and Chief Finance Officer and Audit and Risk Management Committee,.

4 Scope of Internal Audit

- 4.1 A professional, independent and objective Internal Audit service is one of the key elements of good governance, as recognised throughout the UK public sector.
- 4.2 The scope of Internal Audit allows for unrestricted coverage of the authority's entire control environment, its partner organisation's activities and unrestricted access to all records and assets deemed necessary in the course of the assurance work. In addition, where required, the Internal Audit Manager will have unrestricted access to:
- the Corporate Management Team;
 - members and the Audit and Risk Management Committee;
 - all Council employees;
 - partners and contractors where relevant;
- 4.3 The Internal Audit team aims to be approachable and accessible to all of the Council. A positive, open and communicative approach helps develop relationships for efficient audit work and fosters a proactive culture for management of risks.

- 4.4 The Internal Audit team will also support the Council by undertaking work that has the potential to improve management of risks, add value, and improve operations. This could include membership and participation of corporate project groups and ad-hoc exercises.
- 4.5 Internal Audit must be objective and independent and must manage ethical risks that may undermine confidence in the team. Independence and objectivity will be considered prior to commencing any work, and any risks will be discussed prior to undertaking the work.
- 4.6 The allocation of auditor's work will be designed to ensure they are free from conflicts of interest, review of their own advice where they have been involved in the design of a process, policy or procedure.
- 4.7 As far as is practicable, Internal Audit will not participate in the day-to-day operation of any systems of internal financial control.

5 Audit Style

- 5.1 Internal Audit will adopt a risk-based approach to planning assurance work. The planned approach of audit work will be to minimise disruption to the customer and to maximise the efficiency of internal audit review.
- 5.2 The Internal Audit Manager will be required to manage the provision of a complete audit function to the authority which will include systems, regularity, computer and contract audit.
- 5.3 A strategic annual risk-based Audit Plan will be prepared, in consultation with the Corporate Management Team. It will be designed to review areas of significant risk in accordance with the Council's corporate priorities and risk appetite. The plan will be presented to the Audit and Risk Management Committee for agreement and determination of the adequacy of resources required to provide assurance. The risk-based plan will be continuously reviewed and updated in response to changes in risk.
- 5.4 Resources will be managed as planned, or as otherwise agreed with the Corporate Director where unforeseen circumstances arise, to best address the organisational and audit objectives.
- 5.5 Audit work will be supervised and reviewed to ensure that it is completed to consistent standard. This will form part of the continuous quality assurance programme.
- 5.6 Management actions, arising from audit assignments, will be followed-up and escalated where the management response is considered inadequate in relation to the identified risk.
- 5.7 Each area audited will include an opinion on the level of internal control. The approach will reflect the type of assurance work delivered and will contribute to the annual opinion.
- 5.8 Annual reports, and interim updates where appropriate, will be prepared on the work of Internal Audit. This will be agreed with the Corporate Director & Chief Finance Officer and Assistant Director & Deputy Monitoring Officer for presentation to the Audit and Risk Management Committee.
- 5.9 In order to promote Internal Audit, and to create opportunities for effective communication, as much audit work as possible will be done on location with staff whose area of work is being reviewed. If the teams already have regular contact with Internal Audit a lean testing approach will be considered for efficiency.

6 Audit Resources

- 6.1 An objective assessment of the resource requirements for Internal Audit shall be compiled annually for approval by the Corporate Director & Chief Finance Officer and Assistant Director & Deputy Monitoring Officer and presentation to the Audit and Risk Management Committee as part of the annual Risk Based Internal Audit plan.
- 6.2 Requests for unplanned work will be considered against capacity to ensure that Internal Audit's independence is not compromised, and the resource required to provide the annual audit opinion is not compromised.
- 6.3 The Audit and Risk Management Committee will be responsible for approving any new and significant work that requires a revision to the approved plan. A budgeted provision of contingency days will be retained for responsive work that has an insignificant impact to the plan.
- 6.4 Where appropriate Internal Audit will place assurance on the work completed by other assurance providers.
- 6.5 Upon request from the Corporate Director & Chief Finance Officer and Assistant Director & Deputy Monitoring Officer, appropriate specialists, from areas other than Internal Audit, may be made available to take part in any audit or audit related project requiring specialist knowledge. Working papers will be quality assured for consistency.

7 Audit Competencies & Training

- 7.1 The effectiveness of the Internal Audit team depends significantly on the quality, training and experience of its staff. The team will maintain an appropriate mix of knowledge, skills, and competences, to deliver the audit plan. Where appropriate, external expertise will be sought to conduct specialist audits.
- 7.2 The Internal Audit Manager will carry out a continuous review of the development and training needs of the Internal Audit team and will arrange training covering both internal and external courses. Specific resources will be devoted to specialised training as is deemed appropriate to support organisational priorities.
- 7.3 Training needs of individual staff members are identified, delivered, and monitored, through the Council's Springboard process. As well as basic training in audit techniques, and the acquisition of specialist audit skills, the Internal Audit team is committed to coaching and mentoring its staff, networking with other peer authorities, and to providing opportunities for appropriate professional development.
- 7.4 Internal auditors who work in the public sector must demonstrate ethical behaviour. The Internal Audit Manager will ensure that that the team is aware of:
 - CIPFA code of ethics
 - IIA code of ethics
 - Nolan Principles of Public Life

8 Audit Reporting

- 8.1 For each audit, a brief will be prepared, discussed, and agreed with relevant managers. The brief will establish the objectives, scope and timing for the assignment and its resource and reporting requirements.
- 8.2 All audit work will be the subject of formal reports or working papers.
- 8.3 Any High-risk issues will be validated and agreed with the Service Manager upon identification and escalated appropriately and promptly.
- 8.4 Communication of findings will, where appropriate, contain Internal Auditors' opinion and/or conclusions. When issued, an opinion or conclusion will take account of the expectations of the Corporate Management Team, the Audit and Risk Management Committee, other stakeholders, and will be supported by sufficient, reliable, relevant, and useful information. Communications will be accurate, objective, clear, concise, constructive, complete, and timely.
- 8.5 Draft reports will be sent to the managers responsible for the area under review for agreement of the factual accuracy of findings and audit recommendations.
- 8.6 Final reports will be issued to the Team Manager and Corporate Director for the area under review with copies sent to the Corporate Director and the Corporate Director & Chief Finance Officer. Reports will be issued by the Internal Audit Manager or reviewed by the Internal Audit Manager and delegated to the Internal Auditor completing the audit work.
- 8.7 In circumstances where it is not practical to report to the Line Manager because to do so may harm any further investigation or outcomes, then the Internal Audit Manager and Chief Finance Officer shall rely on their professional judgment and decide for the best interests of the Council whether to report matters internally, externally, and whether to inform the Chairman of the Audit and Risk Management Committee.
- 8.8 During consulting work, GRC issues may be identified. Whenever these issues are significant to the Council, they will be communicated to the Corporate Management Team.

9 Quality Assurance


- 9.1 The Internal Audit Manager shall ensure a review of completed audit assignments for quality against relevant professional standards and will implement any necessary action in response to any weaknesses identified. The Internal Audit Manager shall utilise appropriate targets and measures to steer performance and quality.
- 9.2 Periodic feedback shall be obtained from users in respect of individual audits and the service as a whole.
- 9.3 Periodic Quality Assurance of the effectiveness of Internal Audit shall be performed on a cycle that complies with professional standards. This will typically be an internal independent review, completed annually by the Corporate Director & Chief Finance Officer. An external assessment will be conducted once every five years by a qualified, independent assessor to verify compliance. The outcome of the review will be reported annually to the Audit and Risk Management Committee.

10 Glossary of terms

The following glossary is for key terms used in the PSIAS, LGAN and the Internal Audit Charter

Term	Long name	Description
IIA	Institute of Internal Auditors	Global profession representing Internal Auditors
PSIAS	Public Sector Internal Audit Standards	Definition, Code of Ethics and Standards set by the IIA
LGAN	CIPFA Local Government Application Note	Sector specific guidance to supplement the PSIAS, authored by CIPFA.
RIASS	Relevant Internal Audit Standard Setters	The professional bodies responsible for providing codes of practice to supplement the PSIAS
CIPFA	Chartered Institute of Public Finance & Accountancy	Public Sector RIASS for Local Government.
Board	Audit and Risk Management Committee	The Committee responsible for Corporate Governance as defined by the Code of Governance and the Council Constitution.
Senior management	Corporate Management Team	The Managers of the Council.
CAE	Chief Audit Executive	The post-holder responsible for the day to day management of the Internal Audit team. At FDC the post is called the Internal Audit Manager.
Assurance	Na	The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the Internal Audit Manager to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.
Consulting	Na	Consulting services are advisory in nature and are generally performed at the specific request of the organisation, with the aim of improving governance, risk management and control and contributing to the overall opinion.

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Agenda Item No:	10	
Committee:	Audit and Risk Management	
Date:	24 July 2023	
Report Title:	Internal Audit Plan 2023-24 Progress Report Q1	

1 Purpose / Summary

- To report progress against the Internal Audit Plan 2023-24 for the period 1 April 2023 until 30 June 2023 and the resulting level of assurance from the planned work undertaken.
- To provide an update to members on the resourcing issues of the Internal Audit team.

2 Key issues

- The Council's Internal Audit Plan is produced on an annual basis. It is an estimate of the work that can be performed over the financial year. Potential areas of the Council for audit are prioritised based on a risk assessment, enabling the use of Internal Audit resources to be targeted at areas of emerging corporate importance and risk.
- The format of the plan reflects the Public Sector Internal Audit Standards (PSIAS) which were introduced in April 2016 and applicable from April 2017. It also incorporates the governance and strategic management arrangements of Internal Audit resources.
- Performance Standard 2060 of the PSIAS requires the Internal Audit Manager to report to the Committee on the Internal Audit activity and performance relative to this Plan.
- Audit and Risk Management Committee approved the Internal Audit Plan 2023-24 on 20th March 2023.
- Members of the Audit and Risk Management Committee are keen to receive proactive performance reporting in relation to progress against the Internal Audit plan on a quarterly basis.
- Proactive quarterly monitoring of the Internal Audit plan will enable the Committee to understand the audit activity which has successfully taken place and the associated assurance level.

3 Recommendations

- For Members of Audit and Risk Management Committee to consider and note the activity and performance of the Internal Audit function.

Wards Affected	All
Forward Plan Reference	N/A
Portfolio Holder(s)	Councillor Kim French - Audit and Risk Management Committee Chairman
Report Originator(s)	David Thacker – Interim Internal Audit Manager
Contact Officer(s)	Amy Brown – Assistant Director, Legal and Governance abrown@fenland.gov.uk 01354 622450 Peter Catchpole - Corporate Director & CFO pcatchpole@fenland.gov.uk 01354 622201 David Thacker – Interim Internal Audit Manager
Background Paper(s)	Annual Risk Based Internal Audit Plan 2023-24 Internal Audit Outturn and Quality Assurance Review 2022-23

1 Background / introduction

- 1.1 This report includes details of the Internal Audit activity undertaken for the period 1 April 2023 to 30 June 2023.
- 1.2 The annual Internal Audit Plan is formulated in advance, following an assessment of risks inherent to services and systems of the Council based on Internal Audit and Management knowledge at that time. During the period that follows, changes in the control environment may occur due to, for example:
- introduction of new legislation/regulations;
 - changes of staff;
 - changes in software;
 - changes in procedures and processes; and
 - changes in service demand.
- 1.3 In respect of resources, an interim Internal Audit Manager was appointed and started on 15 May 2023 on a six-month contract. The appointment has assisted with the management of the Internal Audit team and includes conducting a revision of the Audit Plan 2023-24, which will be presented to the Committee in September.
- 1.4 In conjunction with revising the current Audit Plan 2023-24, the interim Internal Audit Manager will also assess and report on any additional resource requirements necessary to ensure there is sufficient capacity within the team to achieve the desired outcomes. The Council is currently advertising for a replacement Head of Audit and it is expected that interviews will take place in August. Furthermore, service leads have and continue to look to identify supplementary delivery options to assist with more technically 'specialist' audits and/or where necessary to further supplement the work of the team. A further vacancy will arise with effect from the beginning of August and the options for replacing this role will be considered in conjunction with the ongoing recruitment exercise. It is anticipated that there will therefore be a short period of reduced activity during August however, this will provide an opportunity for the interim Internal Audit Manager to focus on the overall needs of the service going forward.

2 Monitoring

- 2.1 On completion of each audit a formal report is issued to the relevant Service Manager and Corporate Director. A copy is also sent to the Corporate Director – Finance (S151 Officer). Each report contains a management action plan, with target dates, that have been agreed with managers to address any observations and recommendations raised by the Internal Auditor. Progress on recommendations is monitored on a quarterly basis.
- 2.2 The following audits are currently being finalised or ongoing and will be reported to the committee in future progress reports:
- Housing Options – draft report to be discussed with Management.
 - Public Health Funerals – draft report to be discussed with Management.
 - Licences – Other – fieldwork completed. Report being drafted.
 - Licences – Animal Welfare – fieldwork completed. Report being drafted.
 - Trading Operations – Cemetery Income – in progress.

- 2.3 In the first quarter of the year other work that the internal audit team have been involved to assist with and to provide additional assurance are detailed below:
- Care and Repair Disabled Facilities Grants declarations
 - National Fraud Initiative work
 - Risk Management Group
 - Major Project support and advice
 - Follow up reviews on outstanding recommendations

DRAFT AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
25 September 2023	Audit Results Report 2021/22 (ISA260)	Annual	External Audit	To consider and note the external audit results report (<i>deferred from July</i>)
	Statement of Accounts 2021/22	Annual	Mark Saunders	To review and approve the Statement of Accounts 2021/22 (<i>deferred from July</i>)
	Letter of Representation 2021/22	Annual	Mark Saunders	To agree the format and content of the Letter of Representation provided to the External Auditors at the conclusion of the 21-22 Statement of Accounts audit. To be signed by the Chair of AMRC and s.151 Officer (<i>deferred from July</i>)
	Anti-Fraud and Corruption Policy and Strategy	4-yearly	Audit	To agree proposed changes/updates to the Anti-Fraud Policy (<i>deferred from July</i>)
	Annual Governance Statement 2022 - 23	Annual	Audit	Regulation 6(1) of the Accounts and Audit Regulations 2015, require the Council to conduct an annual review of the effectiveness of its system of internal control and publish an Annual Governance Statement (AGS). The CIPFA Finance Advisory Network has issued detailed practical guidance for meeting the requirements of the Accounts and Audit Regulations
	Statement of Accounts 2022-23	Annual	Mark Saunders	Review and approve the Statement of Accounts 2022-23
	External Audit Plan 2023-24	Annual	External Audit	To discuss the updated plan after review by the Interim Head of Audit
	Internal Audit Plan 2023/24 – Quarterly Update	Progress report	Audit	To consider and note the activity and performance of the Internal Audit function.
	Audit and Risk Management Committee Work Programme	Quarterly	Audit	Information purposes

Agenda Item 11

DRAFT AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME

DATE OF MEETING	TITLE	TYPE OF REPORT	LEAD OFFICER	OBJECTIVES AND DESIRED OUTCOMES
20 November 2023	Audit Results Report 2022/23 (ISA 260)	Annual	Audit	To consider and note the external audit results report.
	Letter of Representation 2022/23	Annual	Mark Saunders	To agree the format and content of the Letter of Representation provided to the External Auditors at the conclusion of the 22-23 Statement of Accounts audit.
	Treasury Management Strategy Statement and Annual Investment Strategy Mid-year review	6 monthly	Mark Saunders	To review the activity for first 6 months of the year and to provide members a update on matters pertinent to the Councils Treasury Management Strategy
	Internal Audit Plan 2023/24 Progress report Q2	Quarterly	Audit	To consider and note the activity and performance of the Internal Audit function.
	Anti-Money Laundering Policy	4-Yearly	Audit	To agree proposed changes/updates to the Anti-Money Laundering Policy
	Corporate Risk Register - Quarterly update	Quarterly	Stephen Beacher	To review and approve the quarterly risk register (Training to be provided before the meeting).
	Audit and Risk Management Committee Work Programme	Quarterly	Audit	Information Purposes
12 February 2024	Annual Audit Letter 2023/24	Annual	Audit	To note the independent external auditors, Ernst &Young (EY), Annual Audit Letter
	Treasury Management Strategy Statement, Capital Strategy, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2023/24	Annual	Mark Saunders	To endorse the strategy to be included in the final budget report
	Internal Audit Plan 2023/24 Progress report Q3	Quarterly	Audit	To consider and note the activity and performance of the Internal Audit function

DRAFT AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME

	Corporate Debt Policy	4 Yearly	Audit	To agree proposed changes/updates to the Corporate Debt Policy
	Risk Register – Quarterly update	Quarterly	Stephen Beacher	To review and approve the quarterly risk register.
	Audit and Risk Management Committee Work Programme	Quarterly	Audit	Information Purposes
25 March 2024	Risk Based Internal Audit Plan 2024/25	Quarterly	Audit	To approve the internal audit plan and resources for the forthcoming year
	Annual Governance Statement Update 2022/23		Audit	To review and note the progress on the Annual Governance Statement action plan arising from 2022/23.
	Risk Management Strategy and Corporate Risk Register	Annual	Stephen Beacher	To consider and note the annual review of risk management and corporate risk register.
	Audit and Risk Management Committee Work Programme	Quarterly	Audit	Information Purposes

DRAFT AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME

Future items *(when to be brought to the committee in 2023/24 to be determined)*

- Anti-Fraud and Corruption Policy and Strategy (4 Years) – September 2023
- Anti-Money Laundering Policy (4 Years) – November 2023
- Corporate Debt Policy (4 Years) – February 2024

Cyclical Items not due this year *(unless policy or legislation changes require amendments prior to review date)*

- Internal Audit Charter July 2023
- Whistleblowing Policy June 2024
- ARMC Terms of Reference December 2024
- External Auditor Appointment Process Dec – Feb 2027

Audit and Risk Management Committee Training sessions 2023/24

- Introduction to ARMC – External Training 24th July 2024
- Statement of Accounts – Mark Saunders 25th September 2024
- Risk Register – Stephen Beecher 20th November 2024

Audit and Risk Management Committee Action Plan

Title	Comments	Due by	RAG
Independent Member appointment	A report was presented to the committee in July 2022, with the committee agreeing in principle to progress with an independent member appointment to ARMC. Further report outlining skills analysis and job description to be brought back to ARMC for recommendation to Council.	December 2023	Not due yet
Committee Training	Committee Members to discuss training requirements and provide officers with suggested training topics for future meetings.	Ongoing	

AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME 2023-24

Abbreviations Used in Audit & Risk Management Committee

AGS	Annual Governance Statement
ARG	Additional Restrictions Grant
ARP	Anglia Revenue Partnerships
BCP	Business Continuity Planning
BEIS	The Department for Business, Energy and Industrial Strategy
CFR	Capital Financing Requirement
CIPFA	Chartered Institute of Public Finance and Accountancy
CIS	Commercial Investment Strategy
CMT	Corporate Management Team
CNC	CNC Building Control
CPCA	Cambridgeshire & Peterborough Combined Authority
CPE	Civil Parking Enforcement/
CPLRF	Cambridgeshire & Peterborough Local Resilience Forum
CTS	Council Tax Support
DFG	Disabled Facilities Grants
DPA	Data Protection Act
CSR	Comprehensive Spending Review
FFL	Fenland Future Ltd
GDPR	General Data Protection Regulations
IAS	International Accounting Standards
IFRS	International Financial Reporting Standard
LGA	Local Government Association
LGSS	Local Government Shared Services
LRSG	Local Restrictions Support Grants
MHCLG	Ministry of Housing Communities and Local Government
MoU	Memorandum of Understanding
MRP	Minimum Revenue Provision
MTFP	Medium Term Financial Plan
MTSP	Management, Trade Union & Staff Partnership
NFI	National Fraud Initiative
NNDR	National Non-Domestic Rates
OIB	Operational Improvement Board (ARP)
OLTL	Other Long-Term Liabilities
PPA	Post Payment Assurance
PSAA	Public Sector Auditor Appointments
PSIAS	Public Sector Internal Audit Standards
PWLB	Public Works Loan Board
RIPA	Regulation of Investigative Powers

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