



**PETERBOROUGH CITY COUNCIL AUDIT COMMITTEE
ANNUAL REPORT
2023 / 2024**



Assurance

Governance

Accountability

Risk Management

Independence

AUDIT COMMITTEE: ANNUAL REPORT 2023 / 2024

INTRODUCTION 3
FOREWORD 3
INTRODUCTION FROM CHAIR 4
MEMBERSHIP AND MEETINGS 5
KEY ACTIVITIES DURING THE MUNICIPAL YEAR 5
WORK AT MEETINGS 8
FUTURE DEVELOPMENTS AND PLANS FOR 2024 / 2025 12



INTRODUCTION

FOREWORD

It gives me great pleasure to provide the Audit Committee's Annual Report for the municipal year 2023/2024. The Council is requested to note the work carried out by the Audit Committee in improving the governance arrangements across the Council.

I am a new Chair of The Audit Committee and have not been in post for the whole year, however it has very quickly become clear how important the committee is and the huge amount of work that goes into ensuring it is an effective committee. I would like to thank the members of the Audit Committee, and the officers of the Council who have provided reports and papers to the Committee, for their diligence in working through the many areas noted in this report.

The areas which have been encouraging throughout the year include:

- The Audit Committee has adopted revised Terms of Reference which reflect CIPFA best practice.
- Internal Audit have provided routine reports which have set out their audit plans for the year followed by progress. Where there have been areas of concern or poor assurance activities Audit have provided updates for Members.
- All services have provided detailed, but concise reports in all areas allowing appropriate challenge by Members.
- There has been good collaboration between Members and Officers in shaping the delivery of the Committee.

The areas of concern include:

- Closure of accounts has been an issue due to ongoing resourcing issues / dialogue with our External Auditors. This is not unique to Peterborough.
- Risk Management is evolving within PCC but is not embedded. The approach has changed in year and Audit Committee will have oversight of the new framework.
- Prior year reports have spelt out resources within Internal Audit have been stretched due to recruitment failures. We will monitor the levels of resources available to deliver the audit plans and any other requests made.

Conclusion

Overall, during my time as Chair, I have been pleased with the progress of the Committee and the positive attitude of the officers of the Council to improve governance, risk management and the control environment.

**Independent Chair of the Audit Committee
Daniel Schumann**

INTRODUCTION FROM CHAIR

This is the 16th annual report produced by Peterborough City Council's Audit Committee. It is produced in accordance with latest best practice. This report sets out what the Committee has looked at and concentrated on over the past 12 months in line with the constitution. I believe it is vital that this work continues and is strengthened, especially given the unique and sever shifting challenges the Council face over the coming years.

It is clear from our meetings and the other work of the Council that Councillors and officers are working hard to operate the highest standards of governance. The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risks and weakens the control environment, and to oversee the financial reporting process.

The key benefits of an Audit Committee can be seen as:

- Effective challenge and scrutiny of the accounts, controls and governance adopted across the Council so that the wider PCC community can be confident that the monies are being protected and used wisely
- Open and transparent in all of its transactions
- Raising financial and governance standards

The Terms of Reference for the Audit Committee can be found at **Annex B** of this report.

The committee operates a rolling programme of work and trackable action log to ensure that areas of concern and interest are followed up and information is circulated back to members of the committee. In addition, the committee has been keeping a track of the items presented and how these relate to the committee's terms of reference.

This report sets out the work undertaken by the Audit Committee for 2023/ 2024 and highlights those areas where the Committee's scrutiny and review process has made a positive difference to performance. Furthermore, I am pleased that the work of the committee continues to improve transparency and serves the important function of holding officers to account.

As we move into another year, I hope that the committee can further focus on the risks the Council might encounter in future years and how the Council proposes to deal with those. Training is an important element for all Audit Committee members, whether they are experienced or not and it is important that this remains a focus, enabling the committee members to best effectively scrutinise the functions of the Council's audit processes. I am pleased that the committee has carried out a thorough review of its terms of reference, but this must stay under review to ensure that the committee's work remains up to date and it makes the right challenges, and scrutiny is in place to further enhance the work of the Audit Committee.

MEMBERSHIP AND MEETINGS

During 2023 / 2024, the Audit Committee met on the following dates:

- 24 July 2023
- 11 September 2023
- 27 November 2023
- 29 January 2024
- 18 March 2024

There is a cross representation of all parties in accordance with the make-up of the Council. The members for 2023 / 2024 are attached at **Annex A**.

KEY ACTIVITIES DURING THE MUNICIPAL YEAR

Background

The Audit Committee's **terms of reference** covers 6 main areas:

- Internal Audit
- Internal Control and Corporate Governance
- Annual Accounts
- Risk management
- External Audit
- Counter Fraud and Irregularities

Internal Audit

Internal Audit provides an independent review of the functions and services delivered across the Council. Its focus is driven by the risks / controls in those functions and the activities undertaken to mitigate them.

It sets out plans for each year and these are monitored against. Plans change as risks change across the Council and these are reported through to Committee.

Role of the Committee – The review of the Internal Audit Plan is a key task for the Committee and provides an opportunity to review the content of the plan and the risks and priorities identified by the Chief Internal Auditor alongside the resourcing. As well as being important to Internal Audit, it is also at the heart of what the Committee do over the year. The audits contained in the plan will feature risk and assurance issues which will be considered as part of the Committee's agenda. Progress reports will be produced and key issues and recommendations arising highlighted to the Committee together with actions taken to address them by management.

In reviewing the annual Audit Opinion, it will also provide assurance towards the Annual Governance Statement.

Internal Control and Corporate Governance

Each Local Authority operates through a governance framework. This brings together an underlying set of legislative requirements, governance principles and management processes. These are collected in the Local Code of Governance and published as part of the accounts in the Annual Governance Statement. This should be an open and honest statement setting out what

works well and where improvements are needed.

Internal controls represent actions / procedures performed by management to increase the likelihood activities achieve their objectives. In other words, control is a response to risk, either to contain the risk to an acceptable level or to increase the likelihood of a desirable outcome. These would cover operational controls, financial controls or compliance controls.

Role of the Committee: The Audit Committee has an ongoing role in delivering good governance. It should have oversight of the Local Code and the Annual Governance Statement and monitor progress on actions taken against any shortcomings identified.

Internal controls will be closely linked with reviews of the Annual Governance Statement. It will also need to be scrutinised in relation to any reports produced by Internal Audit, Risk Management, Finance or External Audit.

Annual Accounts

The Statement of Accounts brings together the major financial statements for the financial year and are prepared in accordance with statutory guidance. The statements and the notes that accompany them give a full and clear picture of the financial position of the Council.

Role of the Committee:

The Audit Committee has a responsibility to receive and approve the Statement of Accounts. This includes the review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

Risk Management

Risk Management forms part of effective governance. Internal controls are influenced by risks. Effective control will manage an identified risk, perhaps by reducing the likelihood of the risk happening or minimising the impact if it did.

Role of the Committee: The ways that the Audit Committee fulfils its role includes:

- oversight of the risk management function and its effectiveness
- reviewing risks and assessing the maturity of the Council
- commenting on changes to Risk Management policies
- understanding the key strategic risks facing the Council

As well as supporting effective risk management, knowledge of the Council's key risks helps the Committee discharge its responsibilities such as reviewing the Internal Audit Plan or Annual Governance Statement.

External Audit

The external auditors provide an opinion on the Council's Statement of Accounts. Their opinion is provided as to whether they give a true and fair view of the financial position of the Council and if they have been properly prepared. As part of their audit, they will provide a separate report - The Audit Results Report (ISA 260).

Role of the Committee: The Audit Committee has a responsibility to receive and note the Audit Results Report on behalf of the Council. This report will be reviewed by the Committee and any issues in the report arising from the audit of the accounts will be considered.

Counter Fraud & Irregularities

Good governance is the cornerstone of an effective Council. However, there are occasions when standards drop below this, and steps are taken to investigate and correct. Sometimes these also impact on the Council from external sources and these need to be verified.

Role of the Committee: Key roles for the Committee include:

- reviewing Counter Fraud strategies and championing good practice across the organisation
- monitoring outputs from fraud works undertaken, whether from specific works or the National Fraud Initiative

DRAFT

WORK AT MEETINGS

24 July 2023

- [Audit Results Report](#)

The report covered the requirement of the National Audit Office (NAO) Code of Audit Practice for the Council's external auditors to issue its Annual Audit Report to the Audit Committee following the conclusion of the audit and the issue of the audit certificate.

- [Verbal Update – External Audit Plan](#)

The Committee received a verbal update from the Council's external auditors about the external audit plan for the year ended 31 March 2022.

- [Annual Report: Insurance 2022/2023](#)

The report presented the work carried out during the previous year to provide an effective insurance function which provided cover for all aspects of the Council.

- [Fraud and Investigations 2022/2023](#)

The report outlined the work undertaken in the previous year to minimise the risk of fraud, bribery and corruption occurring in the Council.

- [Annual Internal Audit Opinion 2022/2023](#)

The report presented the Council's Chief Internal Auditor's annual report for the year ended 31 March 2023, which presented an overall opinion on the soundness of the control environment in place to minimise risk to the Council. The report was based on the findings of audits and activities undertaken by the Council's Internal Audit team during 2022/23.

- [Draft Annual Governance Statement 2022/2023](#)

The production of the Annual Governance Statement (AGS) forms part of the annual closure of accounts process. This provided the Committee with an overview of the processes and procedures in place adopted by the Council to manage its affairs.

- [Review of the Effectiveness of the Audit Committee](#)

The Audit Committee reviewed its effectiveness over the past 12 months and the key areas that the Committee focused on. The report also contained an assessment against an existing good practice model in respect of the knowledge and skills expected of an effective audit committee to enable it to effectively discharge its duties.

- [Budget Monitoring Report Final Outturn 2022/2023](#)

The report provided the Audit Committee with the outturn position for both the revenue budget and capital programme for 2022/23. This also contains performance information on the payment of creditors and collection performance for debtors, local taxation and benefit overpayments.

11 September 2023

- [**Peterborough City Council Draft Risk Management Framework and Draft Strategic Risk Register**](#)

This report was submitted to the Committee following a recommendation in October 2022 to provide an understanding as to the development of the Council's Draft Risk Management Framework and Draft Strategic Risk Register.

- [**Update – Commercial and Procurement Service**](#)

This report set out the progress on procurement activity since October 2022, including additional information requested by the Committee at its meeting of 24 July 2023. The report allowed the Committee to monitor the effective development of risk management and corporate governance in the Council.

27 November 2023

- [**Internal Audit Mid-Year Progress**](#)

The purpose of this report was to provide an overall opinion on the soundness of the control environment in place to minimise risk to the council. It is based on the findings of the completed internal audits from the Annual Audit Plan 2023 / 2024 as of 30 September 2023.

- [**Treasury Management Mid-Year Update**](#)

This report covered an update on interest rate forecasts, a review of compliance with Treasury and Prudential Limits for 2023/2024, the Council's capital expenditure (as set out in the Capital Strategy) and prudential indicators, a review of the Council's borrowing strategy for 2023/2024, and a review of the Council's investment portfolio for 2023/2024.

- [**Annual Report Corporate Complaints**](#)

The report outlines the Council's management of complaints and the action taken to address concerns of customers. This was an opportunity to review the effectiveness of handling complaints and identify areas for future scrutiny.

- [**Audit Committee Terms of Reference**](#)

This report asked the Audit Committee to consider changes to its terms of reference in line with recent Chartered Institute of Public Finance and Accountancy (CIPFA) guidance. Comments were provided for the Interim Director of Legal and Governance and Monitoring Officer to consider and bring back to a future meeting for adoption a revised terms of reference for the Committee.

29 January 2024

- **[Audit Committee Terms of Reference](#)**

This report was submitted to the Audit Committee for it to consider proposed changes to its Terms of Reference, in line with the CIPFA guidance, and if they should be referred to the Full Council for approval.

- **[Peterborough City Council Audit Update – Year Ending 31 March 2021](#)**

This report covered the requirement of the National Audit Office (NAO) Code of Audit Practice for the Council's external auditor to issue an Annual Audit Report to Those Charged with Governance (the Audit Committee) following conclusion of the audit and issue of the audit certificate.

- **[Risk Management](#)**

This report provided the Audit Committee with an updated position statement on the risk register and the mitigating factors and actions reported through the Corporate Leadership Team (CLT) to ensure buy in / oversight at the top table.

- **[Internal Audit Plan 2024-2025 – Approach to Audit Planning](#)**

The purpose of this report was to provide the Audit Committee with details of Internal Audit's annual planning approach and emerging issues and risks that Internal Audit need to provide assurance over. It provides an opportunity for the Committee to consider these themes and provide input into the development of the Audit Plan.

- **[2024/2025 Draft Treasury Management Strategy](#)**

This report provided the Treasury Management Strategy 2024/25 to the Audit Committee for approval of the policies and Prudential Indicators in line with the consultation timelines for the Medium Term Financial Strategy (MTFS).

- **[Annual Governance Statement Review](#)**

This report requested that the Audit Committee considered progress against previously identified corporate governance weaknesses. In line with best practice, the actions are reported through the Corporate Leadership Team (CLT) to ensure buy in / oversight at the top table.

- **[Teachers' Pension Audit](#)**

The purpose of this report was to note the report and the findings of the auditors who reviewed the teachers pensions contributions collected and submitted by Peterborough City Council.

18 March 2024

- **[2022/23 Statement of Annual Accounts](#)**

This report was submitted to the Audit Committee to allow it to review the annual statement of accounts, specifically, to consider whether appropriate accounting policies had been followed and whether there were concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

- **[2020/21 EY Annual Report](#)**

The purpose of this annual report is to bring together all the auditors work over the year. It aims to draw the council's attention recommendations arising from the audit and following up of recommendations previously issued.

- **[Treasury Management Quarter 3 Update](#)**

This report provided the Audit Committee with the Council's quarter 3 2023/2024 position of the prudential indicators and forecast outturn, economic and interest rate forecast.

- **[Audit Committee Terms of Reference](#)**

The Audit Committee was asked to recommend to Full Council that it adopts the amended terms of the reference for the Committee, subject to further amendments identified since the resolution at the Committee's meeting of 29 January 2024.

- **[Internal Audit: Strategy and Annual Plan 2024-25](#)**

The purpose of this report was to ensure that the Audit Committee reviewed and agreed the audit activity for the next audit year.

FUTURE DEVELOPMENTS AND PLANS FOR 2024 / 2025

Overall, the Audit Committee want to continue to develop and build on our current achievements.

For 2024 / 2025 this will involve:

- Continuing to drive up standards of corporate governance;
- Continuing to equip existing and any new Members to fulfil the Audit Committee's responsibilities by providing or facilitating training on all aspects of the Audit Committee's remit. The Chair will seek views of Members on their concerns and areas of perceived risk and will look to get officers to deliver training throughout the year;
- Assisting and supporting officers to promote the work of the Audit Committee and the roles of internal audit, external audit and risk management;
- Supporting the continued production of high quality and compliant statutory accounts;
- Helping to further increase awareness within the Council of its governance arrangements and areas of risk, with particular emphasis on information for tackling fraud and corruption;
- Areas of growing or increased risk will be explored through the Committee and this may include procurement, value for money, MTFs, corporate services and specific "deep dives" to establish compliance against standards; and
- Providing effective challenge to officers, raising awareness for sound internal control arrangements and giving assurance to the Authority that its control arrangements are sound.

ANNEXES

Annex A – Audit Committee Membership 2023/2024

Annex B – Audit Committee Terms of Reference (adopted by Full Council 20 May 2024)

Annex C – Audit Committee Draft Work Programme 2024/2025

AUDIT COMMITTEE MEMBERSHIP 2023/2024



Daniel Schumann – Independent Co-opted Member (Chair)



Councillor Mohammed Haseeb (Vice-Chair)

Councillor Simon Barkham



Councillor Judy Fox



Stuart Green – Independent Co-opted Member



Councillor Dennis Jones

Mike Langhorn – Independent Co-opted Member



Councillor Michael Perkins



Councillor Mohammed Rangzeb



Councillor Brian Rush

Audit Committee

1. Objectives of Audit Committee

To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects governance and to oversee the financial reporting process.

2. Training

- 2.1 Prior to holding a seat on this committee, members are required to undertake relevant training which will continue on an annual basis

3 Terms of Reference

- 3.1 To consider the annual report and opinion of the Executive Director of Corporate Services and S151 Officer and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- 3.2 To approve the internal audit charter.
- 3.3 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- 3.4 To consider summaries of specific internal audit reports as requested.
- 3.5 To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources
- 3.6 To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- 3.7 To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
- updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the Quality Assurance and Improvement Programme (QAIP)

- reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
- 3.8 To consider the head of internal audit's annual report, including:
- the statement of the level of conformance with the Public sector internal audit standard and Local Governance Application Note and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit)
 - the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the Annual Governance Statement).
- 3.9 To consider reports dealing with the management and performance of the providers of internal audit services.
- 3.10 To consider reports where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns that agreed recommendations have not been implemented within a reasonable timescale.
- 3.11 To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- 3.12 To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.
- 3.13 To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- 3.14 To consider a report on the effectiveness of internal audit to support the Annual Governance Statement where required to do so by the accounts and audit regulations
- 3.15 To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.
- 3.16 To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments Ltd (PSAA) or the authority's auditor panel as appropriate.
- 3.17 To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- 3.18 To consider specific reports as agreed with the external auditor.
- 3.19 To comment on the scope and depth of external audit work and to ensure it gives value for money.

- 3.20 To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies
- 3.21 To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- 3.22 To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee
- 3.23 To liaise with the PSAA over the appointment of the council's external auditor.
- 3.24 To commission work from internal and external audit.
- 3.25 To have oversight of the Regulation of Investigatory Powers policy and processes.
- 3.26 To recommend any changes regarding the Council's Whistle-Blowing policy and arrangements to Full Council.
- 3.27 To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.
- 3.28 To monitor progress in addressing risk-related issues reported to the committee.
- 3.29 To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 3.30 To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- 3.31 To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- 3.32 To review the assessment of fraud risk and potential harm to the council from fraud and corruption.
- 3.334 To monitor the counter fraud strategy, actions and resources
- 3.345 To review the governance and assurance arrangements for significant partnerships or collaborations.
- 3.356 To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement

4. Regulatory Framework

- 4.1 To review any issue referred to it by the Chief Executive or a Director, or any Council body.
- 4.2 To monitor the effective development and operation of risk management in the Council

- 4.3 To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process and review the assessment of fraud risk and potential harm to the council from fraud and corruption
- 4.4 To oversee the production of the authority's Annual Governance Statement prior to recommending its adoption and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion
- 4.5 To consider whether the annual evaluation for the Annual Governance Statement fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives
- 4.6. To review the Council's arrangements for corporate governance against the good governance framework, including the ethical framework and agree necessary actions to ensure compliance with best practice and consider the local code of governance

5. Accounts

- 5.1 To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- 5.2 To review and approve the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- 5.3 To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.
- 5.4 To consider reports on the effectiveness of financial management arrangements including compliance with CIPA's Financial Management Code.

6. Independent Members of Audit Committee

- 6.1 The Audit Committee will include up to 3 independent co-opted non-voting members sitting alongside 7 elected members. Independent members will be appointed by the Council to serve an initial 4 year term, which may be extended with the agreement of Council.
- 6.2 The Committee will be chaired by an Independent Member. In the absence of the appointed chair one of the remaining two Independent Members will be appointed as Chair by the Committee.
- 6.3 The Vice-Chair will be an elected member whose purpose will be to support the Chair and in the event of an equality of votes, to exercise a second or casting vote.
- 6.4 The role of an Independent Member is to support the Council's Audit Committee in its role to provide independent assurance to the members of Peterborough City Council, and its wider citizens and stakeholders.

- 6.5 Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate independence, integrity, objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.
- 6.6 Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, the effective development and operation of risk management and control of the authority.

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

Details as Per Constitution				Committee Cycle Schedule					
Aud Cttee ToR		Previous ToR (2/2023)	Lead Officer	June ⁽¹⁾	July	Sept	Nov	Jan/Feb	Mar
1	OBJECTIVES OF AUDIT COMMITTEE								
	To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects governance and to oversee the financial reporting process								
2	TRAINING								
2.1	Prior to holding a seat on this Committee, Members are required to undertake relevant training which will continue on an annual basis	2.2.1	Democratic Services	Training sessions will be scheduled throughout the year (prior to each Committee meeting together with separate events). These will be providing by external trainers as well as key internal staff					
3	GOVERNANCE								
3.1	To consider the annual report and opinion of the Executive Director of Corporate Services and S151 Officer and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.	2.2.2.1	Chief Internal Auditor	-	X	-	-	-	-
3.2	To approve the internal audit charter.	2.2.2.3	Chief Internal Auditor	-	-	-	-	-	X
3.3	To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.		Executive Director for Corporate Services	-	-	-	-	-	-
3.4	To consider summaries of specific internal audit reports as requested.	2.2.2.2	Chief Internal Auditor	-	-	-	-	-	-

¹ No scheduled meeting. Set aside for initial training on role of Committee etc.?

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

3.5	To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.	2.2.2.3	Chief Internal Auditor	-	-	-	X	-	X
3.6	To approve significant interim changes to the risk-based internal audit plan and resource requirements.	2.2.2.3	Chief Internal Auditor	-	-	-	X	-	X
3.7	To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include: – updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work – regular reports on the results of the Quality Assurance and Improvement Programme (QAIP) – reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.	2.2.2.3	Chief Internal Auditor	-	X	-	X	-	-
3.8	To consider the head of internal audit's annual report, including: – the statement of the level of conformance with the Public Sector internal audit standard and Local Governance Application Note and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit) – the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the Annual Governance Statement).		Chief Internal Auditor	-	X	-	-	-	-

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

3.9	To consider reports dealing with the management and performance of the providers of internal audit services.	2.2.2.3	Chief Internal Auditor	-	X	-	-	-	-
3.10	To consider reports where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns that agreed recommendations have not been implemented within a reasonable timescale.	2.2.2.4	Chief Internal Auditor	-	X	-	X	-	-
3.11	To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.		Chief Internal Auditor	-	X	-	X	-	-
3.12	To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.		Executive Director for Corporate Services	-	X	-	X	-	X
3.13	To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.		Chief Internal Auditor	-	X	-	X	-	-
3.14	To consider a report on the effectiveness of internal audit to support the Annual Governance Statement where required to do so by the accounts and audit regulations		Chief Internal Auditor	-	X	-	-	-	-
3.15	To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.			-	-	-	-	-	-
3.16	To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments Ltd (PSAA) or the authority's auditor panel as appropriate.	2.2.2.8	Executive Director for Corporate Services	-	-	-	-	-	-

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

3.17	To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.	2.2.2.5	Executive Director for Corporate Services Service Director (Deputy s151 Officer)	-	-	-	X	X	-
3.18	To consider specific reports as agreed with the external auditor.	2.2.2.5	Executive Director for Corporate Services Service Director (Deputy s151 Officer)	-	X	-	-	-	-
3.19	To comment on the scope and depth of external audit work and to ensure it gives value for money.	2.2.2.7	Executive Director for Corporate Services	-	X	-	-	-	-
3.20	To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies		Executive Director for Corporate Services	-	-	-	-	-	-
3.21	To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.		Executive Director for Corporate Services	-	-	-	X	-	-
3.22	To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee			-	-	-	-	-	-
3.23	To liaise with the PSAA over the appointment of the council's external auditor.	2.2.2.8	Executive Director for Corporate Services	-	-	-	-	-	-
3.24	To commission work from internal and external audit.	2.2.2.7	Executive Director for Corporate Services	-	-	-	-	-	-
3.25	To have oversight of the Regulation of Investigatory Powers policy and processes.	2.2.2.10	Head of Information Governance / Data Protection Officer (Annual report on data breaches etc.)	-	X	-	-	-	-

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

3.26	To recommend any changes regarding the Council's Whistle-Blowing policy and arrangements to Full Council.	2.2.2.11	Director for Legal and Governance and Monitoring Officer	-	-	X	-	-	-
3.27	To consider reports in relation to the performance of the Council's companies, alongside comments from the Shareholder Cabinet Committee.	2.2.2.12	Executive Director for Corporate Services	-	X	-	-	X	-
3.28	To monitor progress in addressing risk-related issues reported to the committee.		Executive Director for Corporate Services Risk Manager	-	X	X	-	-	X
3.29	To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.		Chief Internal Auditor	-	X	-	X	-	-
3.30	To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.		Executive Director for Corporate Services Chief Internal Auditor	-	X	-	-	-	-
3.31	To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.		Director for Legal and Governance and Monitoring Officer	-	-	X	-	-	-
3.32	To review the assessment of fraud risk and potential harm to the council from fraud and corruption.		Chief Internal Auditor	-	X	-	-	-	-
3.33	To monitor the counter fraud strategy, actions and resources		Chief Internal Auditor	-	-	-	-	X	-
3.34	To review the governance and assurance arrangements for significant partnerships or collaborations.		Director for Legal and Governance and Monitoring Officer	-	X	-	-	-	-
3.35	To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement	2.2.2.13	Democratic Services	-	X	-	-	-	-

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

			Executive Director for Corporate Services						
4	REGULATORY FRAMEWORK								
4.1	To review any issue referred to it by the Chief Executive or a Director, or any Council body.	2.2.2.14	Executive Director for Corporate Services	-	-	-	-	-	-
4.2	To monitor the effective development and operation of risk management in the Council	2.2.2.15	Risk Manager	-	X	-	X	-	X
4.3	To monitor Council policies on "raising concerns at work" and the anti-fraud and anti-corruption strategy and the Council's complaints process and review the assessment of fraud risk and potential harm to the council from fraud and corruption	2.2.2.16	Corporate Complaints Manager Chief Internal Auditor	-	X	-	-	X	-
4.4	To oversee the production of the authority's Annual Governance Statement prior to recommending its adoption and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion	2.2.2.17	Director for Legal and Governance and Monitoring Officer Executive Director for Corporate Services Service Director (Deputy s151 Officer) Chief Internal Auditor Head of Information Governance / Data Protection Officer Risk Manager Procurement	-	X	-	-	X	-
4.5	To consider whether the annual evaluation for the Annual Governance Statement fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives	2.2.2.17	Director for Legal and Governance and Monitoring Officer Executive Director for Corporate Services	-	X	-	-	X	-

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

			Service Director (Deputy s151 Officer) Chief Internal Auditor Head of Information Governance / Data Protection Officer Risk Manager Procurement						
4.6	To review the Council's arrangements for corporate governance against the good governance framework, including the ethical framework and agree necessary actions to ensure compliance with best practice and consider the local code of governance	2.2.2.18	Director for Legal and Governance and Monitoring Officer Procurement Risk Manager	-	X	-	-	X	-
5	ACCOUNTS								
5.1	To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.		Service Director (Deputy s151 Officer)	X	-	-	-	-	-
5.2	To review the annual statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.	2.2.2.19	Service Director (Deputy s151 Officer)	X	X	-	-	X	-
5.3	To consider the external auditors report to those charged with governance on issues arising from the audit of the accounts.	2.2.2.20	Service Director (Deputy s151 Officer)	-	-	-	-	X	-
5.4	To consider reports on the effectiveness of financial management arrangements including compliance with CIPA's Financial Management Code.		Service Director (Deputy s151 Officer)	-	X	-	-	-	-
6.	INDEPENDENT MEMBERS OF AUDIT COMMITTEE								

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

6.1	The Audit Committee will include up to 3 independent co-opted non-voting members sitting alongside 7 elected members. Independent members will be appointed by the Council to serve an initial 4 year term, which may be extended with the agreement of Council.	2.2.2.21	Not applicable	-	-	-	-	-	-
6.2	The Committee will be chaired by an Independent Member. In the absence of the appointed chair one of the remaining two Independent Members will be appointed as Chair by the Committee.	2.2.2.22	Not applicable	-	-	-	-	-	-
6.3	The Vice-Chair will be an elected member whose purpose will be to support the Chair and in the event of an equality of votes, to exercise a second or casting vote.	2.2.2.23	Not applicable	-	-	-	-	-	-
6.4	The role of an Independent Member is to support the Council's Audit Committee in its role to provide independent assurance to the members of Peterborough City Council, and its wider citizens and stakeholders.	2.2.2.24	Not applicable	-	-	-	-	-	-
6.5	Independent members will be expected to actively participate in meetings of the Audit Committee and demonstrate independence, integrity, objectivity and impartiality in their decision-making. They will support reporting as required to Full Council, including the Annual Audit Committee report.	2.2.2.25	Not applicable	-	-	-	-	-	-
6.6	Independent members will contribute to the work of the Audit Committee in its role in reviewing the Council's financial affairs, including making reports and recommendations, overseeing internal and external audit arrangements, reviewing and scrutinising financial statements, seeking assurances of compliance with the Treasury Management Strategy and practices and reviewing and assessing the governance, the effective development and operation of risk management and control of the authority.	2.2.2.26	Not applicable	-	-	-	-	-	-

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

CONSOLIDATED AGENDA				Committee Cycle Schedule					
REPORTS	ToR Link	Division / Lead Officer	Jun	Jul	Sept	Nov	Jan / Feb	Mar	
REPORTS: JULY									
Annual Report: Head of Audit Opinion	3.1, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14, 3.29, 3.30	Internal Audit							
Annual Report: Fraud and Investigations	3.32, 4.3	Internal Audit							
Annual Report: Insurance	4.6	Internal Audit							
Annual Report: Information Governance	3.25, 4.6	ICT / IG							
Annual Report: Risk Management	3.28, 4.2, 4.6	Risk Management							
Audit Committee Annual Report	3.35	Democratic Services							
External Auditor Value for Money Report	3.18, 3.19	Finance							
External Auditor 2023/2024 Audit Plan	3.18	Finance							
Budget Outturn	5.1, 5.2	Finance							
Revised Financial Regulations		Finance							
Final Accounts 2022 / 2023	5.1, 5.2, 5.4	Finance							
Local Code of Governance and Annual Governance Statement	3.14, 4.4, 4.5, 4.6	Director for Legal and Governance and Monitoring Officer Executive Director for Corporate Services							

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

			Service Director (Deputy s151 Officer) Chief Internal Auditor Head of Information Governance / Data Protection Officer Risk Manager Procurement						
REPORTS: SEPTEMBER									
	Annual Report: Procurement	4.6	Procurement						
	Annual Report: Council Companies	3.27, 3.34, 4.6	Director for Legal and Governance and Monitoring Officer						
	Policy Update: Whistleblowing	3.26	Director for Legal and Governance and Monitoring Officer						
	Audit Committee Effectiveness	3.31	Director for Legal and Governance and Monitoring Officer						
	Draft Final Accounts 2023 / 2024	5.1, 5.2, 5.4	Finance						
	Procurement: Deep Dive	4.6	Procurement						
	Governance Reviews – Policies etc.		TBC						
REPORTS: NOVEMBER									
	Internal Audit: Progress Report on the Audit Plan	3.6, 3.7, 3.10, 3.11, 3.12, 3.13, 3.29, 3.30	Internal Audit						

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

	External Audit: Reports	3.17	Executive Director for Corporate Services						
	Risk Management: Strategic Risks / Deep Dive	3.28, 4.2	Risk Manager						
	Governance Reviews – Policies etc.		TBC						
REPORTS: JANUARY 2025									
	Internal Audit: Developing The Audit Plan	3.5	Internal Audit						
	External Audit: Annual Letter	3.17, 5.3	Executive Director for Corporate Services						
	Update: Council Companies	3.27	Director for Legal and Governance and Monitoring Officer						
	Counter Fraud	3.33, 4.3	Chief Internal Auditor						
	Annual Governance Statement: Progress	3.14, 4.4, 4.5, 4.6	Director for Legal and Governance and Monitoring Officer Executive Director for Corporate Services Service Director (Deputy s151 Officer) Chief Internal Auditor Head of Information Governance / Data Protection Officer Risk Manager Procurement						
	Procurement: Deep Dive	4.6	Procurement						

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

	Governance Reviews – Policies etc.		TBC							
REPORTS: MARCH 2025										
	Internal Audit 2025 / 2026 - IA Plans - Audit Charter	3.2, 3.5, 3.6, 3.12	Internal Audit							
	Risk Management: Strategic Risks / Deep Dive	3.28, 4.2	Risk Manager							
	Governance Reviews – Policies etc.		TBC							
TERMS OF REFERENCE ACTIVITIES NOT CURRENTLY FACTORED IN DURING YEAR										
	To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.	3.3	Executive Director for Corporate Services	-	-	-	-	-	-	-
	To consider summaries of specific internal audit reports as requested.	3.4	Chief Internal Auditor	-	-	-	-	-	-	-
	To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.	3.15		-	-	-	-	-	-	-
	To support the independence of external audit through consideration of the external auditor’s annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments Ltd (PSAA) or the authority’s auditor panel as appropriate.	3.16	Executive Director for Corporate Services	-	-	-	-	-	-	-
	To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies	3.20	Executive Director for Corporate Services	-	-	-	-	-	-	-

AUDIT COMMITTEE: ROLLING AGENDA AS AT MAY 2024

	To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.	3.21	Executive Director for Corporate Services	-	-	-	-	-	-
	To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee	3.22		-	-	-	-	-	-
	To liaise with the PSAA over the appointment of the council's external auditor.	3.23	Executive Director for Corporate Services	-	-	-	-	-	-
	To commission work from internal and external audit.	3.24	Executive Director for Corporate Services	-	-	-	-	-	-
	To review any issue referred to it by the Chief Executive or a Director, or any Council body.	4.1	Executive Director for Corporate Services	-	-	-	-	-	-

This page is intentionally left blank