

AUDIT COMMITTEE REPORT

REPORT TO:	Audit Committee		
DATE:	22 September 2025		
TITLE:	Audit Committee Effectiveness 2024/2025 Report by Audit Committee Chairperson		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):			
REPORT AUTHOR:	Carl Holland, Assistant Director (Finance)		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
It is good practice for the Audit Committee to present Cabinet with an annual report on the work carried out by the Committee in the preceding year. This report reviews the work of the Audit Committee during the year 2024/2025 and considers if the Committee has effectively fulfilled its role.
KEY ISSUES:
The attached report indicates the training received by the Committee in order to be able to fulfil their governance role, the reports received, and a summary of the points discussed.
OPTIONS CONSIDERED:
Not applicable.
RECOMMENDATIONS:
<ol style="list-style-type: none">1. That the Audit Committee considers the content of the report and that it reasonably reflects the work of the Committee in 2024/2025 and therefore complies with the CIPFA Position Statement 2022.2. That the Audit Committee agree with their Chairperson that the Committee adopted the principles for an effective Audit Committee as advised in the CIPFA Position Statement 2022.
REASONS FOR RECOMMENDATIONS:
To comply with best practice in making the best efforts by the Audit Committee to adopt the principles in complying with CIPFA's "Position Statement: Audit Committee in Local Authorities".

The Audit Committee Chair's Review of Audit Committee's Effectiveness for 2024/2025

1. What is the role of the Audit Committee?

- 1.1.** The primary purpose of the Audit Committee is to provide independent assurance and high-level focus on the adequacy of governance, risk, and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk, and control, gives greater confidence to all those charged with governance that those arrangements are effective across the Council and its Wholly Owned Companies.
- 1.2.** The Committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.
- 1.3.** The Audit Committee take the view that they ensure that the Council makes best use of all its resources and minimises loss and waste.
- 1.4.** The Committee also take the view that in the event of a significant service failing, major fraud or other loss, the Committee review the findings of the lessons learned process and give heed to inspections and assurance from other third-party agencies or committees of the Council.

2. Responsibilities of the Committee.

- 2.1.** The Committee's purpose identified in the terms of reference states: The purpose of our Audit Committee is to provide independent assurance to the members and other parties of the adequacy of the Council's governance, risk management framework and the internal control environment. It provides independent review of The 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.
- 2.2.** Members' Commitment to the Committee in 2023-24 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 the Committee, 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
- reports on the Corporate Risk Register, and advises on format of this report
- reports on policies including the Regulation of Investigatory Powers Act (RIPA); and
- reports from External Audit

3. Work programme and outcomes.

3.1. The Committee considered the matters in the table below as part of its work programme for 2024-25

Programme	Outcome
Internal Audit	<p>The Audit Committee received reports, from the Internal Audit Manager, for review of the:</p> <ul style="list-style-type: none"> • Risk based annual Audit Plan and Charter, 2024/2025 • Strategic Audit Plan 2024- 2027 • Performance Outturn 2023-24, • 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 Audit Plan. <p>The Committee particularly considered the basis for the audit plan and monitored progress for implementation of audit recommendations.</p> <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> <p>In particular the Audit Committee has sought to improve the response of management to points raised by the internal audit team in a prompt and efficient manner.</p>

Programme	Outcome
Risk Management	<p>The Committee received regular updates on the Corporate Risk Register, discussed emerging risks, and completed an annual review of the Risk Management Strategy. This provided assurance that significant risks are identified and managed for the Council. In addition, Members requested additional items to be considered which led to some changes to the risk register which have been implemented.</p> <p>The Committee also received a presentation covering the Councils Business Continuity Plan. The discussion highlighted that the Council also liaises with the Norfolk Resilience Forum to collaborate with other agencies locally and nationally. Assurance was received that the Council has a plan that is regularly updated and tested to support the Council's duties under the Civil Contingencies Act 2004.</p>
Fraud and Error monitoring	<p>The Committee received an update on the proactive counter fraud and corruption activity for the 2023/24 fiscal year.</p> <p>The committee also received a half year update considering the Council's Anti-Fraud & Anti-Corruption Policy and reviewed the effectiveness of the anti-fraud & anti-corruption work in preventing and detecting fraud and corruption.</p>

Programme	Outcome
Treasury Management	<p>The Committee received reports on the Treasury outturn 2022/2023 and throughout the year on the Treasury Management Strategy, Capital Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy and financial performance. This provided assurance that the Council's assets are managed in accordance with the CIPFA Code of Practice on Treasury Management.</p>
External Audit	<p>The Committee received reports throughout the year from the External Auditors, EY, on the Statement of Accounts 2020/2021, 2021/2022 and 2022/2023; the Annual Auditor's Value for Money reports of the same periods and the Provisional Audit Plan for 2023-24.</p> <p>This enhances assurance over the Council's finances. Reports during the year have enabled the Council and the auditors to comply with the government's Backstop dates, enabling more timely reporting on the audit of accounts from 2024/2025.</p>
Annual Governance Statement	<p>The Authority has a statutory duty to publish a statement as to the level of effectiveness its governance and internal control framework. The Audit Committee was able to consider the sources of assurance and approve the content of the Statement for 2022/2023 and 2023/2024. The statements include an action plan progress against which was considered to ensure that governance and control framework weaknesses are addressed. 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>

Programme	Outcome
Company Governance	A review of the Audit Committee's Terms of Reference resulted in the addition for the Committee's responsibility for receiving assurances on the Wholly owned companies. The Audit Committee now receive an annual assurance report from the Shareholder Committee.
Audit Committee Awareness Training	22 April 2024 – Self Assessment 16 January 2025 - Knowledge and Skills Self-Assessment.

4. Audit Committee Self-Assessment.

- 4.1.** Members of the Audit Committee completed the CIPFA self-assessment template in April 2024. This provided an indicative evaluation of the Committee's awareness of its role and the effectiveness to which they consider they are achieving their collective role. This assessment resulted in an action plan for the Committee.
- 4.2.** In 2022 the Public Finance Professional Accounting body CIPFA, revised and updated it's "Position Statement: Audit Committee in Local Authorities".
- 4.3.** The statement represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. It has been prepared in consultation with sector representatives.
- 4.4.** CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements. This will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.
- 4.5.** The action plan continues to be monitored and progressed and during the 2024/2025 year the below has been achieved: -
- A review and approval by Full Council of the Committee's Terms of Reference
 - Progress towards recruiting a co-opted non-voting independent person or persons to the Committee. Anticipated to take place for the Autumn of 2025.

- Improved understanding of the Audit Committee's scope and ability to comply with the with the CIPFA Position Statement 2022.

5. Conclusion.

5.1. The above summarises the activities of the Audit Committee for the fiscal year 2024/2025. This summary is supported with detailed reports and minutes of discussions from each meeting. Allowing for the planned improvements identified in the Self-Assessment Action Plan, the Audit Committee Chairperson concludes that there is reasonable evidence of the Committee's compliance with the standards expected of an Audit Committee as recommended by the CIPFA Position Statement 2022.