



REPORT TO:	Audit & Governance Committee
DATE:	27 th September 2023
SUBJECT:	Internal Audit Report – Lessons learnt concerning the creation of and early operation of Invest East Lindsey
PURPOSE:	To consider the Internal Audit report and associated action plan for Invest East Lindsey Ltd.
KEY DECISION:	No
PORTFOLIO HOLDER:	Councillor Richard Fry, Portfolio Holder for Finance
REPORT OF:	Christine Marshall, Deputy Chief Executive, Corporate Development
REPORT AUTHOR:	Rebecca James, Scrutiny & Policy Officer
WARD(S) AFFECTED:	None
EXEMPT REPORT?	No

SUMMARY

Internal audit reports help ensure the Council provides services effectively and provides independent and objective assurance to the Council and Councillors. This committee is being asked to consider the attached audit report and action plan at **Appendices A and B. Please note Appendix B is to follow.**

RECOMMENDATIONS

- That the Committee considers the internal audit report and action plan.

REASONS FOR RECOMMENDATIONS

To meet Audit best practice in seeking to support the delivery of expected results and outcomes of the Company.

OTHER OPTIONS CONSIDERED

None

1. BACKGROUND

1.1 The Council asked Assurance Lincolnshire to review the set up and governance arrangements for Invest East Lindsey Limited. They approached the review with a strong emphasis on governance, including effective decision-making process and set up of the company. The outcome of this audit is designed to improve the Council's governance arrangements going forward.

1.2 The completion of this audit has been significantly delayed due to factors within the Audit team, meaning some of the findings are out of date and recommended actions are already completed. They are kept in for transparency and management comments have been added in green boxes to show progress and clarify the current position where relevant. Dues to the delay, interim findings were provided to the Council, enabling work to start on those areas of focus.

2. REPORT

2.1 Scope and coverage Page 18 of the report at **Appendix A** provides a summary of what the audit team were asked to review and also details where the focus of their work was. The three key focus areas were:

- 1) Effective decision making during the creation of the Company;
- 2) Financial control;
- 3) Effectiveness of Governance arrangements.

2.2 Audit findings The Executive Summary on pages 1 – 12 of **Appendix A** provides the detail and evidence behind the findings of the audit team. It looks at effective decision making and scrutiny, set up of the company . The 'set up of the company' section is split into the following key areas:

- 1) Governance
- 2) Business plan
- 3) Risk
- 4) Financial governance / management

2.3 Suggested improvements Page 13 of the report at **Appendix A** summarises the findings within the executive summary section - these are also summarised into an action plan which can be found at **Appendix B**. It is noted by the audit team that due to the interim feedback given during the review and the delay in reporting the final audit outcomes, some of the recommendations have already been actioned. This is highlighted throughout the report in the 'management comments,' which are all contained within green text boxes to make them easy to find.

3. CONCLUSION

3.1 This internal audit report on Invest East Lindsey ensures the Council receives relevant information to support the delivery of expected results and outcomes in terms of governance, oversight, and financial information.

EXPECTED BENEFITS TO THE PARTNERSHIP

The audit is ELDC specific, but lessons learnt by officers will benefit the work they do across the partnership.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

The audit is ELDC specific, but lessons learnt by officers will benefit the work they do across the partnership

CORPORATE PRIORITIES

Robust audit is an essential element of the delivery of all corporate priorities.

STAFFING

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

None

DATA PROTECTION

None

FINANCIAL

Effective auditing of the Council and its functions helps ensure t

RISK MANAGEMENT

Part of the audit process is to provide assurance around risk or highlight areas for further consideration. Risk is discussed at page 8 of report and also at paragraphs 1.16 and 1.17

STAKEHOLDER / CONSULTATION / TIMESCALES

n/a

REPUTATION

There is a need to ensure the Council has oversight of the Company in order to monitor its correct running and protect the reputation of the Council.

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

None

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

None

ACRONYMS

CIPFA - Chartered Institute of Public Finance and Accountancy

CLL – Coastfields Leisure Limited

APPENDICES

Appendices are listed below and attached to the back of the report: -

APPENDIX A	Internal Audit report
APPENDIX B	Internal Audit Report – Action Plan- To follow

BACKGROUND PAPERS

There were no additional background papers used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body.

REPORT APPROVAL

Report author:	Rebecca James, Scrutiny & Policy Officer
Signed off by:	Christine Marshall, Deputy Chief Executive, Corporate Development
Approved for publication:	Councillor Richard Fry, Portfolio Holder for Finance