

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Audit & Accounts Committee** held in the Civic Rooms 1+2, Castle House, Great North Road, Newark, Notts, NG24 1BY on Wednesday, 2 February 2022 at 10.00 am.

PRESENT: Councillor Mrs S Michael (Chairman)

Councillor Mrs B Brooks, Councillor R Crowe, Councillor D Cumberlidge and Councillor J Lee

APOLOGIES FOR ABSENCE: Councillor M Brown (Committee Member)

38 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS AND AS TO THE PARTY WHIP

That no Member or Officer declared any interest pursuant to any statutory requirement in any matter discussed or voted upon at the meeting.

39 DECLARATION OF ANY INTENTIONS TO RECORD THE MEETING

There were no declarations of intention to record the meeting.

40 MINUTES OF THE MEETING HELD ON 1 DECEMBER 2021

A Committee member referred to the Workplan as presented to the previous Committee meeting advising that a progress report would be provided by Internal Audit to the current meeting. The Chairman confirmed that this would be provided at the next Committee meeting in April.

AGREED that the Minutes of the meeting held on 1 December 2021 be approved as a correct record and signed by the Chairman.

41 ORDER OF BUSINESS

With the agreement of the Committee, the Chairman changed the order of business. Agenda Item 9 was taken before Item 8 and then the agenda resumed its stated order thereafter.

42 AUDIT COMMITTEE WORK PLAN

The Committee noted the Work Plan provided by the Business Manager for Financial Services providing those items currently on the Work Plan for the 27 April 2022 meeting.

Other items have not so far been identified for the new Governance Structure and this will be provided in due course.

43 HOMES ENGLAND COMPLIANCE AUDIT REPORT 2021-22 - HRA 5 YEAR DEVELOPMENT PROGRAMME

The Committee considered the report from the Director for Housing, Health and Wellbeing informing the Committee of the outcome of the Homes England Audit 2021/22 for the Council's 5 Year Housing Revenue Account (HRA) Development Programme.

The report also advised the Committee of any actions taken and enable the Council to sign off the Audit on Homes England's Information Management System by the end of April 2022.

The report informed the Committee that this has been received annually over the last few years, and is a requirement of Homes England that the Committee comment on the report. It was noted that receiving a green grade audit this time was a positive outcome and all details could be found in the report.

It was confirmed that training had been provided to the relevant Officers to support the use of the Homes England IMS System.

AGREED (unanimously) that the Committee noted the findings of the Compliance Audit.

44 REVIEW OF SIGNIFICANT GOVERNANCE ISSUES IN THE ANNUAL GOVERNANCE STATEMENT

The Committee considered the report from the Business Manager for Financial Services updating members of the Committee on the significant governance issues identified in the Annual Governance Statement.

The report provided updates and any further work undertaken with regard to:

- Development Company – Arkwood Developments Limited
- Re-integration of the Housing Management Function
- Yorke Drive Development

A discussion was held regarding the updates against each of the three identified governance issues and members of the committee felt that when this report is brought in future, further relevant details are brought and are attached to the report.

AGREED (unanimously) that the Committee noted the results of the review of significant governance issues as identified in the Annual Governance Statement.

45 EXTERNAL AUDITOR'S ANNUAL AUDIT COMPLETION REPORT

The Committee considered the report from the Business Manager for Financial Services presenting the External Auditors supplemental letter to the Annual Audit Completion Report, presented to the Audit & Accounts Committee on 1 December 2021.

David Hoose, Audit Engagement Partner at Mazars presented the report noting reference to VFM highlighted in the following report. The Chairman enquired as to why it had taken a lot longer to achieve sign off. The Committee were assured that the delay having been due to the pandemic and the reduction in staff.

AGREED (unanimously) that:

- a) the Committee received the updated External Auditors Supplemental Letter to the Annual Audit Completion Report for 2020/21;
- b) the Committee noted the document; and
- c) the Committee noted that the Statement of Accounts were published on 6 January 2022.

46 EXTERNAL AUDITOR'S ANNUAL AUDIT LETTER 2020/21

The Committee considered the report from David Hoose, Audit Engagement Partner at Mazars who presented the External Auditor's Annual Audit Letter for 2020/21 for Newark & Sherwood District Council.

The Annual Audit Report summarises the key findings from the external audit work carried out by Mazars in 2020/21. It covers the 2020/21 Statement of Accounts and the Value for Money commentary for the same year.

The report explained the increase to the final fee partly due to additional work pressures around the change in the Council's group boundary, the additional testing of PPE, the implementation of new auditing standards and additional work arising from the change in the Code of Audit Practice. The proposed fee to be approved by the Council.

AGREED (unanimously) that:

- a) the Committee considered the External Auditor's Annual Audit Letter for 2020/21: and
- b) delegation to take place with the Section 151 Officer in negotiating with Mazars regarding the fee and keeping the Chairman informed.

47 TREASURY MANAGEMENT STRATEGY STATEMENT

The Committee considered the report from the Assistant Business Manager for Financial Services seeking approval for the Treasury Management Strategy, which incorporates the Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators, updated in accordance with latest guidance.

The Committee approved each of the following key elements and recommended these to Full Council on 8 March 2022 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

AGREED (unanimously) that:

- a) the Treasury Management Strategy 2022/23, incorporating the Borrowing Strategy and the Annual Investment Strategy (Appendix A);
- b) the Treasury Prudential Indicator and Limits, contained within Appendix A; and
- c) the Authorised Limit Treasury Prudential Indicator contained within Appendix A.

48 CAPITAL STRATEGY 2022/23

The Committee considered the report from the Assistant Business Manager for Financial Services seeking Committee approval to the Capital Strategy 2022/23, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.

The Committee approved each of the following key elements and recommended these to Full Council on 8 March 2022 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

AGREED (unanimously) that:

- a) the Capital Strategy 2022/23 Appendix A;
- b) the Capital Prudential Indicators and Limits for 2022/23, contained within Appendix A;
- c) the Minimum Revenue Provision (MRP) Policy Statement as contained within Appendix C, which sets out the Council's policy on MRP; and
- d) the Flexible Use of Capital Receipts Strategy, contained with Appendix D.

49 INVESTMENT STRATEGY

The Committee considered the report from the Assistant Business Manager for Financial Services informing the Committee that this Investment Strategy is for 2022/23, meeting the requirements of statutory guidance issued by Department of Levelling Up, Housing and Communities DLUHC (previously MHCLG) Investment Guidance in January 2018.

The Committee approved each of the following key elements and recommended these to Full Council on 8 March 2022 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

AGREED (unanimously) that:

- a) the Investment Strategy 2022/23, contained within Appendix A and
- b) the Investment Prudential Indicators and Limits, contained within Appendix A.

50 DATE OF NEXT MEETING

The next meeting would be held on Wednesday 27 April 2022.

Meeting closed at 10.44 am.

Chairman