

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Audit and Governance Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Wednesday, 1 February 2023 at 6.00 pm.

PRESENT: Councillor Mrs S Michael (Chairman)
Councillor R Crowe (Vice-Chairman)

Councillor R Blaney, Councillor Mrs B Brooks, Councillor D Cumberlidge, Councillor P Harris, Councillor J Kellas, Councillor B Laughton, Councillor J Lee and Councillor T Smith

APOLOGIES FOR ABSENCE: Councillor Mrs E Davis (Committee Member) and Councillor S Haynes (Committee Member)

33 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

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

34 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

Other than the Council recording in accordance with usual practice, there were no declarations of intention to record the meeting.

35 MINUTES OF THE MEETING HELD ON 23 NOVEMBER 2022

AGREED that the minutes of the meeting held on 23 November 2022 be approved as a correct record and signed by the Chairman.

The Director of Housing, Health and Wellbeing provided the Committee with an update to the Gas Audits, noting that it had reduced to 5 properties out of compliance for a gas service. The Committee noted going forward gas and electric would be carried out at properties at the same time.

36 EXTERNAL AUDITORS AUDIT PROGRESS REPORT 2021/22

The Committee considered the report from the Business Manager for Financial Services presenting the External Auditor's Progress Report for Newark and Sherwood District Council for the 2021/22 audit based on work completed to date.

The representative from Mazars, present at the meeting provided progress to the Committee of the Auditor's External Audit Progress Report for 2021/22 at Appendix A summarising the work undertaken by the auditors for year ended 31 March 2022.

The Committee understood this was not the final report from the External Auditor noting it would conclude audit for the 2021/22 financial year. The Value for Money work is in progress, expected to be completed within 3 months of 5 January 2023 and will be brought to the next Audit & Governance Committee in April 2023.

The Mazars representative confirmed to the Chairman that the Value for Money was at the planning stage, Councillor Harris highlighting that the library park issue was part of the Value for Money analysis which the Mazars representative would consider.

AGREED (unanimously) that Members considered and noted the External Auditor's Progress Report.

37 TREASURY MANAGEMENT STRATEGY 2023/24

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

Before discussing the report, the Chairman thanked the Assistant Business Manager for Financial Services for arranging the Treasury Management training which was enjoyed by those who attended, although disappointed that not everyone was able to attend especially as it was an invitation to all Members not just those on the Audit & Governance Committee.

Councillor Blaney referring to the Reason for Recommendation, commented that the wording could be more clear in future; that policies, as opposed to the precise content of the strategies proposed, are a requirement of legislation and good practice. The Assistant Business Manager for Financial Services therefore noted for future reference.

Councillor Harris suggested local bonds to encourage investment, noting the Council has invested in a community lottery.

AGREED (unanimously) that:

- a) the Committee approved each of the following key elements and recommended these to Full Council on 9 March 2023 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:
 - The Treasury Management Strategy 2023/24, incorporating the Borrowing Strategy and the Annual Investment Strategy (Appendix A).
 - The Treasury Prudential Indicators and Limits, contained within Appendix A.
 - The Authorised Limit Treasury Prudential Indicator contained within Appendix A.

38 CAPITAL STRATEGY 2023/24

The Committee considered the report from the Assistant Business Manager for Financial Services to seek approval to the Capital Strategy 2023/24, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.

The Assistant Business Manager for Financial Services explained to the Committee

that this was a high level overview and may change in March when taken to Full Council. Councillor Harris referred to the weighting of the Prioritisation Criteria at Appendix E of the report; the Assistant Business Manager for Financial Services was happy to consider alternative proposals put forward by the Committee.

AGREED (unanimously) that:

- a) the Committee approved each of the following key elements and recommended these to Full Council on 9 March 2023 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:
 - The Capital Strategy 2023/24 Appendix A.
 - The Capital Prudential Indicators and Limits for 2023/24, contained within Appendix A.
 - The Minimum Revenue Provision (MRP) Policy Statement as contained within Appendix C, which sets out the Council's policy on MRP.
 - The Flexible Use of Capital Receipts Strategy, contained with Appendix D.

39 INVESTMENT STRATEGY 2023/24

The Committee considered the report from the Assistant Business Manager for Financial Services explaining that this Investment Strategy is for 2023/24, meeting the requirements of statutory guidance issued by Department of Levelling Up, Housing and Communities DLUHC (previously MHCLG) Investment Guidance in January 2018.

The report provided a table summarising the proposed limits within the Investment Strategy 2023/24 for the non-treasury investments, the categories providing in more detail within the appendix and the report to also be taken to Full Council in March.

AGREED (unanimously) that:

- a) the Committee approved each of the following key elements and recommended these to Full Council on 9 March 2023 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:
 - The Investment Strategy 2023/24 Appendix A.
 - The Investment Prudential Indicators and Limits for 2023/24, contained within Appendix A.

40 REVIEW OF SIGNIFICANT ISSUES IN THE ANNUAL GOVERNANCE STATEMENT

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

Members had approved the Annual Governance Statement for the financial year ended 31 March 2022 at its meeting on 23 November 2022 and this report updated the Committee of the status of the governance issues identified.

Councillor Harris referred to minute 23 of the 23 November 2022 minutes, to bring Strategic Risk to the February meeting; the Chairman advised that this item would be brought to the April meeting, highlighting its inclusion on the Work Plan.

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

41 SIX MONTH REVIEW OF THE COUNCIL'S REVISED GOVERNANCE ARRANGEMENTS

The Committee considered the report from the Assistant Director Legal & Democratic Services and Monitoring Officer with findings from the Governance Review Working Party's six-month review of the new executive governance arrangements.

The report proposed that a working group of Members be convened, to have oversight of the Member induction process following the May 2023 District Council elections, initially liaising with each of the political group leaders for nominations. The working group to meet in February/March. The Committee agreed for the Conservative group leader to nominate four, Labour group leader two and Liberal Democrat leader to provide one nomination.

AGREED (9 votes For and 1 vote Against) that:

- a) a further review of the operation of the Council's governance arrangements should be undertaken at an appropriate point by the new Council;
- b) for the further review of the operation of the Council's governance arrangements to include a request for specific feedback from the Tenant representatives on the Tenant Engagement Board;
- c) to establish a Working Group of Members to have oversight of the Member induction process following the May 2023 District Council elections; for each political group leader to be asked to nominate Members to participate in the Working Group;
- d) to note that a bi-annual 'What's on' presentation for all Members is included in the Transformation Business Unit's annual work programme;
- e) to recommend the revised Urgency Procedure attached at Appendix 1 to Full Council for approval;
- f) to note the amendments/corrections to the Constitution since May 2022 and that these will also be reported to Full Council for noting (attached at Appendix 2); and

- g) for an annual review of the Council's Constitution to be included in the Committee's Work Plan.

42 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) ANNUAL REPORT

The Committee considered the report from the Assistant Director Legal & Democratic Services and Monitoring Officer providing the following to the Committee:

- i. Activity by the Council under RIPA from 2021 to date
- ii. Relevant minor amendments to the RIPA policy
- iii. An update on mandatory training for officers.

The report highlighted that the use of authorised RIPA surveillance remains low, which is in line with the majority of other authorities. The annual statistical return to IPCO for 2022 is submitted by the Council at the end of January with a Nil return since 2016.

AGREED (unanimously) that Members noted the content of the report.

43 REVIEW OF THE COUNCIL'S WHISTLEBLOWING POLICY

The Committee considered the report from the Assistant Director Legal & Democratic Services and Monitoring Officer providing an updated version of the Council's Whistleblowing Policy and proposals to raise awareness of the Policy.

The report explained how the Council has an adopted Whistleblowing Policy requiring updating as changes in the Council's structure along with external contacts. A review of the Policy has also been identified as an audit requirement for this financial year.

The Policy having been reviewed and updated as the revised Policy at Appendix 1 of the report and the current policy shown with tracked changes provided as Appendix 2.

Training for Councillors would be covered as part of the induction training.

AGREED (unanimously) that:

- a) the Committee adopts the revised Whistleblowing Policy attached as Appendix 1 to this report subject to consultation with the Council's Joint Consultative Committee;
- b) the Committee approves proposals for raising awareness of the Policy; and
- c) the Committee includes an annual review of the Whistleblowing Policy and concerns raised under it in the Committee's work plan.

44 GIFTS AND HOSPITALITY PROTOCOL AND POLICY

The Committee considered the report from the Assistant Director Legal & Democratic Services and Monitoring Officer to review the Council's policies for Members and Officers (employees) for consistency and to ensure they are fit for purpose.

The report explained that Members are required to register gifts and hospitality over a certain value even if declined. The Code of Conduct did state that all gifts and hospitality with an estimated value of £50 be registered however the Protocol gave a figure of £100. The Protocol had not been updated and after the Committee Members discussed this it was agreed to reduce the figure to £25 and make a correction which as an amendment would be required to be reported through Full Council.

The report also highlighted the gifts and hospitality requirements be included as part of the new Member induction programme after the May 2023 elections.

AGREED (unanimously) that:

- a) the report be noted;
- b) the Committee includes an annual review of the operation of the Council's Gifts and Hospitality arrangements in the Committee's work plan; and
- c) the Committee recommends to Full Council that all gifts and hospitality offered to Members over the value of £25 be registered and for the Code of Conduct for Councillors and Gifts and Hospitality Protocol to be amended accordingly.

45 AUDIT & GOVERNANCE COMMITTEE WORK PLAN

The Committee considered the Audit & Governance Committee Work Plan, noting a training session on Statement of Accounts to be confirmed in June 2023.

AGREED (unanimously) that the Audit & Governance Committee Work Plan be approved.

46 DATE OF NEXT MEETING - WEDNESDAY 26 APRIL 2023

The date of the next meeting was discussed by the Committee to bring forward to an earlier date in April 2023.

AGREED to consider by the Chairman to bring forward the date of the next meeting and to inform the Committee.

Meeting closed at 7.13 pm.

Chairman