

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, 14 June 2023 at 6.00 pm.

PRESENT: Councillor S Forde (Vice-Chairman)

Councillor S Crosby, Councillor S Haynes, Councillor J Kellas, Councillor J Lee, Councillor S Michael, Councillor C Penny, Councillor M Shakeshaft and Councillor T Thompson and Mr C Richardson (Non-Voting Co-Optee)

APOLOGIES FOR ABSENCE: Councillor P Harris (Chairman), Councillor R Cozens (Committee Member) and Councillor A Freeman (Committee Member)

1 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.

2 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.

3 MINUTES OF THE MEETING HELD ON 6 APRIL 2023

AGREED that the minutes of the meeting held on 6 April 2023 be approved as a correct record and signed by the Chairman.

4 ANNUAL INTERNAL AUDIT REPORT

The Committee considered the report from Internal Audit (Assurance Lincolnshire) to provide a summary of Internal Audit work undertaken during 2022/23 and to support the Annual Governance Statement by providing an opinion on the organisation's governance, risk, financial and internal control environment.

The representative from Assurance Lincolnshire highlighted to Members that the opinion on the area of Financial Control and Risk remained as performing well, whilst the opinion on Governance remained performing adequately, the three being consistent with the 2021/22 financial year. The opinion on Internal Control had improved from performing adequately to performing well.

AGREED (unanimously) that Members considered and commented upon the annual internal audit report and noted its content.

5 TREASURY MANAGEMENT OUTTURN REPORT 2022/23

The Committee considered the report from the Assistant Business Manager for Financial Services to give Members the opportunity to review the Annual Treasury

Outturn report, to be presented to Council on 18 July 2023.

The report explained that the Treasury Management Strategy Statement for 2022/23 was approved by Full Council on 8 March 2022, and the Outturn report is the last report for the financial year, as required by the Code. It had been prepared based on the draft final accounts, which appear elsewhere on the agenda. If it is found that there are significant changes resulting from the audit of the accounts, they will be reported at the next meeting of this Committee.

AGREED (unanimously) that the Treasury Outturn position for 2022/23 be noted.

6 UNAUDITED STATEMENT OF ACCOUNTS 2022/23

The Committee considered the report from the Business Manager for Financial Services for Members to review the Council's draft Statutory Accounts for the financial year ended 31 March 2023.

The report confirmed that the unaudited Statement of Accounts were on the Council's website having met the publishing deadline of 31 May 2023.

The Committee Members are to attend an End of Year Statement of Accounts training session in order to gain an understanding of the financial statements and notes to the accounts, in order to be able to objectively challenge the information in the accounts.

AGREED (unanimously) that:

- a) Members noted the Annual Governance Statement for the financial year ended 31 March 2023; and
- b) Members noted the draft Statement of Accounts for the financial year ended 31 March 2023 and agreed to them being submitted to the external auditor (Mazars) for audit and certification.

7 FRAUD RISK ASSESSMENT

The Committee considered the report from the Business Manager for Financial Services informing Members of the update of the Fraud Risk Register undertaken during April 2023.

The report explained how the fraud risk assessment was first undertaken in June 2014, a fraud risk register produced and presented to the Committee then known as Audit and Accounts. The fraud risks are then assessed annually and the register updated.

Councillor Lee queried why none of the Councillors were listed, the Business Manager for Financial Services responded and would be able to expand an existing list. The Assistant Business Manager for Financial Services confirmed that the Councillors allowances were published on the website.

Councillor Shakeshaft queried inconsistencies in the document which the Business

Manager for Financial Services would take away and double check with officers, any changes would be brought to the next meeting.

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

8 COUNTER-FRAUD ACTIVITIES FROM 1 OCTOBER 2022 TO 31 MARCH 2023

The Committee considered the report from the Business Manager for Financial Services informing Members of counter-fraud activity undertaken since the last update reported on 23 November 2022.

The report explained how an element of the Audit and Governance Committee was to provide assurance to the Council that its anti-fraud arrangements were operating effectively. Therefore counter-fraud activity reports are brought to the Committee twice a year showing the number of cases detected, amounts lost, the outcome of cases and amounts recovered, as well as any other counter-fraud that has taken place.

It was noted that an error on the first page of the report had stated the last update occurred on 1 December 2021, this was rectified to the most recent update on 23 November 2022.

AGREED (unanimously) that Members noted the report.

9 CODE OF CONDUCT ANNUAL REPORT FOR THE PERIOD 1 APRIL 2022 - 31 MARCH 2023

The Committee considered the report from the Assistant Director Legal and Democratic Services to consider the Code of Conduct Annual Report for the Period 1 April 2022 – 31 March 2023.

The report explained how the Committee has responsibility for promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council. As well as being responsible for maintaining an overview of the Member Code of Conduct including arrangements for dealing with complaints.

The Committee noted that the Monitoring Officer has received 13 formal complaints during this period. The Committee were informed that no formal investigations or Code of Conduct Hearings were required in the period 1 April 2022 to 31 March 2023.

AGREED (unanimously) that:

- a) the annual report be noted; and
- b) a review of the process for dealing with Code of Conduct Complaints be added to the Committee's work programme, including a review of the role of the Independent Persons.

10 COMMITTEE MEMBER TRAINING

The Committee considered the report from the Business Manager for Financial

Services proposing a training programme for Members of the Committee for the 2023/24 financial year.

AGREED (unanimously) that Members noted the training programme suggested.

11 ANNUAL REPORT DETAILING EXEMPT REPORTS CONSIDERED BY THE AUDIT & GOVERNANCE COMMITTEE

The Committee considered the report providing one report of exempt business considered by the Committee for the period 1 March 2022 to date. Members had the opportunity to review the exempt report and request further information. The rule is defined in paragraph 18 of the Constitution entitled 'Right of Members to Request a Review of Exempt Information'.

The Business Manager for Financial Services advised that the 27 July 2022 report 'Fraud Risk Assessment – Appendix A Exempt' should remain exempt.

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

12 AUDIT & GOVERNANCE COMMITTEE WORK PLAN

The Committee considered the Audit & Governance Committee Work Plan.

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

13 DATE OF NEXT MEETING

The next Audit & Governance Committee meeting to be held on Wednesday 26 July 2023.

14 EXCLUSION OF THE PRESS AND PUBLIC

Agreed (unanimously) that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of this item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

15 FRAUD RISK ASSESSMENT APPENDIX A EXEMPT

The Committee considered the exempt report with regard to the Fraud Risk Assessment.

(Summary provided in accordance with Section 100C(2) of the Local Government Act 1972).

Meeting closed at 7.25 pm.

Chairman