

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, 21 February 2024 at 6.00 pm.

PRESENT: Councillor P Harris (Chair)
Councillor S Forde (Vice-Chair)

Councillor R Cozens, Councillor A Freeman, Councillor J Hall, Councillor S Haynes, Councillor J Kellas, Councillor J Lee and Councillor C Penny and Mr C Richardson (Non-Voting Co-Optee)

APOLOGIES FOR ABSENCE: Councillor S Michael, Councillor M Shakeshaft and Councillor T Thompson

43 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.

44 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.

45 MINUTES OF THE MEETING HELD ON 22 NOVEMBER 2023

AGREED that the minutes of the meeting held on 22 November 2023 be approved as a correct record and signed by the Chair.

46 BUDGET REPORTS 2024/25

The Committee considered the report from the Business Manager for Financial Services providing Members with attached reports for approval at Cabinet on 20 February 2024:

General Fund Revenue Budget 2024/25
General Fund Medium Term Financial Plan 2024/25 – 2027/28
Capital Programme 2024/25 – 2027/28.

The report informed the Committee that the 3 reports had been presented to Cabinet the night before, to then take to Full Council on 7 March.

The Committee discussed the Budget reports, noting that any comments could not be referred back to Cabinet, however there would be an option to debate at Full Council.

AGREED, with Members voting 8 For and 1 Abstention, in having received and noted the reports that were presented to Cabinet on 20 February 2024.

47 ANNUAL INTERNAL AUDIT PLAN

The Committee considered the report from the Business Manager for Financial Services, presenting the proposed Internal Audit Plan to the Committee for approval, in order for the Council to gain the relevant assurances throughout the 2024/25 financial year.

Any changes to the plan during the year will be agreed with the Business Manager for Financial Services and subsequently notified to the Audit and Governance Committee.

All Members of Committee, Portfolio Holders and the Council's Senior Leadership Team were to be invited to a Risk Workshop; it was proposed that rather than approve the Internal Audit Plan at the meeting, it should be reviewed at the Workshop taking into account findings at the Workshop in relation to risk.

AGREED (unanimously) that Members noted the report subject to detailed discussion at the Risk Workshop, any amendments to be delegated to S151 Officer and reported back to the Audit & Governance Committee.

48 INTERNAL AUDIT PROGRESS REPORT 2023/24

The Committee considered the report from Philip Lazenby, Director of Audit (TIAA) providing a summary of Internal Audit work undertaken during 2023/24 against the agreed audit plan.

The Audit Plan for 2023/24 had been agreed at the Audit & Governance Committee in April 2023 and then throughout the year reports on the progress made and changes to the plan are then taken to the Audit & Governance Committee.

The Committee discussed the report containing details of all reports issued within the first part of the financial year 2023/24, including the rolling strategic plan and to consider in the next financial year.

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

49 EXTERNAL AUDITORS ANNUAL DRAFT AUDIT COMPLETION REPORT

The Committee considered the report from the Business Manager for Financial Services presenting the External Auditor's Draft Annual Audit Completion Report for Newark and Sherwood District Council for 2022/23.

The representative from Mazars, Mark Surridge, present at the meeting had provided at Appendix A of the Auditor's Annual Report a summary of the work carried out by the External Auditors as the auditor for the Council for year ending 31 March 2023.

AGREED (unanimously) that:

- a) Members received and noted the External Auditors Draft Annual Audit Completion Report for 2022/23; and

- b) Members noted the adjustments to the draft audited financial statements set out in the report.

50 APPROVAL OF THE STATEMENT OF ACCOUNTS

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

The Assistant Business Manager for Financial Services informed Members that this would be the final version of the Statement of Accounts, having brought the draft to the Audit & Governance Committee on 14 June 2023.

AGREED (unanimously) that:

- a) Members approved the Annual Governance Statement for the financial year ended 31 March 2023;
- b) Members approved the Draft Audited Statement of Accounts for the financial year ended 31 March 2023;
- c) Members gave delegation to the Deputy Chief Executive/Director of Resources – S151 Officer and the Chairman to sign a revised set of accounts if required as per paragraph 3.5;
- d) Members gave delegation for the Deputy Chief Executive/Director of Resources – S151 Officer and the Chairman to sign the Management Letter of Representation as per the paragraph 3.8; and
- e) Members gave delegation to the Leader of the Council and the Chief Executive to sign the Annual Governance Statement as per paragraph 3.10.

51 PROJECTED GENERAL FUND AND HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL OUTTURN REPORT TO 31 MARCH 2024 AS AT 31 DECEMBER 2023

The Committee considered the report from the Business Manager for Financial Services updating Members with the forecast outturn position for the 2023/24 financial year for the Council's General Fund and Housing Revenue Account revenue and Capital Budgets, to show performance against the approved estimates of revenue and capital expenditure and income.

The report provided the expected outturn at Quarter 3, referring to Table 1 on page 301 of the agenda.

AGREED (unanimously) that Cabinet:

- a) noted the General Fund projected favourable outturn variance of £0.636m;
- b) noted the Housing Revenue Account projected favourable outturn variance of

£0.025m to the Major Repairs Reserve;

- c) noted the Capital Programme revised budget and financing of £69.564m; and
- d) noted the Prudential indicators at Appendix A.

52 TREASURY MANAGEMENT STRATEGY 2024/25

The Committee considered the report from the 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.

AGREED (unanimously) that the Committee approved each of the following key elements and recommended these to Full Council on 7 March 2024 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

- The Treasury Management Strategy 2024/25, 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.

53 CAPITAL STRATEGY 2024/25

The Committee considered the report from the Business Manager for Financial Services seeking Committee approval to the Capital Strategy 2024/25, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.

AGREED, with Members voting 8 For and 1 Against approving each of the following key elements and recommended these to Full Council on 7 March 2024 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

- The Capital Strategy 2024/25 Appendix A.
- The Capital Prudential Indicators and Limits for 2024/25, 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.

54 INVESTMENT STRATEGY 2024/25

The Committee considered the report from the Business Manager for Financial Services providing the Investment strategy for 2024/25, meeting the requirements of statutory guidance issued by the Department of Levelling Up, Housing and Communities DLUHC (previously MHCLG) Investment Guidance in January 2018.

AGREED (unanimously) that the Committee approved each of the following key elements and recommended these to Full Council on 7 March 2024 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

- The Investment Strategy 2024/25 Appendix A.
- The Investment Prudential Indicators and Limits for 2024/25, contained within Appendix A.

55 HOUSING OMBUDSMAN ANNUAL REVIEW UPDATE

The Committee considered the report from the Business Manager for Customer Services informing Members of the Housing Ombudsman Annual Review report.

The Assistant Director Legal & Democratic Services, Monitoring Officer, introduced the report, referring the Committee to Section 3. The Chair commenting that it was a positive outcome.

AGREED (unanimously) that Members noted the report.

56 GIFTS AND HOSPITALITY ANNUAL REPORT

The Committee considered the report from the Assistant Director Legal & Democratic Services, Monitoring Officer providing an annual report to update the Committee on the implementation of the Council's Gifts and Hospitality policies.

The Chair noted that some gifts are declined, whilst smaller gifts are accepted and therefore reasonable. The Assistant Director Legal & Democratic Services, Monitoring Officer, advised that there would be a reissuing of the guidance.

Councillor Lee requested a copy of the registers be made available in advance of the meeting.

AGREED (unanimously) that Members noted the report and that the Committee includes an annual review of the operation of the Council's Gifts and Hospitality arrangements in the Committee's Work Plan.

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

The Committee considered the report from the Assistant Director Legal & Democratic Services, Monitoring Officer reporting to the Committee:

- i. Activity by the Council under RIPA from 2023 to date
- ii. An update on training for officers

The report informed the Committee that this report is provided annually and that refresher training for officers is anticipated to be delivered in Autumn 2024.

AGREED (unanimously) that Members noted the report.

58 WHISTLEBLOWING POLICY ANNUAL REPORT

The Committee considered the report from the Assistant Director Legal & Democratic Services, Monitoring Officer providing an annual report to update the Committee on the implementation of the Council's Whistleblowing Policy.

Members were reminded that the Council's Whistleblowing Policy was last updated in 2023 following a review by the Committee. The Monitoring Officer informing Members that no whistleblowing concerns had been recorded in the past year.

AGREED (unanimously) that Members noted the report, that the Committee includes an annual review of the operation of the Council's Whistleblowing Policy in the Committee's Work Plan and that an awareness raising exercise be undertaken during the next year.

59 REVIEW OF SIGNIFICANT ISSUES IN THE ANNUAL GOVERNANCE STATEMENT

The Committee considered the report from the Assistant Director Legal & Democratic Services, Monitoring Officer providing an update to Members of the Audit & Governance Committee on the significant governance issues identified in the Annual Governance Statement.

The report explained that after the District Council election in May last year and a change in the Council's membership, an induction and training programme was delivered to all Councillors, with training and development remaining on the work programme for the Audit & Governance Committee.

The Local Government Association also delivered a development session for the Council's leadership in December 2023. This included Portfolio Holders, Chairs and Vice Chairs, with the Officer Senior Leadership Team joining for the second part of the session.

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

60 UPDATE ON THE LGA NEWARK AND SHERWOOD DISTRICT COUNCIL CYBER 360 REPORT

The Committee considered the report from the Business Manager for ICT & Digital Services providing the updated results of LGA Newark and Sherwood District Council Cyber 360 Report.

The report writer was not able to attend the meeting, therefore any Members who had a question for the open and/or the exempt report could contact the Business Manager for ICT & Digital Services to provide a response.

AGREED (unanimously) that Members reviewed, commented upon and noted the update on the LGA Newark and Sherwood District Council Cyber 360 Report.

61 AUDIT AND GOVERNANCE COMMITTEE WORK PLAN

The Committee considered the joint report of the Assistant Director Legal & Democratic Services and Monitoring Officer and the Business Manager for Financial Services which attached the Committee's Work Plan for consideration.

Both the Chair and the Vice-Chair informed the meeting that they would be giving their apologies for the 3 July 2024 meeting and that therefore a Chair be elected at the April meeting in preparation.

The Vice-Chair reminded the Committee that Councillor Melton had requested a report go to Audit & Governance Committee on Ethical and Fossil Fuel Investments, as also Councillor Lee requested a report linked to this on Pensions.

AGREED (unanimously) that the Work Plan be noted.

62 DATE OF NEXT MEETING

The next Audit & Governance Committee meeting to be held on Wednesday 24 April 2024.

Meeting closed at 7.27 pm.

Chair