

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Audit & Accounts Committee** held in the Broadcast from Castle House, Great North Road, Newark, Notts, NG24 1BY on Wednesday, 21 April 2021 at 10.00 am.

PRESENT: Councillor Mrs S Michael (Chairman)

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

APOLOGIES FOR ABSENCE: Councillor M Brown (Committee Member) and Councillor Mrs M Dobson (Committee Member)

The meeting was held remotely, in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

81 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.

The meeting was held remotely, in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

82 DECLARATION OF ANY INTENTIONS TO RECORD THE MEETING

There were no declarations of intention to record the meeting.

83 MINUTES OF THE MEETING HELD ON 3 FEBRUARY 2021

that the Minutes of the meeting held on 3 February 2021 be approved as a correct record and signed by the Chairman.

84 AUDIT COMMITTEE WORK PLAN

The Committee considered the Work Plan from the Business Manager for Financial Services who highlighted that the accounts would be completed at the end of May. A proposed training session to take place in June for the Committee on the Statement of Accounts in preparation of receiving the draft set of accounts leading to adoption.

The Chairman advised the Committee the timings would be different to last year with accounts to be signed off by 30 September 2021 which may lead to an extraordinary Committee meeting being called in September.

85 HOMES ENGLAND COMPLIANCE AUDIT REPORT 2020-21 - HRA 5 YEAR DEVELOPMENT PROGRAMME

The Committee considered the report from the Director of Housing, Health and Wellbeing providing the outcome of the Homes England Audit 2020/21 for the Council's 5 year Housing Revenue Account (HRA) Development Programme.

The Committee were advised of the actions taken and enable the council to sign off the Audit on Homes England's Information Management System by the end of April 2021 following an extension agreed with Homes England to accommodate the timing of this Committee.

The report explained that these Audit findings whilst disappointing, are easily rectified through the training and procedure review which has been initiated for the team. Homes England have provided assurance around their commitment to a partnership with us to deliver good quality new homes in the District across the course of the Affordable Homes Programme.

AGREED (unanimously) that the Committee noted the findings of the Compliance Audit having been accepted by the Council, and a response to Homes England has been sent outlining the steps taken to address the breaches and to ensure they do not re-occur.

86 STRATEGIC RISK MANAGEMENT - UPDATE OF THE STRATEGIC RISK REGISTER

The Committee considered the report from the Safety and Risk Management Officer updating Members on the status of the Council's 2021/22 Strategic Risk Register.

The report provided a table illustrating the significant changes agreed by SLT to the 2021/22 strategic risk register and a table illustrating the current status of all current strategic risks.

Individual groups working through the risks to develop bespoke action plans and reviewing the current risks as well as setting target risks to identify the potential for lowering the risks once the actions are delivered and management controls put in place.

AGREED (unanimously) that the Committee noted the new strategic risk register and agreed the timetable for reviewing the strategic risk register, to be reviewed prior to April 2022.

87 INTERNAL AUDIT UPDATE REPORT

The Committee considered the Internal Audit update report from Assurance Lincolnshire providing a summary of the proposed ICT Audit strategy covering the period 2021/22 to 2023/24 and to seek approval of the proposed amendments to the 2021/22 schedule of audits to take into consideration the outcome of the ICT Strategy.

Members were notified that Assurance Lincolnshire were collating the responses to

the Members' training questionnaire and that the results and arrangements for a formal training plan to be brought back to the Committee in July 2021.

The report informed the Committee that at the time when the annual plan had been agreed, the ICT Strategy Plan work was in progress. Following its conclusion, two high risk audits have been identified which need to be incorporated within the 2021/22 plan (Appendix A of the report). To enable the delivery of the two identified audits, having had discussions with Internal Audit, assessed the risk of each piece of work and proposed an adjustment to the schedule of the audits.

AGREED (unanimously) that the Committee considered and commented upon the latest internal audit report and approved the changes proposed to be made to the 2021/22 schedule of audits.

#### 88 STATEMENT OF ACCOUNTING POLICIES 2020/2021

The Committee considered the report from the Assistant Business Manager for Financial Services providing updates made to the Council's accounting policies in relation to the closedown of the 2020/2021 financial year.

The report advised that the Policy for Financial Assets measured at fair value through profit or loss and has been amended in line with the Code of Practice. A complete set of the Accounting Policies for 2020/2021 were attached to the report at Appendix A.

AGREED (unanimously) that the amended Statement of Accounting Policies for 2020/2021 be approved.

#### 89 COUNTER-FRAUD ACTIVITIES FROM 1 SEPTEMBER 2020 TO 31 MARCH 2021

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 27 November 2019.

The report reminded the Committee that an element of their role is to provide assurance to the Council that its anti-fraud arrangements are operating effectively. In order to do this, counter-fraud activity reports are brought to the Committee twice a year. These reports detail the number of cases detected, amounts lost, the outcome of cases and amounts recovered, together with any other counter fraud work that has been undertaken.

A previous counter-fraud activity report tabled at the September Committee advised work had progressed regarding a fraud e-learning page on the intranet available for all staff. The Committee were advised that it was anticipated that this will go live prior to the end of April with a view for all staff to complete before the end of May 2021. This supports the refresh of the Anti-fraud and Corruption Strategy and the Anti-Money Laundering Strategy having been approved at Council on 9 February 2021.

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

90 FRAUD RISK ASSESSMENT

The Committee considered the report from the Business Manager for Financial Services informing Members of the update of the Fraud Register undertaken during February 2021.

The report reminded the Committee that the fraud risks are reassessed periodically and the register updated. The amended Fraud Risk Register as at February 2021 was attached to the report at Appendix A.

Within the report, further actions were provided having been implemented up to April 2021 helping to mitigate fraud risks as well as a number of new actions that need to be put in place.

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

91 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.

92 FRAUD RISK ASSESSMENT

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).

93 DATE OF NEXT MEETING

The next meeting would be held on Wednesday 28 July 2021.

94 RECRUITMENT OF INDEPENDENT MEMBER

The Committee were provided with an update from the Chairman on the recruitment of an Independent Member.

Meeting closed at 11.07 am.

Chairman