

NEWARK AND SHERWOOD DISTRICT COUNCIL

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

PRESENT: Councillor Mrs S Michael (Chairman)

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

APOLOGIES FOR Councillor M Brown (Committee Member)

ABSENCE:

26 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.

27 DECLARATION OF ANY INTENTIONS TO RECORD THE MEETING

There were no declarations of intention to record the meeting.

28 MINUTES OF THE MEETING HELD ON 29 SEPTEMBER 2021

AGREED that the Minutes of the meeting held on 29 September 2021 be approved as a correct record and signed by the Chairman.

29 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 February and April 2022 meetings apart from the Partnership Register.

Other items have not so far been identified for the new Governance Structure and will change what is brought to the Committee.

30 EXTERNAL AUDITORS' ANNUAL AUDIT COMPLETION REPORT

Jon Machej attended the meeting, giving apologies for his colleague David Hoose who was unable to attend the meeting.

The Committee considered the report from the Business Manager for Financial Services providing the Committee with the External Auditors Annual Audit Completion Report, as provided at Appendix 1.

The Mazars representative Jon Machej, present at the meeting referred to the Audit Completion Report at page 8 advising one matter to be resolved, at page 10 one property to resolve and currently finalising to bring to a conclusion. Page 15 onwards referring to the Pension fund highlighting a couple of errors. The Chairman enquired as to when the opinion is expected, the Mazars representative expected this to be in the next couple of weeks.

The report confirmed that the external auditor anticipates issuing an unqualified opinion, without modification, of the 2020/21 Statement of Accounts. Once all the audited areas are finalised a supplementary letter and report will be presented to the next committee detailing any further amendments.

AGREED (unanimously) that:

- a) the Committee received the External Auditors Annual Audit Completion Report for 2020/2021; and
- b) the Committee noted the adjustments to the financial statements set out in the Audit Completion report.

31 RISK MANAGEMENT

The Committee considered the report from the Safety and Risk Manager taken at the meeting by the Business Manager for Public Protection providing an update to Members on the status of the Council's 2021/22 Strategic Risk Register.

The report highlighted that the strategic risk register is reviewed annually to ensure it remains relevant and effective.

Performance of all strategic risks continue to be reported to the Senior Leadership Team (SLT) quarterly via the Transformation team's assurance reporting system. This includes identification of failing or "red" risks.

All of the strategic risks identified in the report are owned by a member of SLT. Risk owners, with the assistance of lead officers and the Safety and Risk Manager meet on a quarterly basis to review and develop the risk. All of the current risks have been reviewed and action plans developed.

AGREED that the Members noted the content of the report.

32 INTERNAL AUDIT PROGRESS REPORT

The Committee considered the Internal Audit progress report at Annex A from Assurance Lincolnshire providing a summary of Internal Audit work undertaken during 2021/22 against the agreed audit plan.

The Acting Principal Auditor for Assurance Lincolnshire informed the Committee of an error to the pie chart on page 57 of the agenda which also impacted on the bar chart. The 14 actions due should in fact be 11, the Committee were advised that an updated version would be provided.

The Audit Plan for 2021/22 was agreed at the Audit and Accounts Committee in February 2021 and throughout the year it has reported on the progress made and any changes to the plan are forwarded to the Committee.

The report received provided the Committee to comment upon the latest Internal Audit Progress Report which covered the period up to 31 October 2021.

AGREED (unanimously) that the Committee considered and commented upon the latest internal audit progress report and approved the extensions to the implementation dates.

33 TREASURY MANAGEMENT 2021-22 MID YEAR REPORT

The Committee considered the report from the Assistant Business Manager for Financial Services providing an update on the Council's treasury activity and prudential indicators for the first half of 2021/22.

The report provided a summary of the Councils borrowing, investment and capital expenditure position as at 30 September 2021. It was noted on page 68 of the report at 2.3 that the fourth column heading should have been 2021/22 and not 2020/21.

AGREED (unanimously) that:

- a) the Treasury Management activity be noted and recommended to Full Council on 14 December ; and
- b) the Prudential Indicators detailed in section 9 of the report be noted.

34 COUNTER-FRAUD ACTIVITIES FROM 1 APRIL 2020 TO 30 SEPTEMBER 2021

The Committee considered the report from the Business Manager for Financial Services informing the Committee of counter-fraud activity undertaken since the last update reported on 21 April 2021.

The report highlighted the role of the Audit & Accounts Committee 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.

In order to promote a strong counter-fraud culture, Members of the Committee are aware of the Council's response to fraud and the results of any action taken.

AGREED that the Members noted the content of the report.

35 RESULTS OF THE ASSESSMENT OF EFFECTIVENESS OF THE INTERNAL AUDIT FUNCTION

The Committee considered the report from the Business Manager for Financial Services informing the Committee of the results of the recent assessment of the effectiveness of the Internal Audit function including a self-assessment of the Committee.

The report advised that at the Audit & Accounts Committee held on 27 November 2019, the Committee had considered a report which reviewed the effectiveness of the Internal Audit function and the self-assessment of the Audit & Accounts Committee.

This recent assessment had been attended by the Business Manager for Financial Services, the Chairman and one other Committee Member meeting with Assurance Lincolnshire to review the effectiveness of the Internal Audit function.

The self-assessment was undertaken using a questionnaire provided within CIPFA's Practical Guidance for Audit Committees. The self-assessment was facilitated by the Internal Audit Manager (Assurance Lincolnshire) and the Business Manager – Financial Services with the panel, scoring the assessment. The questionnaire aimed to determine whether the Audit Committee within a council meets with best practice as outlined in the guidance.

The subscription to CIPFA's Better Governance Forum, the Service Plan for this was attached at Appendix C. By subscribing to this network, the authority will gain access to a wide range of webinars and face-to-face events at various regional venues as well as expert support and guidance that is centred on all aspects of governance and internal audit and to take out the subscription from 1 April 2022.

It is no longer a statutory requirement that an annual review of effectiveness be carried out, and the Audit & Accounts Committee had previously determined that an assessment should be carried out every two years.

AGREED (unanimously) that:

- a) the Committee noted the results of the review of the effectiveness of the Internal Audit function;
- b) the Committee noted the results of the Self-Assessment of the Effectiveness of the Audit & Accounts Committee;
- c) the action plan is adopted;
- d) the Committee recommends to the Policy and Finance Committee through the budget process to add £4,610 (subject to inflationary increase that CIPFA may apply) into the base budget for 2022/23 and beyond in respect of the subscription to the Better Governance Forum; and
- e) the Committee agreed that the next assessment should be undertaken in September 2023.

36 APPOINTMENT OF EXTERNAL AUDITORS

37 DATE OF NEXT MEETING

The next meeting would be held on Wednesday 2 February 2022.

Meeting closed at 11.10 am.

Chairman