

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, 25 July 2018 at 10.00 am.

PRESENT: Councillor Mrs S Michael (Chairman)
Councillor B Crowe, Councillor D Payne and Councillor B Wells

APOLOGIES FOR Councillor P Handley
ABSENCE:

47 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.

48 DECLARATION OF ANY INTENTIONS TO RECORD THE MEETING

There were no declarations of intention to record the meeting.

49 MINUTES OF THE PREVIOUS MEETING

That the Minutes of the meeting held on 25 April 2018 be approved as a correct record and signed by the Chairman.

50 TREASURY MANAGEMENT OUTTURN REPORT 2017/18

The Business Manager- Financial Services, presented the Treasury Outturn report for 2017/18. The Treasury Strategy and Prudential Indicators for 2017/18 were approved by Council on 9th March 2017 and the Outturn report was the last report for the financial year, required by the CIPFA Code. It had been prepared on the basis of the draft final accounts

He drew the attention of the Committee to one prudential indicator which had been breached during the period. The prudential indicator 'Interest Rate Exposure' limit was exceeded was £2.181m for one day during February 2018. The timing of receipt of income meant that excess funds were receipted into the bank account, which needed to be invested, as the money would have been at greater risk due to breaching the counterparty investment limit should they not have been. This arose as there was a cash limit on this indicator, rather than a percentage basis, as set within the Treasury Management Strategy approved at Council on 9 March 2017.

The Council had complied with all other indicators.

AGREED (Unanimously) that the Treasury Management outturn position be noted.

51 EXTERNAL AUDIT GOVERNANCE REPORT 2017/18

The Committee considered the External Audit Governance Report 2017/18. John Cornett, Director- KPMG, was in attendance to present the report. The Committee considered the report and heard about a material error that had been corrected regarding the revaluation of Kelham Hall, which should have been undertaken when it was sold.

Other risks highlighted were considered and the value for money opinion of unqualified was also detailed in the report. The financial resilience of the authority had been found to be sound and well based. Mr Cornett expressed his thanks to officers for their work and assistance and also the quality of the working papers provided for the audit. The accounts had been produced within the new timescale by the statutory deadline of 31 May 2018.

On behalf of the Committee and Officers, the Chairman expressed thanks to KPMG.

AGREED that:

- a) the Committee receives the External Auditors Annual Governance Report for 2017/18;
- b) the Committee notes the adjustments to the financial statements set out in the report; and
- c) the letter of representation signed by the Director of Resources – S151 Officer and the chair of the committee, be approved.

52 STATEMENT OF ACCOUNTS 2017/18 AND ANNUAL GOVERNANCE STATEMENT

The Committee considered the Statement of Accounts and Annual Governance Statement 2017/18. The Committee had previously considered both documents in depth at a workshop session with Officers.

The Business Manager- Financial Services explained that a number of amendments had been made in relation to the revaluation of Kelham Hall. Members considered the amendments.

AGREED that

- a) Members approve the Annual Governance Statement for the financial year ended 31 March 2018;
- b) Members approve the Statement of Accounts for the financial year ended 31 March 2018; and
- c) Members note that as per the previous report the s151 Officer and the Chairman have signed the Letter of Representation.

53 INTERNAL AUDIT PROGRESS REPORT 2018/19

The Committee considered the Internal Audit Progress report. The Committee noted that three audits had been issued during the period, which were: Procurement – Substantial Assurance; Health and Safety – Substantial Assurance; and Business Continuity – Limited Assurance. The Committee considered the management response in relation to the limited assurance given to the Business Continuity audit.

Members considered the details of audits in progress and of work undertaken by the Internal Auditors in relation to the Mansfield and District Joint Crematorium Committee accounts. The Committee heard that Officers were continuing to work with Mansfield and Ashfield District Councils in relation to an issue surrounding VAT and expenditure required to update equipment at the crematorium.

In course of the discussion the Committee heard a concern, raised by a member of the Committee, regarding use of hybrid mail systems and the potential delay this may lead to in receiving mail. The Director-Resources agreed to consider the issue and update the Committee.

AGREED That the Audit and Accounts Committee consider and comment upon the latest internal audit progress report.

54 ANNUAL INTERNAL AUDIT REPORT 2017/18

The Committee considered the Annual Internal Report 2017/18. The Committee heard that in areas of governance, risk, internal control and financial control the Council was performing well. Members considered detail of the overall combined assurance on critical activities and noted that there was 66% areas of high assurance and 34% and medium assurance. There were no areas of limited assurance.

The report also contained details of changes to the audit plan, recommendations made and the number implemented, other additional work undertaken and the delivery of the plan. Members heard that officers were working to improve the audit process with Business Managers to better respond to work pressures.

AGREED That the Audit & Accounts Committee consider and comment upon the annual internal audit report.

55 COMMITTEE WORKPLAN

The Business Manager- Financial Services presented the committee workplan.

AGREED that the Committee workplan be noted.

56 DATE OF NEXT MEETING

Wednesday 28 November 2018 at 10am. A training session for Members of the Committee would be held prior to the meeting, at 9am.

Meeting closed at 10.55 am.

Chairman