

## 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, 23 November 2022 at 6.00 pm.

PRESENT: Councillor Mrs S Michael (Chairman)  
Councillor R Crowe (Vice-Chairman)

Councillor R Blaney, Councillor Mrs B Brooks, Councillor D Cumberlidge, Councillor P Harris, Councillor S Haynes, Councillor J Kellas, Councillor J Lee, Councillor T Smith and Mr C Richardson (Non-Voting Co-Optee)

APOLOGIES FOR ABSENCE: Councillor Mrs E Davis (Committee Member) and Councillor B Laughton (Committee Member)

### 19 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.

### 20 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.

### 21 MINUTES OF THE MEETING HELD ON 27 JULY 2022

AGREED that the minutes of the meeting held on 27 July 2022 be approved as a correct record and signed by the Chairman.

### 22 ORDER OF BUSINESS

With the agreement of the Committee, the Chairman changed the order of business. Agenda Item 9 Internal Audit Progress Report 2022/23 was taken after Item 5 Strategic Risk Review, then the agenda resumed to its stated order.

### 23 STRATEGIC RISK REVIEW

The Committee considered the report from the Safety and Risk Manager providing an update to Members on the status of the Council's 2022/23 Strategic Risk Register.

The report reminded Members that the contents of the Strategic Risk Register had been reported in April 2022. The content of the current risk register had not changed since the last report and continued to have 13 strategic risks.

The Committee was advised that the current strategic risk register does not address the issues/risks posed by the current cost of living challenge to the council, its services, and the communities it serves. This risk has recently been considered by the Council's Senior Leadership Team, who have subsequently agreed to its inclusion

within the current risk register.

Councillor Harris noted that Arkwood was shown as a risk and that Active4Today was not, the Safety and Risk Manager would consider and update at the next meeting.

AGREED (unanimously) that the Members of the Committee noted the content of the report and highlighted any issues of concern.

#### 24 INTERNAL AUDIT PROGRESS REPORT 2022/23

The Committee considered the report from the Head of Internal Audit for Assurance Lincolnshire providing a summary of Internal Audit work undertaken during 2022/23 against the agreed audit plan.

The Audit Plan for 2022/23 was agreed at the Audit and Accounts Committee in April 2022. Throughout the year reports on the progress made and changes to the plan were then brought to this Committee.

The report contained details of all reports issued in the first half of the financial year 2022/23.

The Director for Housing, Health and Well-Being provided an update with regard to gas servicing having met with the Regulator, confirming that significant progress has been made.

The Chairman requested that that the Director for Housing, Health and Well-Being provided a further update to the Audit & Governance Committee in February.

The Head of Internal Audit for Assurance Lincolnshire advised that Members of the Audit & Governance Committee had attended the Governance training on the 2 November 2022, also advising that CIPFA had issued further training.

AGREED (unanimously) that the Audit & Governance Committee considered and commented upon the latest internal audit progress report and noted its content.

#### 25 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN AND HOUSING OMBUDSMAN ANNUAL UPDATE

The Committee considered the report from the Business Manager for Customer Services that informed the Committee of the Local Government and Social Care Ombudsman and Housing Ombudsman annual reviews.

The report highlighted to Members that each year the Local Government and Social Care Ombudsman (LGSCO) produces an Annual Review Letter for local authorities detailing the number, type and decisions made relating to each authority; these were provided as Appendices 1 and 2. The Housing Ombudsman also produces an Annual Complaints Review, in the report as Appendix 3.

Councillor Harris referred to the national picture and how the Council compares. The Assistant Director Legal and Democratic Services confirmed to provide further

information. Councillor Lee referred to 3<sup>rd</sup> party providers with reference to housing, the Assistant Director Legal and Democratic Services would check in to this and advise if there were implications for the Council.

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

26 AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT

The Committee considered the report from the Business Manager for Financial Services informing Members of the activity undertaken by the Audit and Accounts/Audit and Governance Committee during the 2021/22 financial year.

The report reminded Members that as part of the bi-annual review of the effectiveness of the Audit Committee which was undertaken during July 2019, an action plan was presented to the Audit and Accounts Committee at the meeting in November 2019. One of the actions identified within that plan was to produce an annual report of the activity of the Audit and Accounts Committee, which is now the Audit and Governance Committee.

This report provides Members with the activity undertaken by the Audit and Accounts/Audit and Governance Committee during the 2021/22 financial year and ensures that the Committee discharges its responsibilities as per its delegated authority within the Council's Constitution.

AGREED (unanimously) that Members noted the content of the report and recommend it to Full Council on 13 December.

27 TREASURY MANAGEMENT MID-YEAR REPORT 2022/23

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 2022/23.

The Members discussed the report noting at 2.3 the titles for the expenditure required switching over between the General Fund and the HRA.

It was also noted on page 85 of the agenda in the Investment Activity in 2022/23 table for the Standard Chartered Sustainable Deposit the average interest rate was 3.31% and not 6.61%.

AGREED (unanimously) that:

- a) the Treasury Management activity be noted and recommended to Full Council on 13 December; and
- b) the Prudential Indicators detailed in Section 9 of the report be noted.

28 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 2022.

The report provided a draft version of the Statement of Accounts, to be finalised for 30 November. The Mazars representative, present at the meeting, advised the Committee that they were close to signing and expected this would take place in the first two weeks of December.

AGREED (unanimously) that:

- a) Members approved the Annual Governance Statement for the financial year ended 31 March 2022;
- b) Members approved the draft audited Statement of Accounts for the financial year ended 31 March 2022;
- 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 3.4;
- d) Members gave delegation to the Deputy Chief Executive/Director of Resources - S151 Officer and the Chairman to sign the Management Letter of Representation as per paragraph 3.6; and
- e) Members gave delegation to the Leader of the Council and the Chief Executive to sign the Annual Governance Statement as per paragraph 3.9.

## 29 REVIEW OF THE NEW GOVERNANCE ARRANGEMENTS

The Committee considered the report from the Assistant Director for Legal & Democratic Services to update Members on plans for the 6-month review of the new (Executive) Governance arrangements adopted by Full Council on 17 May 2022.

The report explained how the Council had moved from a committee system of governance to a cabinet system of governance and agreed to undertake a review of the system 6 months after implementation.

The report noted that two sessions had been arranged which were open to all Members, one in person and one virtual to allow for the greatest engagement. These sessions are to be held on Monday 12 December (remote) and Thursday 15 December (in person at Castle House) and will be chaired by the Chief Executive. Members will be invited to review the governance structure and provide feedback on various aspects of the structure such as the Cabinet, Policy & Performance Improvement Committee and the Executive Work Programme, sharing what is working well and what could be improved.

AGREED (unanimously) that:

- a) Members endorsed the plans; and

- b) Members noted that the findings of the review will be brought back to this Committee on 1 February 2023.

30 COUNTER-FRAUD ACTIVITIES FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

The Committee considered the report from the Assistant Business Manager for Financial Services to inform Members of counter-fraud activity undertaken since the last update reported on 1 December 2021.

The report highlighted Counter Fraud Detection at section 2 and Other Counter-Fraud Detection - Business Grants at section 3.

The Business Manager for Financial Services advised the Committee that in July the Fraud Risk Register had been refreshed as part of the National Fraud Initiative (NFI).

Councillor Blaney queried 4.2 of the report as to what was the percentage breakdown as during 2021/22 3,181 Council Tax single person discount awards were investigated. Of the matches generated by NFI, 244 cases of suspected fraud were identified, 40 cases of error amounting to £129,906. The Business Manager for Financial Services to clarify.

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

31 AUDIT & GOVERNANCE COMMITTEE WORK PLAN

The Committee considered the current Audit & Governance Committee Work Plan, noting that other reports may be supplemented.

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

32 DATE OF NEXT MEETING

The next meeting would be held on Wednesday 1 February 2023.

Meeting closed at 7.10 pm.

Chairman