

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, 31 July 2024 at 6.00 pm.

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

Councillor R Cozens, Councillor P Farmer, Councillor A Freeman, Councillor J Hall, Councillor S Haynes, Councillor J Kellas, Councillor S Michael, Councillor C Penny and Councillor T Thompson and Mr C Richardson (Non-Voting Co-Optee)

APOLOGIES FOR ABSENCE: Councillor M Shakeshaft

81 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.

82 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.

83 MINUTES OF THE MEETING HELD ON 24 APRIL 2024

AGREED that the minutes of the meeting held on 24 April 2024 be approved as a correct record and signed by the Chair.

84 REVISED CUSTOMER COMPLAINT AND FEEDBACK POLICY AND HOUSING OMBUDSMAN COMPLAINT HANDLING CODE SELF-ASSESSMENT UPDATE

The Committee considered the report from the Business Manager for Customer Services updating Members on the changes required to the Customer Complaints and Feedback Policy to ensure the Council meets the requirements of the Housing Ombudsman Complaint Handling Code.

Members were also updated on the outcome of the completion of the Housing Ombudsman Complaint Handling Code Self-Assessment.

The report explained that a few changes took place to meet the code and that the Council completed the on line assessment before the 30 June deadline.

AGREED (unanimously) that:

- a) Members approved the revised Customer Complaints & Feedback Policy and the Housing Ombudsman Complaint Handling Code Self-Assessment; and

- b) Members approved the completed Housing Ombudsman Complaint Handling Code Self-Assessment.

85 CUSTOMER FEEDBACK (COMPLAINTS, SUGGESTION & PRAISE FOR THE PERIOD OCTOBER 2023 - MARCH 2024 (HALF 2 - 2023/24))

The Committee considered the report from the Director of Customer Services and Organisational Development presenting the customer Feedback half year report.

The report went through each section with the Committee providing feedback received over the second half of 2023/24 and will be received on a half yearly basis.

The Chair confirmed for the Director to brief Committee on a related matter regarding an upcoming Members Survey.

Committee Members were provided with an example of the upcoming survey and it was agreed that any Members that had any queries should come back to the Director for Customer Services and Organisational Development in the next two weeks if they wanted to include an additional question.

The survey would go out at the end of August and would be open for three weeks.

AGREED (unanimously) that:

- a) Members reviewed the Customer Feedback Report attached at appendix 1; and
- b) Members considered the report's content, identifying areas of good practice and areas for improvement.

86 PRODUCTIVITY PLAN

The Committee considered the report from the Transformation & Service Improvement Manager outlining the appended Productivity Plan with the aim of providing Elected Member oversight prior to being submitted to Central Government in July.

The report informed the Committee of a funding package for local government coming with the requirement for local authorities to produce 'productivity plans' for submission to central government.

AGREED (unanimously) that the Productivity Plan presented at appendix 1 and the activities detailed therein be noted.

87 GOING CONCERN STATUS OF THE COUNCIL

The Committee considered the report from the Business Manager for Financial Services setting out the assessment by the Section 151 officer of the Council's Going Concern status.

The report explained that an assessment of the Council's Going Concern is required for the preparation and approval of the Statement of Accounts for the financial year ended 31 March 2024.

AGREED (unanimously) that Members reviewed the conclusion of the assessment of the Council's status as a going concern and approved that the Statement of Accounts 2023/24 be accounted for on that basis.

88 ANNUAL EXTERNAL AUDIT STRATEGY - MEMORANDUM 2023/24

The Committee considered the report from Mark Surridge from Mazars presenting the external Audit Strategy Memorandum for the 2023/24 Statement of Accounts work for Members to review and comment.

The report provided the External Audit Strategy Memorandum at Appendix A setting out the proposed work of the Council's external auditors for 2023/24, relating to the audit of the financial statements and the commentary on the Council's Value for Money arrangements.

The Committee noting that the lateness of the report being added to the agenda was due to a recent change in the audit manager and a delay in the handover process.

AGREED (unanimously) that Members noted the External Audit Strategy Memorandum.

89 UNAUDITED STATEMENT OF ACCOUNTS 2023/24

The Committee considered the report from the Assistant Business Manager for Financial Services for Members to review the Council's draft Statutory Accounts for the financial year ended 31 March 2024.

The report highlighted that the unaudited Statement of Accounts are presented to the Audit & Governance Committee to enable Members to review the contents rather than first sight when the audited Statement of Accounts need approving.

The Council's external auditors, Mazars, will commence the audit of the accounts in September 2024 and on completion there is a requirement that the external auditor provides details of all the errors within the financial statement. This report is the Audit Completion report and will be brought to the Committee in December 2024 along with the final audited Statement of Accounts for approval.

AGREED (unanimously) that:

- a) Members noted the Annual Governance Statement for the financial year ended 31 March 2024; and
- b) Members noted the draft Statement of Accounts for the financial year ended 31 March 2024 and agreed to them being submitted to the external auditor (Mazars) for audit and certification.

90 TREASURY MANAGEMENT OUTTURN REPORT 2023/24

The Committee considered the report from the Assistant Business Manager for Financial Services to give Members the opportunity to review the Annual Treasury Outturn report, which will be presented to Council on 15 October 2024.

This report provided a review for the mid-year and a summary of Treasury balances as at 31 March 2024, there were no breaches and further information was provided in Appendix A.

AGREED (unanimously) that Members considered the Treasury Outturn position for 2023/24.

91 ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL AUDIT FUNCTION AND THE AUDIT AND GOVERNANCE COMMITTEE

The Committee considered the report from the Business Manager for Financial Services informing Members of the requirement to assess the effectiveness of the Internal Audit function and the Audit and Governance Committee and to recommend Members to undertake these exercises.

AGREED (unanimously) that the Committee recommended appropriate Members to undertake the assessments, the Members who volunteered were Cllrs Penny, Cozens and Farmer.

92 ANNUAL INTERNAL AUDIT REPORT

The Committee considered the report from Philip Lazenby, Director of Audit (TIAA) providing a summary of Internal Audit work undertaken during 2023/24 and to support the Annual Governance Statement by providing an opinion on the organisation's governance, risk, financial and internal control environment.

The Annual Internal Audit Report:

- Includes an opinion on the overall effectiveness of processes for risk management, control and governance.
- Discloses any qualifications to that opinion, together with the reasons for the qualification.
- Summarises audit work undertaken, including reliance placed on the work of other assurance bodies where applicable.
- Draws attention to any issues that are particularly relevant to the Annual Governance Statement.
- Summarises the performance of the internal audit function against its key performance measures.
- Comments on compliance with standards.

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

93 INTERNAL AUDIT PROGRESS REPORT 2024/25

The Committee considered the report from Philip Lazenby, Director of Audit (TIAA) providing a summary of Internal Audit work undertaken during 2024/25 against the agreed audit plan.

The report provided details of all reports issued within the first part of the financial year 2024/25.

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

94 PROVISIONAL FINANCIAL OUTTURN REPORT TO 31 MARCH 2024

The Committee considered the report from the Business Manager for Financial Services updating Members with the provisional 2023/24 financial outturn position on the Council's revenue and capital budgets, including:-

- General Fund Revenue
- Housing Revenue Account
- Capital Programme
- Provisions and Impaired Estimates on Debtors
- Usable Reserves
- Collection Fund

and to show performance against the approved estimates of revenue and capital expenditure and income.

AGREED (unanimously) that:

- a) the final outturn of revenue and capital spending for 2023/24 be noted;
- b) the variation to the capital programme, as set out in paragraph 1.5 be noted;
- c) the capital financing proposals as set out in paragraph 1.6 be noted;
- d) the movement in Provisions and Impaired Estimates on Debtors be noted;
- e) the creations of the new reserves, as outlined in paragraph 1.13, be noted; and
- f) the individual contributions to, and withdrawals from, the revenue and capital Usable Reserves be noted.

95 FRAUD RISK ASSESSMENT

The Committee considered the report from the Business Manager for Financial Services informing Members of the update of the Fraud Risk Register undertaken during April 2024.

The report confirmed that the fraud risks are assessed annually and the register updated. The amended Fraud Risk Register as at April 2024 was included to the report as Appendix A.

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

96 COUNTER-FRAUD ACTIVITIES FROM 1 OCTOBER 2023 TO 30 APRIL 2024

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 22 November 2023.

The role of the Audit & Governance Committee is to provide assurance to the Council that its anti-fraud arrangements are operating effectively, 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.

AGREED (unanimously) that Members noted the report.

97 CODE OF CONDUCT ANNUAL REPORT FOR THE PERIOD 1 APRIL 2023 - 30 APRIL 2024

The Committee considered the report from the Assistant Director Legal & Democratic Services, Monitoring Officer providing the Code of Conduct Annual Report for the Period 1 April 2023 – 30 April 2024.

The report advised that 41 complaints were received between 1 April 2023 and 30 April 2024, 37 complaints were closed without investigation. It was determined following appropriate consultation with the Independent Persons that either no further action was required, or that informal resolution by way of an apology was appropriate and 4 complaints were referred for further investigation.

AGREED (unanimously) that:

- a) the annual report be noted; and
- b) a further session on the Code Conduct is delivered in Autumn 2024.

98 AUDIT AND GOVERNANCE COMMITTEE WORK PLAN

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

The outcome report of the Members Survey to be taken to the December meeting of the Audit & Governance Committee along with any suggested actions.

It was noted to have a six month review of the Code of Conduct following the annual report and that a further session on the Code of Conduct is delivered in Autumn 2024.

The Committee Members will attend a Working Party on 17 October to discuss the Constitution Review, feeding back to the Committee in December.

AGREED (unanimously) that the Work Plan be noted.

99 EXCLUSION OF THE PRESS AND PUBLIC

AGREED (unanimously) that under section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

100 FRAUD RISK ASSESSMENT

The Committee considered the exempt appendix to the Fraud Risk Assessment report from the Business Manager for Financial Services.

101 DATE OF NEXT MEETING

The next Audit & Governance Committee meeting to be held on Wednesday 25 September 2024.

Meeting closed at 8.55 pm.

Chair