



Report to: Audit & Governance Committee Meeting  
11 December 2024

Director or Business Manager Lead: Sanjiv Kohli Deputy Chief Executive / Director –  
Resources and Section 151 Officer

Lead Officer: Nick Wilson, Business Manager Financial Services on  
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<b>Report Summary</b>	
<b>Report Title</b>	Audit and Governance Committee Annual Report
<b>Purpose of Report</b>	To inform Members of the activity undertaken by the Audit and Governance Committee between 27 September 2023 and 31 July 2024.
<b>Recommendations</b>	That Members note the report.
<b>Reason for Recommendation</b>	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

## **1.0 Background Information**

- 1.1 As part of the bi-annual review of the effectiveness of the Audit and Accounts 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.
- 1.2 Section 7.2 of Part C of the constitution sets out the terms of reference for the Committee. This report details how the Committee has discharged those responsibilities throughout the year.

## **2.0 Activity undertaken during the year**

- 2.1 During the year, the Committee discharged its responsibilities as described within the Constitution by:

## **27 September 2023**

- 2.2 Members were updated with an outcome of a recent Housing Ombudsman investigation.
- 2.3 A Local Government and Social Care Ombudsman Annual Review update was provided to Members as is a requirement that Annual Review letters are shared with Members.
- 2.4 Members reviewed the May/June induction training programme for Councillors and considered the ongoing training and development for Councillors.
- 2.5 Members considered the Independent Remuneration Panel regarding the Scheme of Members Allowances for 2023/24 in the context of value for money.
- 2.6 Members received an annual report informing them of the activity undertaken by the Audit & Governance Committee from 22 April 2022 until 14 June 2023.
- 2.7 The Committee received a report setting out the assessment of the Section 151 Officer of the Council's Going Concern status, this is required for the preparation and approval of the Statement of Accounts for the financial year ended 31 March 2023.
- 2.8 The Committee also received reports on:
  - Annual External Audit Strategy Memorandum 2022/23
  - Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2024 as at 30 June 2023
  - LGA Newark and Sherwood District Council Cyber 360 Report

## **22 November 2023**

- 2.9 The Internal Audit Progress Report for 2023/24 provided a summary of Internal work undertaken during 2023/24 against the agreed audit plan and how this impacts on the Council's overall Governance framework.
- 2.10 The Members received an update on the Council's Treasury Activity and Prudential Indicators for the first half of 2023/24 which was noted and recommended to Full Council on 12 December 2023.
- 2.11 The Committee were informed of counter-fraud activity undertaken since the last update, the Members understood how important the Council's response is to fraud and also the results of any actions taken.
- 2.12 Members received an update on the status of the Council's 2023/24 Strategic Risk Register.
- 2.13 The Committee gave their endorsement to updates to the Council's Constitution to enable Planning Committee to revise the Council's Protocol for Dealing with Planning Matters to allow for public speaking at the Planning Committee.

It was recommended to Full Council that the Council's Constitution be amended as set out in paragraphs 2.2 to 2.4.

## **21 February 2024**

- 2.14 Members were provided with the reports which had been approved at Cabinet on 20 February 2024 :

General Fund Revenue Budget 2024/25

General Fund Medium Term Financial Plan 2024/25 – 2027/28

Capital Programme 2024/25 – 2027/282

- 2.15 The Committee approved the Internal Audit Plan for the 2024/25 financial year.
- 2.16 Members received a summary of Internal Audit work undertaken during 2023/24 against the agreed audit plan.
- 2.17 Members received the External Auditor's Draft Annual Audit Completion Report for 2022/23.
- 2.18 The Committee approved the Council's Statutory Accounts for financial year ended 31 March 2023.
- 2.19 The Committee considered the forecast outturn position for the 2023/24 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.

This also ensured that the Council has overall financial sustainability for the current financial year compared to the budgeted position.

- 2.20 Members approved the Treasury Management Strategy, incorporating the Borrowing Strategy, Investment Strategy and Treasury Prudential Indicators updated in accordance with the latest guidance, to be taken to Full Council on 8 March 2023.
- 2.21 The Committee also received reports on:
- Capital Strategy 2024/25
  - Investment Strategy 2024/25
  - Housing Ombudsman Annual Review Update
  - Gifts and Hospitality Annual Report
  - Regulation of Investigatory Powers Act 2000 (RIPA) Annual Report
  - Whistleblowing Policy Annual Report
  - Review of Significant Issues in the Annual Governance Statement
  - Update on the LGA Newark and Sherwood District Council Cyber 360 Report

## **24 April 2024**

- 2.22 The Committee received a summary of Internal Audit work undertaken during 2023/24 against the agreed audit plan. The report contained details of reports issued in the last quarter together with a summary of all report considered during the financial year.

- 2.23 The External Auditor issued an Annual Audit Completion Report (ACR) in compliance with the International Standards on Auditing. The significant findings from the audit are reported in the Annual Audit Completion Report, together with the action taken in respect of these findings. The report also gave the auditor's opinion on the Statement of Accounts.
- 2.24 The Members were presented with the Ethical and Fossil Fuel Investment policies of the Investment Banks used by the Council, to ensure sustainable and ethical investments in line with the Council's policies.
- 2.25 Members received an update highlighting the Council's 2024/25 Strategic Risk Register and they were provided with the current status.
- 2.26 The Committee received the updates to the Council's accounting policies in relation to the close down of the 2023/2024 financial year.
- 2.27 The Committee also received reports on:
- Underlying Pension Assumptions for 2023/2024 Statement of Accounts
  - Underlying Valuation Assumptions for 2023/2024 Statement of Accounts
  - Annual Review of the Council's Constitution
  - Review Arrangements for dealing with Code of Conduct Complaints regarding Councillors
  - Update on the LGA Newark and Sherwood District Council Cyber 360 Report

### **31 July 2024**

- 2.28 Members were updated on the changes required to the Customer Complaints and Feedback Policy which would ensure the Council meets the requirements of the Housing Ombudsman Complaint Handling Code.

The report also provided Members with the outcome of the completion of the Housing Ombudsman Complaint Handling Code Self-Assessment.

- 2.29 The Committee were presented with the Customer Feedback half year report.
- The Council acknowledged the significance of listening to residents' views regarding the services they receive. The customer feedback policy facilitates the capture, investigation, response, and learning from customer feedback, contributing to the improvement and development of Council services in the future.
- 2.30 The report outlined to the Committee the appended Productivity Plan with the aim of providing Elected Member oversight prior to being submitted to Central Government during July.
- 2.31 The Committee received the report that set out the assessment by the Section 151 Officer of the Council's Going Concern Status.

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.

2.32 Members reviewed the Council's draft Statutory Accounts for the financial year ended 31 March 2024.

The Council's external auditors, Mazars, to commence the audit of the accounts in September 2024. 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 is brought to the Audit & Governance Committee in December along with the final audited Statement of Accounts for approval.

2.33 Members had the opportunity to review the Annual Treasury Outturn report, to be presented to Council on 15 October 2024.

The Council delegates responsibility for the implementation and regular monitoring of treasury management policies and practices to the Audit & Governance Committee and for the execution and administration of treasury management decisions to the Section 151 Officer, who acts in accordance with the Council's policies and practices.

2.34 The Committee also received reports on:

- Assessment of the effectiveness of the Internal Audit Function and the Audit and Governance Committee
- Annual Internal Audit Report
- Internal Audit Progress Report 2024/25
- Provisional Financial Outturn Report to 31 March 2024
- Fraud Risk Assessment
- Counter-Fraud Activities from 1 October 2023 to 30 April 2024
- Code of Conduct Annual Report for the Period 1 April 2023 – 30 April 2024

### **3.0 Conclusion**

3.1 As can be seen from the account of the year, the Committee has discharged its responsibilities as per the Constitution.

3.2 The Committee has added value to the organisation, by having appointed an Independent member to the Committee. Adding skills to the Committee which benefit the whole organisation as further scrutiny over the reports presented to the Committee is achieved.

### **Background Papers and Published Documents**

Nil.