

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, 2 July 2025 at 6.00 pm.

PRESENT: Councillor R Holloway (Chair)
Councillor S Michael (Vice-Chair)

Councillor N Allen, Councillor D Darby, Councillor J Hall, Councillor S Haynes and Councillor M Shakeshaft

ALSO IN ATTENDANCE: Councillor P Rainbow

APOLOGIES FOR ABSENCE: Councillor R Cozens, Councillor S Forde, Councillor A Freeman, Councillor P Harris and Councillor C Penny and Mr C Richardson (Non-Voting Co-Optee)

1 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.

2 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.

The Chair then went on to welcome Councillor Darby to the Audit & Governance Committee, Councillor Darby has taken the place of Councillor Thompson.

3 MINUTES OF THE MEETING HELD ON 7 MAY 2025

AGREED that the minutes from the meeting held on 7 May 2025 be approved as a correct record and signed by the Chair.

Following this the Chair read out a brief update from the ICT & Digital Services Business Manager who was unable to attend today's meeting and will ensure to provide a substantial report update in September.

Following the recent major breaches in the retail sector, in May 2025, the corporate information governance group received an update on the retail ransomware attacks. The bad actors deployed various tactics, techniques, and procedures to breach multiple retail sector systems. Notably, social engineering and the human element played a critical role in these attacks. As a result, communications were circulated to all NSDC employees, advising them on what to look for and the importance of ongoing reporting.

The Business Manager also informed that out of the 24 recommended actions from the LGA Cyber360 plan, only 4 actions remain in progress. Additionally, ICT & Digital Services, along with Information Governance, are continuously working on improving our Information Security and are making strides in the implementation of ISO27001, also known as ISMS and that two employees in the Council are undertaking Certified Information Systems Audit qualifications. It is hoped that this provides the committee with some levels of assurance, however we must continue to plan for the event of a successful attack. We have therefore, run numerous business continuity events and workshops facilitated by the LGA, MHCLG and ourselves specifically on Cyber security to ensure we are prepared and we will continue to improve the Council approach in this regard.

A more detailed report will be provided by the Business Manager at the next meeting in September.

4 ANNUAL INTERNAL AUDIT REPORT

The Committee considered the report from Philip Lazenby, Director of Audit (TIAA) having joined the meeting through Teams and Livestreamed alongside colleague Jodie Hill, providing a summary of Internal Audit work undertaken during 2024/25 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.

The Transformation and Service Improvement Manager for Newark and Sherwood District Council referred to the Equality, Diversity and Inclusivity report provided and advised the Committee that the Council's Senior Leadership Team had requested the audit. The Business Manager highlighted good practice that already exists at the Council and provided the Committee with further detail and assurance about implementation of the audit action plan.

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

5 EXTERNAL AUDITORS AUDIT PROGRESS REPORT

The Committee considered the report from the Business Manager for Financial

Services presenting the External Auditor's Audit Progress Report for Newark and Sherwood District Council for 2024/25.

The representative from Mazars, Ellie West presented the External Auditor's report having joined the meeting through Teams and Livestreamed.

The Committee were advised that progress to mid June had no issues to note.

AGREED (unanimously) that:

- a) Members received and noted the External Auditors Audit Progress Report for 2024/25; and
- b) Members noted the adjustments to the draft audited financial statements set out in the report.

6 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 2025.

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 2024/25 be accounted for on that basis.

7 PROVISIONAL FINANCIAL OUTTURN REPORT TO 31 MARCH 2025

The Committee considered the report from the Business Manager for Financial Services providing Members with provisional 2024/25 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 2024/25 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 new reserves, as outlined in paragraph 1.15, be noted; and
- (f) the individual contributions to, and withdrawals from, the revenue and capital Usable Reserves be noted.

8 TREASURY MANAGEMENT OUTTURN REPORT 2024/25

The Committee considered the report from the Assistant Business Manager for Financial Services giving Members the opportunity to review the Annual Treasury Outturn report, which will be presented to Council on 21 October 2025.

There were no breaches of the approved prudential indicators during 2024/25 and further information was provided in section 6 of Appendix A.

AGREED (unanimously) that Members considered the Treasury Outturn position for 2024/25.

9 REVIEW OF THE COUNCIL'S CONSTITUTION - REPLACING THE AUDIT & GOVERNANCE COMMITTEE

The Committee considered the report from the Assistant Director Legal & Democratic Services and Monitoring Officer to consider terms of reference and membership for two new Committees – Audit & Accounts Committee and Governance, General Purposes & Local Government Reorganisation (LGR) Committee which will replace this Committee as per the Full Council decision taken on 20 May 2025.

The proposal is for the Audit & Accounts Committee to have a membership of 9 as well as 1 co-opted independent member, this being consistent with CIPFA guidance to avoid large audit committees. A membership of 12 to be proposed for the Governance, General Purposes & LGR Committee.

AGREED (unanimously) that the Committee recommended the Terms of Reference for the two new Committees as set out in **Appendix A** to this report, to Full Council for approval.

10 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 Committee noted that a fresh work plan would be provided for the 2 new Committees after Full Council.

The Business Manager for Financial Services referred to the Statement of Accounts, confirming the draft had been published for the deadline of 30 June 2025 and a training session would be provided to include the new members.

AGREED (unanimously) that the Work Plan be noted.

11 DATE OF NEXT MEETING - 24 SEPTEMBER 2025

Meeting closed at 6.40 pm.

Chair