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## 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, 5 February 2020 at 10.00 am.

PRESENT: Councillor Mrs S Michael (Chairman)

Councillor Mrs B Brooks, Councillor M Brown, Councillor R Crowe and Councillor D Cumberlidge

APOLOGIES FOR ABSENCE: Councillor Mrs M Dobson (Committee Member)

24 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.

25 DECLARATION OF ANY INTENTIONS TO RECORD THE MEETING

There were no declarations of intention to record the meeting.

26 MINUTES OF THE MEETING HELD ON 27 NOVEMBER 2019

that the Minutes of the meeting held on 27 November 2019 be approved as a correct record and signed by the Chairman.

27 TREASURY MANAGEMENT STRATEGY- 2020/21

The Committee considered the report for approval of the Treasury Management Strategy, which incorporates the Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators, updated in accordance with latest guidance.

AGREED that the Committee approves each of the following key elements and recommends these to Full Council on 9<sup>th</sup> March 2020 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

- The Treasury Management Strategy 2020/21, incorporating the Borrowing Strategy and the Annual Investment Strategy (Appendix A).
- The Treasury Prudential Indicators and Limits, contained within Appendix A.
- The Authorised Limit Treasury Prudential Indicator contained within Appendix A.

28 CAPITAL STRATEGY 2020/21

The Committee considered the report for approval to the Capital Strategy 2020/21, this incorporates the Minimum Revenue Provision Policy and Capital Prudential

Indicators, updated in accordance with latest guidance.

AGREED that the Committee approves each of the following key elements and recommends these to Full Council on 9<sup>th</sup> March 2020 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

- The Capital Strategy 2020/21 Appendix A.
- The Capital Prudential Indicators and Limits for 2020/21, contained within Appendix A.
- The Minimum Revenue Provision (MRP) Policy Statement as contained within Appendix C, which sets out the Council's policy on MRP.
- The Flexible Use of Capital Receipts Strategy, contained with Appendix D.

29 INVESTMENT STRATEGY 2020/21

The Committee considered the Investment Strategy for 2020/21, meeting the requirements of statutory guidance issued by MHCLG Investment Guidance in January 2018.

AGREED that the Committee approves each of the following key elements and recommends these to Full Council on 9<sup>th</sup> March 2020 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

- The Investment Strategy 2020/21, contained within Appendix A.
- The Investment Prudential Indicators and Limits, contained within Appendix A.

30 INTERNAL AUDIT PROGRESS REPORT 2019/20

The new Internal Audit Manager for Assurance Lincolnshire introduced herself to the meeting and her colleague presented the Internal Audit Progress report to Committee members.

The Committee were informed that the Council had freehold ownership of the following Community Centres at:

- Rainworth
- Fernwood
- The Bridge
- Hawtonville

Other Community Centres in the district having been the responsibility of Newark and Sherwood Homes.

AGREED the Committee accepted the latest internal audit progress report.

31 INTERNAL AUDIT PLAN 2020/21

The Internal Audit Plan (Appendix A) sets out the proposed work of Internal Audit for 2020/21.

AGREED approval of the Internal Audit Plan.

32 COMBINED ASSURANCE REPORT

The Committee considered the Combines Assurance Report covering the period up to the end of January 2020.

The Committee discussed the report referring to the Strategic Risks, with respect to Corporate Governance, noting a decline. Members were informed that this would be addressed in Q4.

The Committee was informed that risk assessments were being chased from departments and that new software to be implemented going forward.

AGREED approval of the Combined Assurance report.

33 REVIEW OF INDEPENDENT MEMBERS APPOINTMENT

The Committee considered the report of the Business Manager- Financial Services, to consider the appointment of an Independent Member to the Audit and Accounts Committee as per the CIPFA Best Practice Guidance. The appointment had been a highlighted action following the self- assessment exercise at the Committee meeting on 27 November 2019. The report before Members detailed CIPFA guidance on appointing an independent member, the benefits this could bring to the Committee, as well as cautionary reasons.

AGREED that the Committee reviewed and discussed the proposal to co-opt an independent member onto the Committee and all agreed not to have an Independent Member on the Audit & Accounts Committee.

34 REVIEW OF SIGNIFICANT GOVERNANCE ISSUES HIGHLIGHTED IN THE ANNUAL GOVERNANCE STATEMENT

The Committee considered the report of the Business Manager- Financial Services providing an update on the significant governance issues identified in the Annual Governance Statement. The report to Members heighthed the issues and associated work undertaken.

AGREED the Committee noted the results of the review of significant governance issues as identified in the Annual Governance Statement.

35 RISK MANAGEMENT REPORT

The Safety and Risk Management Officer was in attendance to report to Members on the Council's Risk Management arrangements and the status of the Council's Strategic Risks. The annual strategic risk workshop had been undertaken in July 2019 with SLT during which the Register had been reviewed. The last audit of the Council's Risk Management arrangements, carried out by Assurance Lincolnshire in 2018, identified a substantial level of confidence in service delivery, management of risks and

operation of controls and/or performance.

The Council's Risk Management Group meet on a quarterly basis and the Risk Management Policy is due to be reviewed in April 2020. It was also noted that Internal Audit were undertaking a programmed audit of the Council's risk management systems.

AGREED that the Committee had noted the Council's approach to risk management and the status of the Council's strategic risks.

36 AUDIT COMMITTEE WORK PLAN

The Committee noted the Work Plan and requested that S106 Internal Audit be discussed at next meeting with a representative to attend.

37 DATE OF NEXT MEETING

The next meeting would be held on Wednesday 22 April 2020.

Meeting closed at 10.58 am.

Chairman