

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Audit & Accounts Committee** Broadcast from Castle House, Great North Road, Newark, Notts, NG24 1BY on Wednesday, 25 November 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)

55 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.

The meeting was held remotely, in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

56 DECLARATION OF ANY INTENTIONS TO RECORD THE MEETING

There were no declarations of intention to record the meeting.

57 MINUTES OF THE MEETING HELD ON 30 SEPTEMBER 2020

That the Minutes of the meeting held on 30 September 2020 be approved as a correct record and signed by the Chairman.

58 EXTERNAL AUDITORS' SUPPLEMENTARY LETTER TO ANNUAL AUDIT COMPLETION REPORT

The Committee considered the External Auditors' Supplementary Letter to the Annual Audit Completion report from the Business Manager for Financial Services at Appendix A.

The Committee had been updated with an amendment to the Management Letter of Representation at Appendix C of the report, to include a paragraph on 'Unadjusted Misstatements'.

The Audit Completion report follow up letter identified that 3 out of the 4 outstanding audit items had been completed with no matters to report, the audit area for Pension was ongoing. This was due to the lateness of the IAS19 assurance letters and the audited financial statements being made available and therefore the Council's external auditors were unable to gain satisfactory assurance over the net pension liability figure within the accounts.

Whilst this is out of the Council's control, the auditors advised the Committee that they were hoping to issue the audit report by the second week of December. This was also impacting on other Councils within Nottinghamshire in the same way.

AGREED (unanimously) that:

- a) the Committee received the External Auditors Annual Audit Completion Report Supplementary Letter for 2019/20; and
- b) the Letter of Representation signed by the Director of Resources – S151 Officer and the Chairman of the Committee, be approved.

59 GOING CONCERN STATUS OF THE COUNCIL

The Committee considered the Going Concern Status of the Council report from the Business Manager for Financial Services.

The concept of a 'going concern' assumes that an authority, its functions and services will continue in operational existence for the foreseeable future. The report was able to conclude in regard to the Council's arrangements and those factors as highlighted in the report, that the Council remained a going concern.

AGREED (unanimously) that the conclusion of the assessment made of the Council's status as a going concern for the purposes of the Statement of Accounts 2019/20 be noted.

60 APPROVAL OF THE STATEMENT OF ACCOUNTS

The Committee considered the report from the Business Manager for Financial Services for the approval of the Council's Statutory Accounts for the financial year ended 31 March 2020.

The report highlighted the aim of the Regulations was for the Committee to demonstrate ownership of the accounting statements. To assist Members of the Committee to review the accounts before final adoption, the Audited Draft Statement of Accounts and Annual Governance Statement was brought to the last committee on 30 September 2020.

AGREED (unanimously) that:

- a) Members approved the Annual Governance Statement for the financial year ended 31 March 2020;
- b) Members approved the Statement of Accounts for the financial year ended 31 March 2020;
- c) Members give delegation to the S151 Officer and the Chairman to sign a revised set of accounts if required as per paragraph 4.5; and
- d) Members noted that as per the previous report the S151 Officer and the

Chairman had signed the Letter of Representation.

61 STRATEGIC RISK MANAGEMENT

The Committee considered the report from the Safety and Risk Management Officer to provide an update on the Council's Risk Management arrangements and status of the Council's Strategic Risks.

The report highlighted how Strategic Risks were those that have the potential to halt or interfere with the Council's ability to achieve its priorities and/or deliver its statutory duties.

The Committee were advised that once agreed with SLT, the new Strategic Risk Register would be provided to the Committee for their consideration.

AGREED (unanimously) that the arrangements for reviewing the Strategic Risks and the proposal for bringing the new Risk Register back to this Committee be noted.

62 INTERNAL AUDIT PROGRESS REPORT

The Committee considered the report from Assurance Lincolnshire providing the Internal Audit Progress report with a summary of Internal Audit work undertaken during 2020/21 against the agreed audit plan and any remaining reports from 2019/20.

The report provided the latest progress report covering the period up to 31 October 2020 having agreed the Audit Plan for 2020/21 at the February Audit and Accounts Committee, reporting throughout the year on the progress made and if any changes to the plan are requested.

AGREED (unanimously) that the Committee considered and commented upon the latest Internal Audit Progress Report and approved the extensions to the implementation dates.

63 TREASURY MANAGEMENT 2020-21 MID YEAR REPORT

The Committee considered the report from the Assistant Business Manager for Financial Services, providing Members with an update on the Council's treasury activity and prudential indicators for the first half of 2020/21.

The report provided the Committee with a summary of the Council's borrowing, investment and capital expenditure position as at 30 September 2020.

The Council were able to confirm that no prudential indicators had been breached during the first six months of the financial period 2020/21, with a further breakdown at section 9 of the report.

AGREED (unanimously) that:

- a) the Treasury Management activity be noted and recommended to Full

Council on 15 December; and

- b) the Prudential Indicators detailed in Section 9 of the report be noted.

64 REDMOND REVIEW

The Committee considered the report from the Business Manager for Financial Services, summarising the review conducted by Sir Tony Redmond on the arrangements in place to support the transparency and quality of local authority financial reporting and external audit in England.

The review recommended 23 recommendations across a range of areas. Based on the recommendations contained within the report, there would likely be major changes to the financial reporting and external audit framework over the coming years. Officers will continue to monitor the external environment to ensure that if and when these recommendations are approved for use by the relevant organisations, the Council ensures the relevant provisions are in place to accommodate the change.

The Committee then discussed the pros and cons as to recruiting an Independent person to assist the Committee and from this a job description to be prepared and approved prior to any advertising. A report to be taken to the next Audit & Accounts Committee providing more information for Members to consider.

AGREED (unanimously) that:

- a) the Committee noted the review concluded by Sir Tony Redmond and discussed the recommendations raised.

65 AUDIT COMMITTEE WORK PLAN

The Committee noted the Work Plan.

66 EXCLUSION OF THE PRESS AND PUBLIC

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

67 DATE OF NEXT MEETING

The next meeting would be held on Wednesday 3 February 2021.

Meeting closed at 10.50 am.

Chairman