

AUDIT COMMITTEE

**Meeting held in the Committee Room, Council Offices, Urban Road, Kirkby-in-Ashfield,
on Monday, 10th February, 2020 at 10.00 am**

Present: Councillor Dave Shaw in the Chair;

Councillors John Baird, Christian Chapman,
Arnie Hankin, Kevin Rostance and David Walters.

Officers Present: Bev Bull, Lynn Cain, Ruth Dennis and Peter Hudson.

In Attendance: Hannah McDonald (CMAF), Mandy Marples (CMAF),
Michael Butler (Mazars) and David Hoose (Mazars).

AC.21 Declarations of Disclosable Pecuniary or Personal Interests and Non Disclosable Pecuniary/Other Interests.

No declarations of interest were made.

AC.22 Minutes

RESOLVED

that the minutes of the meeting of the Committee held on 16th December 2019,
be received and approved as a correct record.

AC.23 Mazars: Audit Strategy Memorandum

David Hoose, Mazars Engagement Partner, presented the Audit Strategy
Memorandum for the year ending 31 March 2020 to Committee.

Members were given an overview of the following:-

- the external audit engagement scope and responsibilities;
- timelines involved for completing the audit review;
- the engagement of management and experts;
- the use of service organisations.

Three significant audit risks in relation to Management Override of Controls,
Property, Plant and Equipment Valuation and Defined Benefit Liability
Valuation were noted. Three enhanced risks regarding Provision for the
Impairment of Doubtful Debts, Business Rate Appeals Provision and Minimum
Revenue Provision (MRP) would also be considered as part of the review.

In relation to the Value for Money (VFM) risk assessment, two significant risks
had been identified in relation to Financial Sustainability; Sustainable
Resource Deployment and Commercialism of Investment Properties Strategy;
Informed Decision Making.

Committee were asked to note that Mazars would be carrying out the audit at an increased fee from the previous year. The increase was due to regulatory changes within audit requirements and it was acknowledged that the revised fee would be notified in due course.

RESOLVED

that the Audit Strategy Memorandum for 2019/20, as presented to Committee, be received and noted.

AC.24 Internal Audit Plan 2020-21 and Audit Charter

Mandy Marples, CMAP Audit Manager, presented the report and explained the process for selecting audit reviews, based upon consultation with the Council's Leadership Team (CLT), utilising the Council's risk registers and CMAP's bespoke risk assessment model.

Each risk was assessed against 8 measures (4 impact based and 4 likelihood based) and awarded a suitable rating which formed the overall plan. For 2020/21, the assessment had revealed 10 high risk areas, 69 medium risk areas and 1 low risk area being identified and agreed with the Corporate Leadership Team.

Members considered the proposed Audit Plan for 2020/21 and took the opportunity to ask questions and debate the issues as required. Committee acknowledged that the Plan remained flexible and open to change should any issues arise during the year.

The Audit Charter was also presented which outlined the purpose of the internal audit service, provided by CMAP, to provide independent, objective assurance and consulting services designed to add value and improve the Council's operations.

RESOLVED

that the content of the Audit Plan for 2020/21 and Audit Charter, as presented, be received and approved.

AC.25 Treasury Management Strategy

Committee were asked to consider the Treasury Management Strategy for the 2020/21 financial year, which had been prepared in accordance with the Treasury Management in the Public Services Code of Practice.

RESOLVED that

- a) the content of the Treasury Management Strategy (TMS) for 2020/21, as presented, be received and noted;
- b) Cabinet be recommended to approve the Treasury Management Policy Statement which incorporated the following:

- Treasury Management Strategy Statement (TMSS)
- Borrowing Strategy
- Annual Investment Strategy
- Minimum Revenue Provision (MRP) Policy;
- Prudential Indicators and Treasury Management Indicators
- Treasury Management Practices: Risk Management.

AC.26 Capital Strategy

Members were requested to consider the Capital Strategy for 2020/21 as presented.

RESOLVED that

- a) the contents of the Capital Strategy for 2020/21 including Annexes 1-3; as presented, be received and noted;
- b) Cabinet and Council be recommended to approve the Capital Strategy, Commercial Property Investment Strategy and Commercial Property Indicators, as outlined in the report.

AC.27 Corporate Governance Update including Revised Policies and Procedures

The Director of Legal and Governance (and Monitoring Officer), presented Members with a revised and updated framework of policies and procedures (which collectively made up the Council's governance arrangements) for approval. The various policies and procedures set out the Council's approach to preventing, detecting and investigating fraud and corruption.

Committee also acknowledged the operation of the Whistleblowing Policy during 2019, which had given rise to 4 complaints that were all now closed. Improvement actions against the 2018/19 Annual Governance Statement were also considered as part of the update with Members discussing significant actions of interest.

RESOLVED that

- a) the following revised policies and procedures be approved:-
 - Anti-Fraud and Corruption Strategy
 - Anti-Bribery Policy
 - Anti-Money Laundering Policy Statement and Procedures
 - Fraud Response Plan
 - Prosecution Policy
 - Whistleblowing Policy
 - Local Code of Corporate Governance;
- b) details regarding the operation of the Whistleblowing Policy during 2019, be received and noted;
- c) progress made in relation to the actions outlined in the 2018-2019 Annual Governance Statement be noted;

- d) the proposed process for the preparation of the 2019-2020 Annual Governance Statement, as outlined be noted.

The meeting closed at 10.53 am

Chairman.