

## **AUDIT COMMITTEE**

**Meeting held in the Committee Room, Council Offices, Urban Road, Kirkby-in-Ashfield,  
on Monday, 28th November, 2022 at 7.00 pm**

**Present:** Councillor Will Bostock in the Chair;  
Councillors John Baird, Jamie Bell,  
Kevin Rostance, Dave Shaw and David Walters.

**Apology for Absence:** Councillor Christian Chapman.

**Officers Present:** Lynn Cain, Sarah Daniel, Ruth Dennis and  
Peter Hudson.

**In Attendance:** David Hoose (Mazars).  
Hannah McDonald and Mandy Marples (CMAP).

### **AC.11 Declarations of Disclosable Pecuniary or Personal Interests and/or Non-Registrable Interests**

No declarations of interest were made.

### **AC.12 Minutes**

RESOLVED

that the minutes of the meeting of the Committee held on 25 July 2022,  
be received and approved as a correct record.

### **AC.13 Outdoor Recreation - Sports Bookings Audit Assignment: Verbal Update**

The Council's Service Manager for Place and Wellbeing advised Members that officers were currently working on a draft Sports Booking Policy, with terms and conditions predominantly as before, to be submitted for consideration by Cabinet in January 2023. The pricing structures were also being developed and would feature as part of the Council's annual fees and charges report, also for Cabinet.

Security measures and CCTV installation had also been recently implemented at Titchfield Park, Hucknall and Kingsway Park, Kirkby to address ongoing issues at both sites.

The Council's booking system was also being reviewed as it was now somewhat outdated and a more modern, efficient system was required. As part of this upgrade and for the longer term, the Council's Digital Transformation Team would also be sourcing the most appropriate application

programming interfaces to enable the system's data and functionality to be communicated and exchanged with third parties.

However, due to ongoing priorities and demands within the Digital Transformation Team, the Place and Wellbeing Team were currently on a waiting list for support. The new in-house booking system would hopefully be in place for the 2023/24 football season.

Invoicing and payment had continued to be a problem as many clubs taking subs at matches etc. were not able to make any payments for the use of facilities in advance. It was hoped that this lag in receiving payments would be rectified with the new booking system that would include payments being made up front to complete a booking. It had also been agreed that the Council could benefit from charging annually for some usage rather than on a pay to play basis.

The offering of discounts for use of facilities was rare but could be facilitated with the approval of the Director. Some clubs were currently given priority if they had used the facilities in the previous year or if they were based within Ashfield.

To conclude Members acknowledged that there was currently no formal feedback procedure available, but the Council did receive a lot of positive feedback due to the good relationships that had been formed with clubs and organisations over the years. It was hoped a formal feedback facility would be incorporated into the new system.

#### **AC.14 MAZARS: Audit Completion Report**

David Hoose presented the Audit Completion report for Mazars to those charged with governance for 2021/22.

Committee Members acknowledged that the audit work was substantially complete and an unqualified opinion, without modification on the financial statements, was anticipated.

It was noted that one 'red issue' had arisen due to the Council having identified, and notified Mazars, of a material adjustment to the financial statements in respect of S106 Capital Grants Unapplied being incorrectly classified on the Balance Sheet to a value of approximately £2m. Due to the transaction being material, it constituted a prior period adjustment for the 2020/21 balances and the Council had already worked with Mazars to rectify this.

In relation to any significant findings from the audit, as outlined in Section 4 of the report, no issues had been identified that needed to be brought to the attention of Members. In relation to the Defined benefit liability valuation (Local Government Pension Scheme) some final completion work was still to be undertaken due to the high degree of estimation uncertainty associated with this valuation.

To conclude and with regard to internal control recommendations, two areas had been identified in relation to Elected Members not correctly completing declarations and two vehicle asset disposals not being written off in a timely manner through the Asset Register.

RESOLVED

that the Audit Completion report for 2021/22, as presented to Committee by Mazars, be duly received and noted.

#### **AC.15 Audited Statement of Accounts 2021/22**

The Council's Corporate Finance Manager (and Section 151 Officer) provided a presentation to the Committee giving details of the audited Statement of Accounts for 2021/2022.

RESOLVED that

- a) the audited Statement of Accounts for 2021/22, subject to the outstanding items identified in the External Auditors Completion Report 2021/22, be approved;
- b) delegated authority be granted to the Corporate Finance Manager (Section 151 Officer), to undertake final approval of the audited Statement of Accounts for 2021/22, subject to a satisfactory outcome of outstanding items and to report back to Audit Committee details of any changes, if required.

#### **AC.16 Treasury Management Mid Year Report 2022-23**

The Council's Corporate Finance Manager (and Section 151 Officer) presented the report and asked Members to consider the Treasury Management mid-year report, written in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice.

RESOLVED that

- a) Cabinet be recommended to approve the changes to the 2022/23 Prudential Indicators following in year changes to the 2022/23 Capital Programme;
- b) the contents of the report, as presented, be received and noted.

#### **AC.17 Review of Local Code of Corporate Governance**

The Director of Legal and Governance (and Monitoring Officer) presented the report and requested Members to consider the minor amendments to the Local Code of Corporate Governance as presented.

RESOLVED

that the updated Local Code of Corporate Governance, as appended to the report, be approved.

## **AC.18 Central Midlands Audit Partnership - External Quality Assessment**

The Director of Legal and Governance (and Monitoring Officer) submitted the outcome and findings from the External Quality Assessment (EQA) undertaken by Business Risk Solutions in September 2022, which assessed the Central Midlands Audit Partnership's (CMAP) conformance with the Public Sector Internal Audit Standards (PSIAS).

RESOLVED

that the report be received and noted.

## **AC.19 Audit Progress Report**

Mandy Marples, CMAP Audit Manager, presented the report and summarised audit progress as of 28 November 2022. CMAP were making good progress and no further changes to the plan were reported.

Five pieces of work had been finalised since the last meeting:

Housing Data Quality 2022-23  
Homes England Grant 2022-23  
Treasury Management 2022-23  
Licensing 2022-23  
IT Asset Inventory 2022-23.

The audit assignment in relation to Housing Data Quality 2022-23 had revealed significant issues mostly in relation to data integrity and had received a 'No' assurance rating. Members were taken through some of the key recommendations arising from the audit and management were currently working with CMAP and the Council's Digital Transformation Team to rectify and address the issues identified.

The Homes England Grant Certification audit had been carried out by CMAP on behalf of the Council, as appointed independent auditors. The findings had been submitted to Homes England who would report to the Council before 31 March 2023 and shared with the Audit Committee accordingly.

The IT Asset Inventory 2022-23 had been initially delayed allowing for a new asset inventory database to be installed. The audit, now completed, had resulted in 12 recommendations being presented to management for implementation. All had been accepted and the area would remain under review for the foreseeable future.

To conclude Members were asked to note the recommendation tracking updates as outlined in the report.

RESOLVED

that audit assignment progress as of 28 November 2022, as presented to Committee, be received and noted.

(Prior to consideration of the next item and in accordance with Council Procedure Rule 4 [Order of Business], the Chairman advised that he would be considering agenda item 13 (Homes England Compliance Audit Report 2022/23) as the next item of open business before moving into closed session for the remainder of the business. Members concurred with this course of action.)

**AC.20 Homes England Compliance Audit Report 2022/23**

In accordance with Council Procedure Rule 5 (Urgent Items), the Chairman had decided to accept the report as an urgent item of business to ensure the content of the report and its recommendations were considered and acknowledged as soon as practicable.

The Corporate Finance Manager (and Section 152 Officer) presented the Homes England Compliance Audit Report 2022/23 and asked Members to consider the content and note the findings had been graded Green, thus meeting all stated requirements.

RESOLVED

that the Homes England Compliance Audit Report 2022/23, as presented, be duly received and acknowledged.

**AC.21 Section 100A Local Government Act 1972: Exclusion of the Press and Public**

RESOLVED

that in accordance with the provisions of Section 100A of the Local Government Act 1972, the press and public be now excluded from the meeting during the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and in respect of which the Proper Officer considers the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**AC.22 Investment Property Performance 2022/23 as at 30th September 2022**

The Council's Corporate Finance Manager (and Section 151 Officer) gave Members an update regarding performance and monitoring of the Council's Investment Property portfolio as at 30 September 2022.

RESOLVED

that performance in relation to the Council's Investment Property portfolio as at 30 September 2022, as presented, be received and noted.

(During consideration of the item and in accordance with Council Procedure Rule 23 (Conclusion of Proceedings), a motion was moved and seconded to extend the conclusion of the meeting to 9.30 p.m. The motion was put to the vote and duly carried.)

The meeting closed at 9.00 pm

Chairman.