

AUDIT COMMITTEE

**Meeting held in the Council Chamber, Council Offices, Urban Road, Kirkby-in-Ashfield,
on Monday, 20th March, 2023 at 7.00 pm**

Present: Councillor Will Bostock in the Chair;

Councillors John Baird, Jamie Bell and
David Walters.

Apology for Absence: Pete Hudson.

Officers Present: Lynn Cain, Ruth Dennis and Clive Howey.

In Attendance: Mandy Marples and Hannah McDonald (CMAP).

AC.28 Declarations of Disclosable Pecuniary or Personal Interests and/or Non-Registrable Interests

No declarations of interest were made.

AC.29 Minutes

RESOLVED

that the minutes of the meeting of the Committee held on 30 January 2023,
be received and approved as a correct record.

AC.30 Accounting Policies for 2022/23 and Other Statement of Accounts Matters

The Council's Interim Chief Accountant presented the report and requested
Committee Members to consider the accounting policies that the Council were
proposing to adopt for the current financial year in the preparation of the
Statement of Accounts for 2022/23. Committee was also asked to note the
impact of changes to the Code of Practice on Local Government Accounting
on the production of the 2022/23 Statement of Accounts process.

RESOLVED that

- a) the Accounting Policies, as detailed at Appendix A to the report, be
approved;
- b) it be noted that any subsequent amendments or changes to the policies
and the associated financial implications will be reported back to this
Committee.

AC.31 Pension Assumptions for the 2022/23 Statement of Accounts

The Council's Interim Chief Accountant presented the report and asked Members to consider the proposed assumptions to be used by the Pension Fund Actuary in preparing the International Accounting Standard (IAS) 19 – Employee Benefits figures, to be reported in the Council's Annual Statement of Accounts for 2022/23.

RESOLVED

that having considered the Actuary's briefing note attached as Appendix A and the proposed IAS 19 assumptions detailed within it, the assumptions be agreed as the basis for the calculation of the pension figures required for the 2022/23 Statement of Accounts.

AC.32 Audit Progress Report

Mandy Marples, CMAP's Audit Manager, presented the report and summarised audit progress as at 3 March 2023.

One piece of work had been finalised during that time and a synopsis of the Health & Safety 2022-23 review was outlined to Members. It had received only Limited Assurance with one Significant Risk being identified in relation to the contractor charged with undertaking legionella inspections not consistently providing evidence that the inspections had been completed in accordance with the requirements of the water testing and check schedule provided to them.

There was also a further Moderate Risk which identified that the Asset and Investments service area had spent over £26,000 with an asbestos surveying and removal company in the year to 31 October 2022, without a contract being in place. A set of recommendations were now in place to address the weaknesses as set out in the report.

In respect of changes to the Audit Plan and following publication of the agenda, a request had been submitted by management for Internal Audit to carry out a review in order to "sign off" the allocated Biodiversity Net Gain grant funding (Defra) for 2022/23 of £26,807. The deadline for the work was 30 March 2023 to claim the grant. To facilitate the request, it had been agreed that the Organisational Culture & Ethics 2022/23 review would be removed from the 2022/23 Plan with the time allocated being transferred to complete the new assignment.

RESOLVED that

- a) audit assignment progress as at 3 March 2023, as presented to Committee, be received and noted;
- b) the change to the 2022/23 Audit Plan, be noted.

AC.33 Internal Audit Plan 2023/24 and Audit Charter

Hannah McDonald, CMAP's Group Auditor, presented the Audit Plan for 2023/24 and the Audit Charter 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.

Members were advised as to the audits to be undertaken in 2023/24 and were asked to note that the Audit Plan was a flexible, working document that could be amended throughout the year to meet any changing priorities as required.

In respect of the Audit Charter, Members were asked to note that no changes had been made to the document for the 2023/24 financial year.

RESOLVED

that the content of the Audit Plan for 2023/24 and Audit Charter, as presented, be received and approved.

AC.34 Corporate Governance and Anti-Fraud Update

The Executive Director for Governance and Monitoring Officer presented the report, which outlined the framework of Council policies and procedures currently in place to support its governance arrangements in accordance with CIPFA's Code of Corporate Governance.

The report also detailed the arrangements for preparing the Annual Governance Statement for 2022/23, outcomes arising from Anti-Fraud and Data Matching work undertaken during the past year and an update in relation to how the Whistleblowing Policy has operated in the preceding 12 months.

Work had already commenced on the Annual Governance Statement (AGS) and Members were advised that they would be sent a draft copy for consideration before the District Elections in May 2023. The finalised AGS would then be submitted to the Audit Committee meeting in July for final approval.

The Anti-Fraud and Corruption Group continued to meet quarterly to review the Fraud Risk Register in addition to other agreed work plan items. It had recently been established that no high level risks required reporting to Committee at this present time, which was acknowledged and welcomed by Members.

To conclude, Committee was advised that the responsibility for Anti-Fraud would, following a transition and handover period, be moving to the Corporate Resources Director's remit in the near future.

RESOLVED that

- a) the process for preparing the 2022/23 Annual Governance Statement, as presented, be received and noted;

- b) the overview of the Anti-Fraud and Data Matching work undertaken during the past year, as detailed in the report, be also noted;
- c) the minor changes to the Whistleblowing Policy in accordance with the draft document attached at Appendix 1, be approved;
- d) it be noted how the Whistleblowing Policy has operated during 2022/23.

AC.35 MAZARS: Conclusion of Pending Matters – Audit Completion Report

In accordance the provisions of Section 100(B) (4) (b) of the Local Government Act 1972, the Chairman exercised his discretion to allow consideration of the matter as an urgent item. The reason for the Chairman's decision was due to the fact that notification had only just been received and the Audit Completion Report related to the 2021/22 accounts. It had also been recognised that this was the last meeting of the Audit Committee prior to the District Council Elections in May 2023.

The Interim Chief Accountant presented the Follow Up Letter to Committee and advised that all outstanding matters were now complete and the Council's draft Statement of Accounts for 2021/22 were now approved.

In relation to the Value for Money conclusion, this was not yet available but would be reported to the Council upon its completion.

RESOLVED

that the Follow Up Letter from Mazars outlining the conclusion of pending matters for the year ended 31 March 2022, as presented, be received and noted.

The meeting closed at 7.30 pm

Chairman.