

AUDIT COMMITTEE

Meeting held in the Council Chamber, Council Offices, Urban Road, Kirkby-in-Ashfield,

on Monday, 26th July, 2021 at 7.00 pm

Present: Councillor David Walters in the Chair;

Councillors John Baird, Jim Blagden,
Will Bostock, Sarah Madigan (as substitute for
Christian Chapman) and Dave Shaw.

Apologies for Absence: Councillors Christian Chapman and
Kevin Rostance.

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

In Attendance: Mandy Marples (CMAP).

AC.1 Declarations of Disclosable Pecuniary or Personal Interests and/or Non-Registrable Interests

No declarations of interest were made.

AC.2 Minutes

RESOLVED

that the minutes of the meeting of the Committee held on 29 March 2021, be received and approved as a correct record.

AC.3 Ashfield District Council – Going Concern Assessment

The Council's Corporate Finance Manager (and S151 Officer) presented his assessment of the Council's Going Concern status in respect of the draft 2020/21 Statement of Accounts.

The required assessment was as a result of the pandemic whereby local authorities had to demonstrate they could exist as a going concern for the foreseeable future and report their position through the Audit Committee. Ashfield District Council was currently in good shape and the highlights from the 2020/2021 assessment were duly conveyed to Members.

RESOLVED

that the Section 151 Officer's Going Concern assessment and the basis on which the assessment has been derived, be noted and supported.

AC.4 Value For Money Audit Committee Checklist

The Council's Corporate Finance Manager (and Section 151 Officer) informed Members in relation to a new requirement for the Audit Committee to provide comment by exception on the Value For Money (VFM) Checklist provided by the External Auditor, Mazars.

Committee was asked to comment by exception if they had any concerns over the 'proper arrangements' as outlined in the Checklist. Where no concerns were raised it was proposed to complete the column in the Checklist 'Does the Audit Committee have significant concerns over the arrangements' as 'No'.

RESOLVED

that having been duly considered by Committee, the Corporate Finance Manager (and Section 151 Officer) be instructed to include a 'No' against the 'Does the Audit Committee have significant concerns over the arrangements' question within the Value For Money (VFM) Checklist.

AC.5 Council's Treasury Management and Borrowing Activities 2020/21

The Council's Corporate Finance Manager (and Section 151 Officer) presented Members with the Council's Treasury Management activities for 2020/21, which had been carried out to manage both the Authority's funding and cash flow transactions with the aim of minimising the risks to which the Council was exposed to when borrowing and lending monies.

Committee noted that there had been some variances to indicators in relation to investment property borrowing due to the Council changing its Investment Strategy due a fairly recent change in Government borrowing via the PWLB and that there had been one occasion where the receipt of interest on the one of the Council's deposit accounts had temporarily caused the balance to exceed the £5m limit. It was noted that this had also been reported in the mid-year Treasury Report.

RESOLVED

that the Treasury Management performance including the compliant prudential indicators, as outlined in the report, be received and noted and recommended to Cabinet for further consideration.

AC.6 Financial Management Code

The Council's Corporate Finance Manager (and Section 151 Officer) informed Committee as to the requirements of the new CIPFA Financial Management Code (the FM Code) as a framework to support good practice in financial management and assist in demonstrating financial sustainability.

The Code would take effect from the 2021/22 Statement of Accounts and a more detailed report would be submitted to the Audit Committee for consideration in September 2021 which would provide Ashfield's Self-Assessment against the Code for consideration.

RESOLVED

that the report be received and noted.

AC.7 Internal Audit Annual Report 2020-21

Mandy Marples, CMAP Audit Manager, presented the Internal Audit Annual Report for 2020/21 and as Chief Audit Executive, had reached an overall opinion that there was currently a 'satisfactory system of internal audit' (the highest rating permissible) at the Council. Findings had indicated on the whole, controls were satisfactory and management had been supportive in implementing any suggested enhancements via an action plan for improvement.

Members were asked to particularly note the Internal Audit Opinion Statement outlined in the report which highlighted how the opinion had been formed by having regard for levels of audit coverage, leadership, anti-fraud, financial resilience and any outstanding recommendations.

RESOLVED

that the 2020/21 Annual Report of Internal Audit and Internal Audit Opinion that supports it, be received and noted.

AC.8 Audit Progress Report

Mandy Marples, CMAP Audit Manager, presented the report and summarised audit progress as of 13 July 2021. Three pieces of work had been finalised during that time regarding 'Management of Fraud Risk', 'People Management' and 'Delegated Decisions'.

Committee were asked to note that there had been an Audit Plan change due to the Council having been selected for audit under the Homes England 2021-22 Compliance Audit Programme. The Council requested that CMAP undertake the Independent Auditor role and in order to deliver this work, it had been agreed to remove the time allocated to COVID related work.

RESOLVED

that audit assignment progress as of 13 July 2021, as presented to Committee, be received and noted.

**AC.9 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.10 Investment Property Performance 2020/21
(Exempt by virtue of Paragraph 3)

The Council's Corporate Finance Manager (and Section 151 Officer) gave Members an update regarding performance and monitoring of the Council's Commercial and Investment Property portfolio for 2020/21.

RESOLVED

that performance in relation to the Council's Commercial and Investment Property Portfolio for 2020/21, as presented, be received and noted.

The meeting closed at 8.06 pm

Chairman.