

AUDIT COMMITTEE

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

on Monday, 25th July, 2022 at 7.00 pm

Present: Councillor Dave Shaw in the Chair;

Councillors John Baird, Warren Nuttall (as substitute for Jim Blagden), David Walters and Caroline Wilkinson (as substitute for Will Bostock).

**Apologies for
Absence:** Councillors Jim Blagden, Will Bostock,
Christian Chapman and Kevin Rostance.

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

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

AC.1 Appointment of Chairman

RESOLVED

that Councillor Dave Shaw be appointed as Chairman for the duration of the meeting.

AC.2 Declarations of Disclosable Pecuniary or Personal Interests and/or Non-Registrable Interests

No declarations of interest were made.

AC.3 Minutes

RESOLVED

that the minutes of the meeting of the Committee held on 28 March 2022, be received and approved as a correct record.

Committee were asked to note that the requested update to advise Members on progress regarding the Outdoor Recreation (Sports Bookings) Report recommendations would now be submitted to the September 2022 meeting of the Audit Committee (Minute No. AC.35(c) refers).

AC.4 Internal Audit Annual Report 2021-22

Hannah McDonald, CMAP's Group Auditor, presented the Internal Audit Annual Report for 2021/22 on behalf of CMAP's Audit Manager, Mandy Marples, who was not in attendance at the meeting.

The Audit Manager had reached the overall conclusion/opinion that there was currently a Satisfactory System of Governance, Risk and Internal Control at the Council. Findings had indicated that on the whole, arrangements were satisfactory, and management had been supportive towards implementation of the suggested enhancements outlined in the action plan for improvement as presented.

RESOLVED

that the Internal Audit Annual Report for 2021/22 including the supporting Internal Audit Opinion, be received and noted.

AC.5 Audit Progress Report

Hannah McDonald, CMAP's Group Auditor, presented the report and summarised audit progress as at 11 July 2022.

There had been one change to the Audit Plan as the Council had been selected for a further audit under the Homes England Compliance Audit Programme, following an audit conducted the previous year. Management had requested that CMAP undertake the Independent Auditor role so to accommodate the audit within the 2022/23 Internal Audit Plan, the time allocated to the People Management Audit had been removed.

Six pieces of work had been finalised during that time and a synopsis of each of the completed reviews were presented regarding the following:

IT Consultancy – Office 365
Scrutiny
Anti-Fraud & Corruption
Accounting Systems 2021-22
Corporate Credit Cards
Planning.

There were 14 recommendations that were due for implementation where management updates had not been secured, and a further 46 recommendations where management confirmed that these actions were being implemented.

RESOLVED

that audit assignment progress as at 11 July 2022, as presented to Committee, be received and noted.

AC.6 Mazars: Audit Strategy Memorandum

David Hoose presented the Audit Strategy Memorandum for the year ending 31 March 2022 to Committee which gave an overview of the audit's scope and responsibilities, timelines and methodology for the coming financial year.

Three significant audit risks in relation to Management override of controls, Valuation of the net defined benefit liability and Valuation of property, plant and equipment had been identified and outlined in the report. Members were

asked to note that these were fairly standard risks across the board nationally and were not isolated risks, specific to the Council.

Committee acknowledged the proposed audit fees, as outlined in the report, and noted that some fees from the previous year were still currently under investigation.

RESOLVED

that the Audit Strategy Memorandum for 2021/22, as presented to Committee, be received and noted.

AC.7 Annual Governance Statement 2021/22

The Director of Legal and Governance (and Monitoring Officer) presented the proposed Annual Governance Statement for 2021/22. Production of the Statement is a requirement of law and forms part of the Council's Annual Statement of Accounts submission.

The Statement provides an overview of the Council's effectiveness of its systems of internal control and in addition, how the Council determines what its local community wants and needs, how those requirements are to be met and how it ensures that it delivers what is required without wasting public money.

Members also considered progress against improvement actions for 2021/22, as outlined in the document, including new identified improvement actions set out for 2022/23. The impact of delivering the Towns Fund Programme was acknowledged by the Panel and the need to ensure that all necessary resources were firmly in place to achieve the desired outcomes.

RESOLVED

that the Annual Governance Statement for 2021/22, as presented, be received and approved.

AC.8 Council's Treasury Management and Borrowing Activities 2021/22

The Council's Chief Accountant presented the report providing information on the Council's treasury management activities over the previous year. Members considered performance during 2021/22 against the prudential indicators approved by Council on 4 March 2021, as part of the Treasury Management Strategy.

RESOLVED

that the Treasury Management performance against prudential indicators, as outlined in the report, be received and noted.

**AC.9 Section 100A of the 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 2021/22:
(exempt by virtue of paragraph 3)**

The Council's Chief Accountant gave Members an update regarding performance and monitoring of the Council's Commercial and Investment Property Portfolio for 2021/22.

RESOLVED

that performance in relation to the Council's Commercial and Investment Property Portfolio for 2021/22, as presented, be received and noted.

The meeting closed at 7.52 pm

Chairman.