

AUDIT & CORPORATE GOVERNANCE SCRUTINY COMMITTEE

MINUTES OF SPECIAL MEETING HELD ON WEDNESDAY, 20 JANUARY 2021

Present:

Councillor Martin E Thacker MBE JP (Chair)
Councillor Stephen Clough (Vice-Chair)

Councillor William Armitage
Councillor Lilian Deighton
Councillor Gerry Morley

Councillor Nigel Barker
Councillor Pat Kerry
Councillor Ross Shipman

Also Present:

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| S Kitching | Arlingclose |
| P Roberts | Arlingclose |
| J Dethick | Head of Finance and Resources, Section 151 Officer |
| J Williams | Internal Audit Consortium Manager |
| N Calver | Governance Manager |
| D Stanton | Governance Officer |
| A Bond | Governance Officer |

AUD/28 Apologies for Absence **/20-21**

Apologies for absence had been received from Councillor M Roe.

AUD/29 Declarations of Interest **/20-21**

Members were requested to declare the existence and nature of any disclosable pecuniary interests and/or other interests, not already on their register of interests, in any item on the agenda and to withdraw from the meeting at the appropriate time.

There were no interests declared at this meeting.

AUD/30 Minutes of Last Meeting **/20-21**

RESOLVED – That the Minutes of the meeting of the Audit and Corporate Governance Scrutiny Committee held on 2 December 2020 be approved as a correct record and signed by the Chair.

AUD/31 Presentation from Arlingclose - Treasury Advisors **/20-21**

The Committee welcomed Stephen Kitching and Paul Roberts from Arlingclose, the Council's Treasury Advisors. Members received a presentation that outlined Treasury Management.

The Committee was reminded that Treasury Management referred to the management of the Council's investments, cash flows, banking arrangements,

money market transactions (short term) and capital market transactions (long term). Members noted that it was the effective control of associated risks.

Members were informed about the legislation that governed investments and borrowing by local authorities, as well as good practice for capital expenditure plans and investments. The Committee noted the published codes and guidance provided by CIPFA, and the role of elected Members.

Members were also presented with a range of borrowing forecasts and market projections for NEDDC.

The Committee heard that the Public Works Loan Board had recently established new lending terms, and the Treasury Advisors outlined the impact this would have on the Council in the coming months and years.

Members discussed Section 114 Notices, and the implications this could have on loans given to other local authorities by the Council. The Treasury Advisors explained that those loans received statutory protection, and were relatively low risk in comparison to banks.

Members requested that a report be brought to the Committee that outlined benchmarking, bank risk and mitigations the Authority could put in place to lower the risks.

The Committee also requested that a report on ethical fund management be brought to the Committee at a future meeting.

RESOLVED – That the update be noted.

AUD/32 **Business Continuity - Maintaining Financial Control**
/20-21

The Internal Audit Consortium Manager presented a report which outlined business continuity arrangements in relation to maintaining financial control.

Members were reminded that at the last meeting of the Committee it was noted that one of the outstanding recommendations related to the updating of Service Area Business Continuity plans. The Committee was particularly concerned with business continuity in terms of maintaining financial control and therefore the Internal Audit Consortium Manager was asked to bring a report addressing this issue.

The Committee were informed that several key areas were reviewed to provide the required assurance on financial control. The review concluded that the Council's processes satisfied the principles of good financial management and was managing its resources effectively. It was stated that a rating of substantial assurance was given.

The Committee also requested that Benchmarking be changed from a low to medium priority.

RESOLVED – That the report be noted.

AUD/33 **Money Laundering Policy Refresh**
/20-21

The Committee received a report that enabled Members to consider the Anti-Money Laundering Policy.

Members noted that the Policy had been updated to take account of all legislative and operational changes to ensure it remained fit for purpose.

RESOLVED – That the Anti-Money Laundering Policy be recommended to Cabinet for approval.

AUD/34 **Treasury Management**
/20-21

The Head of Finance and Resources and Section 151 Officer presented a report that outlined the Council's proposed suite of Treasury Strategies for the period 2021/22 to 2024/25. Members were asked to note the report and make additional comments prior to the report being submitted to a meeting of Council on 01 February 2021.

The Committee discussed external and internal borrowing, and the range of external factors that could make it difficult to forecast beyond one year.

Members agreed to amend the report recommendations so that consideration was given to the advice the Committee had received at the meeting from Arlingclose, such as on external influences, bank risk and ethical fund management.

RESOLVED –

- (1) That the report be noted.
- (2) The report recommendations be amended prior to submission to Council with the Committee's comments.

AUD/35 **Medium Term Financial Plan**
/20-21

The Committee considered the Medium Term Financial Plan (MTFP) 2020/21 to 2024/25 prior to the report being taken to Cabinet and Council.

Members discussed the proposed investment in Killamarsh Sports Centre. At this point in the meeting, Councillor S Clough declared an interest and left the room for the duration of the discussion on Killamarsh Sports Centre.

The Committee requested advanced sight and pre-scrutiny of the financial arrangements for Killamarsh Sports Centre before any arrangements were formally agreed.

Councillor S Clough was re-admitted to the room.

RESOLVED – That the report be noted.

AUD/36 **Forward Plan of Executive Decisions - November to December 2020**
/20-21

AGREED – That the Forward Plan of Executive Decisions – November to December 2020 be noted.

AUD/37 **To consider any other items which the Chair is of the opinion should be**
/20-21 **considered as a matter of urgency.**

There were no additional items discussed at this meeting.

AUD/38 **Date of Next Meeting**
/20-21

The date of the next meeting of the Audit and Corporate Governance Scrutiny Committee was scheduled for 10 February 2021 at 3.00 pm.