

Present: Councillor Peter Watson (Chairman), (Vice-Chairman), Councillors Tom Ashton, Richard Austin BEM, Anton Dani, Frank Pickett, Stephen Woodliffe and Mr Alan Pickering

In attendance: Councillor Jonathan Noble, Portfolio Holder for Finance

Officers –
Insights & Transformation Manager, Manager – Public Sector, Mazars, Interim Treasury Manager, Financial Services, Assistant Director - Finance (Deputy S151 Officer), Deputy Chief Finance Officer (Corporate) and Matthew Waller

80 MINUTES

The minutes of the last meeting were agreed and signed by the Chairman.

81 APOLOGIES

No apologies of absence were received.

82 DECLARATION OF INTERESTS

Both Councillor Jonathan Noble and Councillor Peter Watson declared they were members of the PSPS board.

83 PUBLIC QUESTIONS

None

84 MONITORING OFFICER UPDATE

There was no update to be given at this time.

85 RISK MANAGEMENT REPORT

The Group Manager – Transformation & Insights presented both the Quarter 2 and Quarter 3 Strategic Risk report which provided the Committee with an update on Risk Management.

The Group Manager – Transformation & Insights explained that the framework will be brought back to a future meeting as the framework was currently being reviewed by the Audit team. The framework would also be updated to ensure common language was being used across the partnership.

Members raised concerns over the infrastructure in Boston.

It was agreed that the Committee were in support of the direction the framework was heading, in regards to making it more in line with partnering Councils.

RESOLVED:

**That the Audit & Governance note the report.
The Lay Member agreed with this decision.**

86 Q3 TREASURY MANAGEMENT UPDATE 2022/23

The Interim Treasury & Investments Manager PSPSL presented a report which contained the Quarter 3 Treasury Management Report on the Council's "Treasury Management Strategy Statement and Annual Investment Strategy". The report covered the following areas;

- An economic update for the first three quarters of the 2022/23 financial year;
- The outlook for the remainder of the financial year along with interest rate forecasts;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy
- A review of the Council's investment portfolio for 2022/23
- A review of the Council's borrowing strategy for 2022/23
- Debt rescheduling
- Compliance with Treasury and Prudential indicators.

Following Members comments the Assistant Director – Finance confirmed;

- The Property Fund portfolio was entered into based on advice at that time.
- The Property Fund was not the only type of invest Boston Borough Council have, there was also cash balances. There was a balance in investment.

RESOLVED:

**That the Committee received and reviewed the contents of the report.
The Lay Member agreed with the decision.**

87 DRAFT INTERNAL AUDIT PLAN 2023/24

The Internal Audit Team Manager – Lincolnshire County Council introduced a report which contained the Draft Internal Audit Plan 2023/24. The report set out how the plan is brought together and how the internal audit team comply with the Public Sector internal audit standards.

The following areas were highlighted as key areas being looked at;

- Financial Systems
- Counter fraud
- Recruitment and retention
- Alignment plans
- Risk Registers
- Good Governance
- Cyber security

Members made reference to the fast turnover of staff in the Finance department as well as poor retention of senior staff.

RESOLVED:

The Committee noted the report.

The Lay Member agreed with the decision

88 AUDIT COMPLETION REPORT

The Audit and Assurance (Public & Social Sector) Manager, Mazars presents the Audit Completion report which outlined that the Audit was substantially complete, with only a small number of areas still outstanding that are actively being worked on to complete, the main item being the consolidation of PSPS until the Council's accounts.

The following areas were also covered in the report;

- Materiality level – the Councils final materiality level being set at £970,000
- Conclusions of work on the Councils significant risks which had been identified and reported to the Committee as part of the audit strategy memorandum earlier in the year.
- Noted deterioration in the quality of the Councils draft financial statements and associated working papers for the year.
- A summary of the misstatements – with two unadjusted misstatements being noted.

Members raised concerns relating to the issues that had been raised in previous reports. It was explained that some working papers had been prioritised over the others, all working papers were looking to be aligned as soon as possible.

RESOLVED:

That the Committee note the report.

The Lay Member agreed with this decision.

89 FINANCIAL STATEMENTS - ACCOUNTING POLICIES

The Deputy Chief Finance Officer (Corporate) – PSPS Ltd presented the Accounting Policies for inclusion in the Financial Statement 2022/23. The report presented the proposed accounting policies to be adopted for the 2022/23 financial year. The policies were prepared in line with the CPFA's Code of Practice on Local Authority Accounting 2022/23.

The accounting policies are the specific principles, bases, conventions, rules and practices applied by an authority in preparing and presenting Financial Statements. Application of the accounting policies resulted in information that is relevant to the decision making needs of the users of the Financial Statements and reliable in presenting a true and fair view of the financial position of the authority.

RESOLVED:

That the Committee reviewed and agreed the Accounting Policies for 2022/23.

The Lay Member agreed with this decision.

90 AUDITED FINANCIAL STATEMENTS 2021/22

The Deputy Chief Finance Officer (Corporate) – PSPS Ltd presented the 2021/22 audited Financial Statements.

The draft 2021/22 Financial Statement were signed by the Section 151 Officer on 30 July 2022, and considered by the Committee at a training session on 1 September 2022.

The Accounts and Audit Regulations 2015 have been amended by the Accounts and Audit (Coronavirus) Amendments Regulation 2020 (SI 2021/263) to extend the statutory deadline for approval of the Financial Statements to 30 November 2022 for all Local Authorities.

In response to Members questions the Deputy Chief Finance Officer confirmed that the 9 KPI's were covered in the quarterly monitoring reports were not targets, they were purely for information purposes.

The Assistant Director explained that recharging is when 'back office' functions are represented in front facing services, in order to be recognised in the reporting mechanisms.

Members agreed the presentation of reports have significantly improved.

RESOLVED:

That the Audit & Governance Committee;

- 1. Approved the Financial Statements 2021/22**
- 2. Authorise the S151 Officer, in consultation with the Chairman of the Committee, to approve any amendments if required, after the Committee date and prior to the official signing of the Accounts.**
- 3. Approved the Annual Governance Statement 2021/22**
- 4. Reviewed the letter of representation to Mazars and if it agrees, approve the S151 Officer and Chair to sign on the Committee behalf.**

The Lay Member agreed with this decision.

91 WORK PROGRAMME

The Committee noted the work programme and expressed their thanks for the dedication from the Chairman, Committee Members, Lay Member and Officers throughout the years.

The Meeting ended at 7.45 pm