



WEST LINDSEY DISTRICT COUNCIL

MINUTES of a Meeting of the Governance and Audit Committee held in the Council Chamber at the Guildhall, Gainsborough on Thursday 21 November commencing at 7.00 pm.

Present:

Councillor Sue Rawlins (Chairman)
Councillor Giles McNeill (Vice-Chairman)

Councillor Ken Bridger
Councillor Jackie Brockway
Councillor David Dobbie
Councillor Ian Fleetwood
Councillor Malcolm Leaning
Councillor Roger Patterson
Councillor Di Rodgers
Councillor Anne Welburn

Alison Adams (Independent Co-opted Member)

In Attendance:

Jeanette McGarry
Alex Reeks
Russell Stone
Alan Robinson
Tracey Bircumshaw
Katie Coughlan

Interim Director
Assistant Chief Executive
Section 151 Officer and Financial Services Manager
Head of Central Support and Monitoring Officer
Group Accountant
Governance and Civic Officer

Also in attendance :

Matt Waller
Rachel Abbott
John Cornett
Tony Crawley

Internal Audit (Lincolnshire County Council)
Internal Audit (Lincolnshire County Council)
External Audit (KPMG)
External Audit (KPMG)

Also Present :

Councillor Chris Darcel
Councillor Geoff Wiseman
Mr David Lomas

Apologies:

Councillor Gillian Bardsley
Steve Wallace (Independent Co-opted Member)

Membership:

Councillor Ian Fleetwood substituting for Councillor Gillian Bardsley

36 PUBLIC PARTICIPATION

There was no public participation.

37 MINUTES (GA.22 13/14 and GA.23 13/14)

Meeting of the Governance and Audit Committee held on 26 September 2013 and Special Governance and Audit Committee held on 22 October 2013.

RESOLVED that the Minutes of the meeting of the Governance and Audit Committee held on 26 September 2013 and Special Governance and Audit Committee held on 22 October 2013 be approved and signed as a correct record.

With regard to the minutes arising from the Special Meeting, whilst accepting the minutes accurately reflected what had been said on the night, some Members challenged the accuracy of the statements made regarding the grounds for refusing the Extraordinary Meeting, and the comments regarding a Director having left the organisation. It was requested that the Chief Executive, either attend a future meeting to clarify these points or submit a statement to that effect.

38 MATTERS ARISING SCHEDULE (GA.24 13/14)

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 13 November 2013.

RESOLVED that progress on the Matters Arising Schedule as set out in report GA.24 13/14, and the updates detailed above, be received and noted.

39 MEMBERS' DECLARATIONS OF INTEREST

There were no declarations of interest made.

40 EXTERNAL AUDIT – ANNUAL AUDIT LETTER (GA.25 13/14)

Members gave consideration to a report which presented the annual audit letter from the external auditor. It was noted that this was a follow up to the ISA260 report and confirmed what Committee had previously been told verbally at their meeting in September 2013.

Members noted the key headlines contained therein including: -

- An unqualified audit opinion on the 2012/13 Statement of Accounts;
- An unqualified value for money (VFM) 2012/13 conclusion, however, one matter was raised by exception, relating to weaknesses in the Council's Governance arrangements;
- Certified Completion of the Audit; and
- Annual Governance Statement consistent with understanding of the Authority.

It was noted that the Authority had been charged an additional fee of £17,000 as result of the additional work which had been undertaken; this additional work was detailed on page 5 of the report. By way of context, the combined additional fee for the other 11 Lincolnshire bodies was £8,000. Whilst the overall fee charged was a reduction of 22% on the comparative total fee charged for the 2011/12. However the final fee had still been 30% higher than the planned fee. The external auditor urged the Council to work through the on-going governance issues as a matter of urgency in order to avoid additional fees in the future and this sentiment was echoed by the Chairman.

Reference was made to some planned forthcoming training relating to the role of Audit Committees, and how to make these most effective and general Governance issues. It was noted that this training would be held on 4 December 2013 and further details would be circulated to all Members regarding the event the following day.

RESOLVED that the information contained in report GA.25 13/14 be received and noted.

41 REVIEW OF INVESTMENT STRATEGY (GA.26 13/14)

Members gave consideration to a report which detailed proposed amendments to the Treasury Investment Strategy. These amendments related to current counterparty limits, and additions to the specified and non-specified investments. It was anticipated that such work should improve yields within managed risks to security and yields.

RESOLVED that: -

- (a) the recommended changes, and alternative investments, detailed below, be incorporated into the Investment Strategy and in addition, the limitations as contained within the report be included, ensuring risk mitigation and compliance with the requirements of the Treasury Management Code of Practice:
 - Increase the maximum amount invested above 1 year to £6m
 - Inclusion of Enhanced Money Market Funds

- Inclusion of Local Authority Property Asset Fund
 - Inclusion of Corporate Bonds Fund.
- (b) those amendments, detailed above be incorporated into the draft Treasury Management Strategy 2014/15 being presented to this Committee in January for consideration; and
- (c) the amendments to the Investment Strategy be **RECOMMENDED** to Council for adoption as part of the Medium Term Financial Plan in March 2014.

42 CORPORATE GOVERNANCE – UPDATE ON PROGRESS WITH ACTION PLAN (GA.27 13/14)

Consideration was given to a report which presented the Corporate Governance SMART Action Plan to Members.

In responding to a Member's concern regarding the reference within the report relating to a complete management re-structure, Officers clarified that this did in fact mean to complete the on-going management re-structure, as opposed to starting a complete fresh one.

It was confirmed that the Corporate Governance SMART Action Plan would form a standing item on the Governance and Audit Committee Agenda, until such time as all actions were complete. The Action Plan was also being reviewed on a monthly basis by Core Management Team.

Members requested that a simple traffic light system be incorporated into future reports so that they may more easily track progress.

RESOLVED that the SMART action be approved.

43 ANNUAL GOVERNANCE STATEMENT – ACTION PLAN PROGRESS UPDATE (GA.28 13/14)

Members gave consideration to a report which reviewed the progress with the Annual Governance Statement 2012/13 Action Plan.

With the exception of Information Governance, which was currently "red", all other actions were on track.

In response to a Member's query, the 5 case business case model rationale was explained to the Committee and it was noted that this model was being used to provide due diligence.

RESOLVED that the current position with the Annual Governance Statement Action Plan for 2012/13 be noted.

44 MEMBERS' ALLOWANCES 14/15 (GA.29 13/14)

Mr David Lomas of the Council's Remuneration Panel was welcomed to the meeting and presented the paper to the Committee.

Consideration was given to a report which sought to inform Members of recommendations made by the Independent Remuneration Panel (IRP) with regard to the Scheme of Members' Allowances.

Whilst noting that an increase of 1% across the board was being proposed, it was further noted that this equated in real terms to approximately £1 per week. A number of Members stressed that they did not stand for election for the allowances paid to Members, but to make a difference for local communities, and often undertaking the role was at a cost to them.

Members discussed the content of the report including travelling costs. It was considered that more work could be undertaken to identify the 'true cost' of travelling in West Lindsey in future years, rather than adopting the HMRC suggested allowance.

Reference was made to the considerable workload which was being undertaken by the Taxi and General Licensing Sub-Committee, with this in mind, Members were of the view that the allowance paid to the Chairman of that Sub-Committee should be brought in line with that payable to the other Committee Chairmen.

There was a further proposal that the allowance payable to the Chairman of the Planning Committee should remain at the higher rate in light of the considerable amount of meetings involved. Mr Lomas reminded Members of the reasons as to why the allowance had been raised previously and this had not related to the number of meetings involved, but rather the issues which had been prevalent in the area at the time.

The Chairman thanked Mr Lomas and his colleagues on the Remuneration Panel for their hard work on the content of the report.

On being put to the vote, the proposal that the allowance payable to the Chairman of Planning Committee remain at the higher rate was lost, however the proposal to increase the allowance payable to the Chairman of the Taxi and General Licensing Sub-Committee be brought in line with that payable to the other Committee Chairmen was carried.

On that basis it was: -

RESOLVED that the Members Allowance Scheme for 2014/15 be **RECOMMENDED** to Council for Approval subject to the remuneration level for the Chair of the Taxi and General Licensing

Sub-Committee being amended to be brought in line with the other Committee Chairs.

Note: Councillor Di Rodgers left the meeting at this point.

45 MEMBER TRAINING PLAN (GA.30 13/14)

Consideration was given to a report which detailed plans for Member development over the coming year and which sought agreement to the plan and to monitor progress in its future delivery.

Debate ensued and there was a general consensus that there should be a minimum training requirement for all Committees. Some Members even suggested that a proportion of the member allowance should be retained until Members had completed training.

It was acknowledged that training needed to be accessible to all and delivered in a variety of methods, suitable to all. Some were further of the view that each training session should be followed by some sort of short assessment, as a way to evaluate effectiveness.

Officers confirmed a training analysis had been completed and used to assist in the development of the plan.

Reference was made to the approach taken by the County Council, which Members welcomed. Officers gave their assurance that they wished to work with Members to further develop training going forward.

RESOLVED that

- (a) the plan be approved and updates on the delivery of the plan be presented to future meetings;
- (b) Council be **RECOMMENDED** (as part of the Annual Review) to amend the notes in the Constitution to state that Governance and Audit training be provided prior to the acceptance of the Annual Accounts; and
- (c) those training requirements that should be mandatory for committee Members, as set out in the report be agreed.

46 USE AND ENGAGEMENT OF TEMPORARY STAFF AND CONSULTANTS (GA.31 13/14)

Consideration was given to a report which provided an annual update for Members on the expenditure incurred during 2012/13 on the engagement of temporary / agency staff and consultants for 2012/13.

Members indicated that they would wish to see the savings made by not filling posts demonstrated in future reports.

Members were supportive of the use of consultants when their expertise could help deliver huge savings, as had been the case with the Leisure Management Contract.

RESOLVED that the contents of the report be noted.

47 STRATEGIC RISKS (GA.32 13/14)

Consideration was given to a report which presented Members with the strategic risks facing the Council as at October 2013.

Members expressed concern that the information was out of date and thus of little value to them. By way of reassurance, Officers advised that the document was reviewed on a monthly basis by the Core Management Team

RESOLVED that:

- (a) the strategic risks as presented, having been reviewed, be noted; and
- (b) in light of Members' comments and concerns, the report be re-submitted to the next meeting of the Governance and Audit Committee.

48 WORK PLAN (GA.33 13/14)

Members considered their work plan for meetings during the 2013/14 Civic Year.

RESOLVED that:

- (a) the work plan as at 13 November 2013 be noted; and
- (b) at the request of the Deputy Leader, the following items be incorporated into the Work Plan for future meetings: -
 - (i) Relationships
 - (ii) Agile Working Process

The meeting concluded at 9.27pm.

Chairman