

WEST LINDSEY DISTRICT COUNCIL

MINUTES of a Meeting of the Governance and Audit Committee held in the Council Chamber at the Guildhall, Gainsborough on Monday 19 December 2011 commencing at 7.25 pm.

Present:

Councillor Sue Rawlins (Chairman)
Councillor Anne Welburn (Vice Chair)

Councillor Ken Bridger
Councillor Paul Howitt-Cowan
Councillor Malcolm Leaning
Councillor Jessie Milne
Councillor William Parry
Councillor Ray Sellars

Alison Adams (Independent Co-opted Member)

In Attendance:

Adrian McCormick	Director of Resources and Deputy Chief Executive
Russell Stone	Section 151 Officer and Financial Services Manager
Ralph Gould	Group Accountant
Alan Robinson	Revenues, Benefits and Customer Services Manager
Alex Reeks	Business Development Officer
Katie Coughlan	Senior Democratic Officer

Also in attendance :

Sharon Bradbury – District Auditor
Tony Crawley – District Auditor
Dan Wilson - Sector Treasury Management Consultant
Lucy Pledge – Internal Audit
Rachel Abbott – Internal Audit

Apologies:

Councillor Jackie Brockway
Councillor Di Rodgers

Membership:

Councillor Jessie Milne substituting for Councillor Jackie Brockway

42 CHAIRMAN'S WELCOME AND ANNOUNCEMENT RE: INTENTION TO VARY THE ORDER OF BUSINESS

The Chairman welcomed all Members and Officers to the meeting and in opening announced her intention to vary the order of business to accommodate those visiting Officers. It was proposed that Paper G (2010/2011 Annual Audit Letter from the External Auditor) followed by Paper F (Scrutiny of Treasury Management Policy) be the first public reports considered under Agenda Item 6.

Having been proposed and seconded it was:

RESOLVED that the order of business be varied as detailed above.

43 PUBLIC PARTICIPATION

There was no public participation.

44 MINUTES

(a) Meeting of the Governance and Audit Committee – 26 September 2011

RESOLVED that: the Minutes of the meeting of the Governance and Audit Committee held on 26 September 2011 be approved and signed as a correct record.

(b) Special Meeting of the Governance and Audit Committee – 3 November 2011

RESOLVED that: the Minutes of the Special meeting of the Governance and Audit Committee held on 3 November 2011 be approved and signed as a correct record.

45 MEMBERS' DECLARATIONS OF INTEREST

No Declarations of Interest were made.

46 2010/2011 ANNUAL AUDIT LETTER FROM THE EXTERNAL AUDITOR (GA.32 11/12)

Consideration was given to a report which presented the 2010/2011 Annual Audit Letter from District Audit. The Key Messages contained therein were highlighted to the Committee together with the fees which had been applied for undertaking the work.

RESOLVED that the 2010/2011 Annual Audit Letter be received and noted.

47 SCRUTINY OF TREASURY MANAGEMENT POLICY (GA.31 11/12) AND PRESENTATION BY SECTOR ON TREASURY MANAGEMENT

Immediately prior to the Meeting, Members had received a presentation on Treasury Management, from Mr Dan Wilson of Sector Treasury Management Consultancy, during which Members were provided with a raft of detailed information including information relating to:

- the services provided by Sector
- interest rate forecasts
- credit rating scores
- economic overview
- formation of counterparty lists formulated as a result of selection criteria set by the Council
- the Statutory Framework
- tools used for Risk Benchmarking and Security

In conclusion, representatives from Sector explained at length the process which had been undertaken in producing the draft Treasury Management Strategy advising of the areas which were covered within it and of its importance.

The Chairman re-iterated her thanks to Mr Wilson for his very informative presentation, following which, Members were asked to give consideration to a report which introduced the draft Annual Treasury Management Strategy for 2012 / 13 and which sought comment from the Committee upon the relevant parts of the Strategy prior to the final version being submitted to Council for approval.

It was emphasised that only minor changes to the investment criteria / counterparty list adopted in 2011/12 were being proposed and that the Council would continue to take a cautious and prudent approach when making investments, all of which would be short term deposits.

Members sought assurances and were provided with details of the changes which had been made in light of the previously made Icelandic Banking Investments. Officers also made reference to the related anticipated recovery payments, in particular that payments would not be received in Pound Sterling. Members were reminded of arising implications and the amendments that had been made to the draft Strategy as a result.

RESOLVED that having scrutinised the draft Annual Treasury Management Strategy for 2012/13 it be submitted to Council for consideration.

48 MATTERS ARISING SCHEDULE (GA.26 11/12)

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 9 December 2011.

It was noted that all actions had been completed on target.

Members questioned the accuracy of the Schedule and cited a number of previously agreed actions they believed had been omitted, as examples. Officers undertook to investigate the matter and indicated any omissions found would be included within the Schedule when it was next presented to the Committee

RESOLVED that progress on the matters arising scheduled as set out in report GA.26 11/12 be noted.

49 MEMBER DEVELOPMENT (GA.27 11/12)

Consideration was given to a report which presented the draft Member Development Plan and Members' comments and suggestions for improvement thereon were sought. The Member Forum had given consideration and input to the Plan which would be submitted to the Policy and Resources Committee for approval, and subsequent regular monitoring would be undertaken by this Committee.

Debate ensued during which Members challenged the value in the intended Declaration of Commitment. Whilst welcoming the Plan and its intent in principle, Members were sceptical about whether the proposals would increase attendance at training events and asked what strategies would be used to encourage greater numbers.

It was acknowledged that there were problems and that was why a different approach was being taken. Members suggested that attendance records should be published or that there should be some form of remunerative penalty for non-attendance.

Furthermore, some Members expressed their disappointment and were of the view that previously promised training and support for Members had not always been delivered in the past. In response Officers considered the development plan would assist in tracking delivery and identifying areas for improvement.

RESOLVED that the draft Member Development Plan and the progress to date be noted.

50 EXTENSION OF TIME FOR THE OPERATION OF THE STANDARDS REGIME (GA.28 11/12)

Consideration was given to a report which sought to inform Members of the final outcome of the Localism Act in respect of the Standards regime and to request approval for the current Code of Conduct for Members and the Standards regime to continue in operation until June 2012 when a revised Code and process would be submitted for approval.

Officers further expanded on the rationale behind the recommendations and in doing so emphasised that the Council was keen to retain the 'best' of the old Standards regime whilst disposing of the unnecessary bureaucracy and reliance on process which often negated the benefits and caused unnecessary concern to individuals tied up in complaints. Furthermore, the commitment by the Council to Localism – supporting and building self-help within its many and diverse communities would form an essential part of any review of the way in which democratic representatives serve their populations.

Members considered the proposed approach to be a sensible one and welcomed the intention to explore ways of incorporating the Localism approach within the new regime.

On that basis it was **RESOLVED** that it be **RECOMMENDED to Council** that:

- (a) approval be given for the existing Members and Co-opted Members Code of Conduct to continue in operation until June 2012 when a revised code and process will be submitted for approval;
- (b) the existing Members of the Standards Committee be authorised to continue in office until a new code is introduced and a new committee appointed if required;
- (c) the Standards Committee be requested to review and amend the procedures under which allegations of a breach of the Code can be investigated and decisions on allegations taken, in light of experience over the last few years; and
- (d) the Monitoring Officer be requested to implement arrangements for the appointment of an Independent Person in accordance with the requirements of the 2011 Localism Act.

51 INTERNAL AUDIT PROGRAMME 2010/11 – PROGRESS REPORT (GA.29 11/12)

Consideration was given to a report which sought to update members on progress made to date, by the Audit partner, against the annual programme agreed by the Audit Committee on the 5 April 2011.

Members noted an addition to Appendix C namely; that Regeneration as an Entrepreneurial Council had been added as a service area for audit, at the request of the Chief Executive. Members were provided with brief details of the purpose of the audit.

The Business Development Officer outlined at length the benefits and capabilities afforded by the newer version of Sharepoint which was to be implemented within the Authority imminently. Members were further updated on the progress achieved in developing and implementing the governance and training to support the Project / Programme Management Framework.

In response, Members expressed concerns at the pace in which the agreed actions were being addressed as they considered good project management was critical in running and ensuring a successful business. Whilst acknowledging that development work had been ongoing, Members questioned whether this had delivered improved effectiveness in view of a number of key actions having being delayed in light of the planned version upgrade.

In responding the Business Development Officer gave assurance that work towards developing a Training Plan had commenced and would be ready for delivery within the next 2 months. The Internal Auditor indicated that they would be reviewing the service area again in six months time.

RESOLVED that:

- (a) the contents of report GA.29 11/12 including the addition, as detailed above, be received and noted; and
- (b) in future only outstanding recommendations where the audit resulted in 'No' or 'Limited' assurance be included in internal audit programme progress monitoring reports.

52 GETTING THE MOST OUT OF YOUR INTERNAL AUDIT SERVICE (GA.30 11/12)

Consideration was given to a report which provided members with an opportunity to comment on the Council's Internal Audit Strategy, which aimed to demonstrate how Audit Lincolnshire proposed to deliver its assurance work to the Council in the future, by focusing its resources on what mattered most and by leveraging other sources of assurance where possible.

In presenting the report Officers outlined both the rationale for the Strategy and the benefits it would afford and The Assurance Mapping exercise being undertaken, referring to the information it had been designed to capture and how the Authority may use this in the future. Members' views on the latter were sought and positive feedback was provided. There was a keen interest to gain greater understanding and it was therefore suggested that a short training session immediately prior to a future meeting of the Committee be arranged.

On that basis it was **RESOLVED** that:

- (a) the contents of report GA.30 11/12 be received and noted;
- (b) the proposed Internal Audit Strategy be approved; and
- (c) a short training session, covering the topic, be arranged for immediately prior to a future meeting of the Committee.

53 CORPORATE GOVERNANCE FRAMEWORK (GA.33 11/12)

Members gave consideration to a report relating to the Corporate Governance Framework and in which the elements of the proposed future governance framework, together with details of the progress achieved over the last 12 months and planned future steps to improve the framework, were outlined.

The updated format in which this information had been presented was very positively received by Members. Debate ensued and in responding to Members' questions, Officers advised how governance would continue to be monitored and improved in the future.

Members requested that Appendix 2 of the report be updated to track progress achieved and re-submitted to a future meeting of the Committee. It was suggested that a simple traffic light system, for ease of reference, would assist the committee.

RESOLVED that:

- (a) the progress made to date and the next steps identified in improving corporate governance, as detailed in report GA.33 11/12, be noted; and
- (b) Appendix 2 of the report be updated to track progress achieved and re-submitted to a future meeting of the Committee.

54 PERFORMANCE MANAGEMENT FRAMEWORK (GA.34 11/12)

Consideration was given to a report which outlined the proposed Performance Management Framework for Committees. The report indicated steps required for development and approval, and details relating to performance and how this would be monitored in the future.

In responding to Members' questions, Officers advised that Best Practice would be shared through the Communications Plan which was currently in development.

RESOLVED that contents of report GA.34 11/12 be received and noted.

55 WORK PLAN (GA.35 11/12)

Members considered their work plan for meetings during the 2011/12 Civic Year. The report also briefly outlined some of the items due for consideration in the early part of the next Civic Year.

It was suggested that the Committee give consideration to the Outcomes of the recent Peer Review and thus it was requested that this be incorporated into their Workplan.

RESOLVED that the work plan as at 19 December 2011 be noted and the Outcomes of the Peer Review be added thereto.

The meeting concluded at 9.08 pm.

Chairman