

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 March 2013 commencing at 6.30 pm.

Present: Councillor Sue Rawlins (Chairman)

Councillor Owen Bierley
Councillor Ken Bridger
Councillor Jackie Brockway
Councillor Malcolm Leaning
Councillor Giles McNeill
Councillor Roger Patterson
Councillor William Parry

Steve Wallace (Independent Co-opted Member)
Alison Adams (Independent Co-opted Member)

In Attendance:

Alex Reeks Assistant Chief Executive
Russell Stone Section 151 Officer and Financial Services Manager
Alan Robinson Head of Central Services
Nicola Calver Governance and Civic Officer

Also in attendance :

Lucy Pledge Internal Audit (Lincolnshire County Council)
Rachel Abbott Internal Audit (Lincolnshire County Council)
Paula Longden External Audit (KPMG)
Tony Crawley External Audit (KPMG)

Also Present : Councillor Geoff Wiseman

Apologies: Councillors Paul Howitt-Cowan and Anne Welburn

Membership: Councillor Owen Bierley substituting for Councillor Paul Howitt-Cowan and Councillor Roger Patterson substituting for Councillor Anne Welburn.

45 URGENT ITEM OF BUSINESS

At the commencement of the meeting the Chairman announced her intention to take a paper on the External Audit Plan 2012/13 as an urgent item of business.

This is considered an urgent item as external audit activity work will be undertaken before the next committee meeting, and there is a need to agree

the audit work plan prior to the work commencing to allow the finance team to comply with audit requirements in a year of change and restricted timescales.

It was announced that this item would be considered within item 6 on the agenda prior to report GA.30 12/13 – the Annual Governance Statement Action Plan.

The Chairman took the opportunity to announce that interviews had taken place for the Standards Sub Committee and Remuneration Panel. Those appointments which fell under the Chairman's delegated decisions were announced and the remainder would be presented to the next meeting of Council for agreement.

46 PUBLIC PARTICIPATION

There was no public participation.

47 MINUTES

Meeting of the Governance and Audit Committee – 20 December 2012

RESOLVED that the Minutes of the meeting of the Governance and Audit Committee held on 20 December 2012 be approved and signed as a correct record.

48 MATTERS ARISING SCHEDULE (GA.29 12/13)

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions.

The meeting discussed Item 3 Black, and it was requested that the Member Development Plan be brought to the next meeting of the Committee. It was further agreed that the information previously circulated relating to appraisals be sent to members of the Committee.

The Head of Central Services gave a verbal update on training requirements for the Committee. Training on the Statement of Accounts and Treasury Management / Budget were deemed essential for all Governance and Audit Committee Members and Substitutes, and Risk Management / Corporate Governance and the Role of the Audit Committee were desirable.

Following this discussion Members requested for standards for training for Planning Committee Members be investigated and discussed at the next meeting.

RESOLVED that progress on the Matters Arising schedule as set out in report GA.29 12/13 be received and noted.

49 MEMBERS' DECLARATIONS OF INTEREST

No declarations were made.

50 EXTERNAL AUDIT PLAN 2012/13 (URGENT ITEM OF BUSINESS)

Officers from External Audit (KPMG) presented the External Audit Plan for 2012/13 which supplements the Audit Fee Letter 2012/13 circulated to the Governance and Audit Committee in August 2012.

This was the first report of this kind received from the new external auditors, and therefore KPMG highlighted the changes from the previous external audit arrangements for Councillors. These changes included a reduction of 40% in the Audit fee and the use of off-shore audit resources in India. It was clarified that the contract with KPMG was national arrangement.

It was noted that the audit fee reduction had been found by changing the way in which audit is undertaken with Local Government, allowing Councils to rely on peer and self challenge, therefore requiring less staffing resource.

Whilst Members initially were displeased about the outsourcing of KPMG, they were assured that this change had actually created more opportunities for local people within KPMG, who were a national company and could offer both graduate and apprenticeship schemes.

Members questioned Public Challenge, and it was confirmed that the fees would be dependent on the challenge. It was also rare for electors to take the public challenge route, favouring the use of the Freedom of Information Act. WLDC were currently processing a Public Challenge, and the Head of Financial Services undertook to advise Members of the details at the appropriate time.

51 ANNUAL GOVERNANCE STATEMENT ACTION PLAN (GA.30 12/13)

The Assistant Chief Executive presented Paper B to the Committee which set out the progress with the External Audit Plan.

Members expressed concern about the JPU's deliberations, although the report indicated that this was on track. In addition, local parishes had expressed confusion as to the process and how they can feed in to it (including the Community Infrastructure Levy). The Assistant Chief Executive undertook to raise the matter with the Director for Planning and Regeneration and provide an update to the next Committee meeting.

RESOLVED that the current position with the Annual Governance Statement Action Plan for 2011/12 be noted.

52 RISK MANAGEMENT STRATEGY (GA.31 12/13)

Due to supporting documentation not being provided with the report this item was deferred for consideration at the following meeting.

53 PROGRESS AND DELIVERY REPORT – REPORTING PERIOD 3 (GA.32 12/13)

Paper D was presented by the Assistant Chief Executive which updated on progress against the delivery of the Corporate Plan priorities and performance of service areas.

Members requested written clarity for the district's parishes on our continued involvement in flooding management and how WLDC are working with the County Council. In addition a consistent approach to be applied in terms of funding assistance to parishes.

Members discussed the Councillor's Initiative Fund and how it had made a real difference to West Lindsey's communities. It was requested the list of spend against this budget be re-circulated to Members and also information on the residuum of the fund. . It was further requested that information on the funding allocation of the CAF fund be brought back to a future meeting of the committee as an update.

It was requested that this report be brought back to a future meeting of this committee following it's consideration by the Policy Committees in June.

RESOLVED that the content of the report be noted and an update on the report be brought back to a future meeting following consideration by the Council's Policy Committees.

54 INTERNAL AUDIT PROGRESS REPORT (GA.33 12/13)

Paper E was presented to the Committee which gave Members an update on progress by Internal Audit against the annual audit programme.

It was noted that the plan had been amended to account for the audit of the Elswitha Project, and a letter would be circulated to Members imminently to advise on how they may feed in to that process.

Members expressed concern around the process of planning application recommendations to committee and that clarity around the process was required prior to suggesting amendment. In addition, more information sharing around controversial planning applications were requested for ward

Members. During this discussion some Members wished to investigate the equality of Councillors sitting on Planning Committee and representation of their wards. It was agreed that these matters would be discussed at a forthcoming Member Forum and brought back as a report to the Governance and Audit Committee.

Further concerns were raised around the application of the constitution, and it was felt that further clarity was required around the responsibilities for Members and Officers.

The limited assurance given to financial services was discussed, and clarified as to the reasons why it had been given. Budget Managers were being given more and more responsibility, and training and confidence was required to improve this. Members wished for the Chairman and Vice Chairman of the Committee to meet with the Chief Executive to discuss resourcing the finance team to be able to deliver its difficult goals in this time of austerity.

Updates for the following meeting were requested on the NNDR Collaboration and the specifics of the 20% of escalated recommendations.

55 INTERNAL AUDIT PLAN (GA.34 12/13)

The Committee received Paper F which presented the planned internal audit work of the Council for 2013/14.

It was noted that the report had been amended to incorporate gateway reviews on key projects and the additional audit of the Elswitha Project.

RESOLVED that the Annual Audit Plan be approved.

56 WORK PLAN (GA.35 12/13)

Members considered their work plan for meetings during the 2012/13 Civic Year.

RESOLVED that the work plan as at 12 March 2013 be noted.

The meeting concluded at 8.44pm.

Chairman