

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 7 June 2012 commencing at 6.30 pm.

Present:

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

Councillor Ken Bridger
Councillor Jackie Brockway
Councillor Malcolm Leaning
Councillor Roger Patterson
Councillor William Parry
Councillor Di Rodgers

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

In Attendance:

Russell Stone	Section 151 Officer and Financial Services Manager
Alan Robinson	Head of Central Services
Grant Lockett	Head of Strategic Growth
Carol deHaney	Senior Corporate Governance Officer
Katie Coughlan	Governance and Civic Officer

Also in attendance :

Lucy Pledge	Internal Audit (Lincolnshire County Council)
Rachel Abbott	Internal Audit (Lincolnshire County Council)

Apologies:

Councillor Paul Howitt-Cowan
Councillor Ray Sellars

Membership:

Councillor Roger Patterson substituting for
Councillor Paul Howitt-Cowan

This being the first meeting of the civic year, the Chairman welcomed all Officers and Members to the meeting and extended a warm welcome to the newly appointed independent person, Mr Steve Wallace. The Chairman and all Members sent their best wishes and kindest thoughts to Councillor Sellars during his continuing state of ill-health.

6 PUBLIC PARTICIPATION

There was no public participation.

7 MINUTES

Meeting of the Governance and Audit Committee – 12 March and 14 May 2012 (GA.01 12/13).

RESOLVED that the Minutes of the meetings of the Governance and Audit Committee held on 12 March and 14 May 2012 be approved and signed as a correct record.

8 MEMBERS' DECLARATIONS OF INTEREST

No Declarations of Interest were made.

9 MATTERS ARISING SCHEDULE (GA.02 12/13)

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 30 May 2012.

The Chairman made reference to those actions relating to Member Training and invited the Head of Central Services to update the Committee on progress made to date. The outcome of the recent meeting of the Members Forum was summarised to Members, following which, Officers outlined proposed training topics for the Committee namely: -

- Role of the Committee (priority)
- Scrutiny of Accounts
- Risk
- Treasury Management
- Standards
- Role of Internal Audit and External Audit
- Assurance Framework
- Constitutional Matters
- Fraud Awareness

Members were agreeable to the proposed topics and further suggested that emergency planning and business continuity be incorporated in the training programme. They further requested that consideration be given to varying the formats used to deliver such training.

Officers undertook to arrange the first training session as a matter of urgency and details would be circulated to all Members in due course.

A member made reference to the CIPFA document used to gauge an Audit Committee's effectiveness and the Head of Internal Audit undertook to circulate the Matrix.

RESOLVED that progress on the Matters Arising schedule as set out in report GA.02 12/13 be received and noted.

10 EXTERNAL AUDIT PLAN 2011/12 QUARTER 1 PROGRESS REPORT (GA.03 12/13)

Members received a report which sought to provide the Committee with an update on progress achieved by the External Auditor in delivering their responsibilities. It further highlighted the key emerging national issues and developments and provided an update on the externalisation of the Audit Practice.

Debate ensued during which Members posed a number of questions to Officers particularly in relation to the externalisation of the Audit Practice, the financial implications of such to the Council and whether there would be a shift in expectation. In responding, Officers advised that whilst there were still a number of unknowns, it was hoped that there would be some sort of continuity. The fee for external audit services was expected to reduce by some £30 – 40,000 and thus would release monies which could be used to extend the work currently undertaken by the internal audit should this be necessary. Officers further confirmed that the survey referred to in paragraph 25 of the report had been completed and that the pay policy statement referred to in paragraph 35 had been approved by Council at its March meeting.

RESOLVED that the contents of report GA.03 12/13 be received and noted.

11 HEAD OF INTERNAL AUDIT ANNUAL REPORT 11/12 (GA.04 12/13)

Members received a report which detailed the Head of Internal Audit's opinion on the adequacy of the Council's control environment and the delivery of the Internal Audit plan for 2012.

Debate ensued during which Members posed a number of questions to Officers particularly in relation to the JPU, the Core Strategy and the reasons for its continued delay. In responding Officers advised that the original timeline set had been extremely challenging and of some capacity issues within the Unit. However, by way of offering reassurance, Officers indicated that this delay had not been unexpected and that the situation was being closely scrutinised and robustly monitored by the Central Lincolnshire Joint Strategic Planning Committee.

RESOLVED that:

- (a) the contents of report GA.04 12/13 be received and noted ; and
- (b) the Annual report be considered during scrutiny of the Annual Governance Statement.

12 INTERNAL AUDIT PLAN 2011/2012 – QUARTER 4 PROGRESS REPORT AND INTERNAL AUDIT PLAN 2012/13 – APRIL PROGRESS REPORT (GA.06 12/13)

Members considered the Report which gave them an update of progress against the annual programme agreed by Audit Committee on 5 April 2011 and 12 March 2012.

With regard to the outcome of the internal audit into the Use of Consultants, at the request of the Committee, the Financial Services Manager outlined the nature of those actions which had been agreed to improve assurance in the future. In doing so, he made reference to the report he had prepared for the Core Management Team and, again at the request of the Committee, undertook to submit this to the next meeting

With regards to the outcome of the DFG pilot and Linden Terrace Project, whilst not wishing to stifle entrepreneurial spirit, again the Committee expressed concern that fundamental business skills were not being implemented, such as project management, budget monitoring and assigning responsibilities. Officers acknowledged there had been some fundamental issues with both projects but gave solid reassurance that these matters were now being used to learn lessons for the future.

Indication was sought and received as to why there was a clear difference in opinion around the outcome and level of assurance following the audit into ICT Starters and Leavers.

Members expressed deep concern that “non compliance “ seemed to be a common theme amongst a number of the issues raised in recent audits and sought indication as to why this was and what was been done to overcome this. In response Officers advised of the recent staff re-alignment process which had been undertaken, and which had seen the introduction of clear management standards for personnel at a team manager and above level. The Committee requested that this document be submitted to their next meeting in September 2012.

Finally the Committee expressed grave concerns at the issues raised through the internal audit into the Central Lincolnshire Joint Planning Unit. There was a general consensus amongst Members that villages may be left vulnerable in the event of the Core Strategy not being adopted in advance of the National Planning Policy Framework being introduced. However, in the absence of

Management, Officers were unable to fully brief members or respond to all of their questions about the risks and implications of the Core Strategy not being in place and thus the Committee requested that a Management Response be provided outside of the meeting to all Members of the Committee by 30 June 2012 and that the Chairman be given permission to escalate this on their behalf, dependent on the content thereof.

RESOLVED that:

- (a) the contents of report GA.06 12/13 be received and noted;
- (b) the additional items referred to during the course of the debate and detailed above be submitted to the Committee's next meeting in September 2012; and
- (c) on receipt of the Management response regarding the Core Strategy, the Chairman be given authority to escalate this issue on behalf of the Committee, as considered appropriate and dependent on its content.

13 PROGRESS REPORT IN RESPONSE TO ISSUES RAISED BY INTERNAL AUDIT IN RELATION TO WLDC PROJECT MANAGEMENT (GA.05 12/13)

Members gave consideration to a report which reviewed the progress achieved on actions undertaken in response to Internal Audit findings in relation to Project Management arrangements.

In presenting the report to the Committee, Officers summarised the current position in terms of implementing the Project Management Methodology and previous audit recommendations. Members were also provided with in-depth details as to why problems had arose in the first instance. However a clear framework was now developing, Officers were engaged and clear responsibilities had been assigned.

In the ensuing debate, Members noted the less than positive comments from senior staff contained within the action plan and indicated they wished to further understand what the fundamental issues with Sharepoint were. Furthermore indication was sought and received that the timescales stated within the action plan were not now likely to be achieved and thus Members requested that the target dates be revised accordingly.

The Committee further suggested that, in light of the views of some senior staff, the Core Management Team provide a response as to the future use of Sharepoint within the organisation, as well as a survey being undertaken with all staff to ascertain their views of the software package. In concluding, the Committee requested that they be updated as to the outcomes of such at their next meeting, verbally by the Chief Executive.

RESOLVED that:

- (a) the contents of report GA.05 12/13 be received and noted; and
- (b) the additional items referred to during the course of the debate and detailed above be submitted to the Committee's next meeting in September 2012; including the Chief Executive being requested to attend to verbally update Members.

14 REVISED MEMBERS CODE OF CONDUCT, OPERATING PROCEDURE AND ASSOCIATED MATTERS ARISING FROM THE 2011 LOCALISM ACT (GA.07 12/13)

Members gave consideration to a report, prior to it being submitted to Full Council for approval, which advised of changes to the Standards Regime as introduced by Localism Act 2011 and of the need to adopt a revised Code of Conduct, appoint an Independent Member(s) and approve arrangements for dealing with standards allegations.

The Committee requested that the report in particular the arrangements for dealing with standards allegations be revised in order that they were gender neutral and Officers undertook to do such.

RESOLVED that the contents of report GA.07 12/13 be received and noted and the finalised report be submitted to Full Council on 2 July 2012 for approval and adoption.

15 REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT (ACCOUNTS AND AUDIT REGS 2011) (GA.08 12/13)

Members considered a Report detailing the statutory requirement for local authorities to review the effectiveness of their internal audit once a year and for the findings to be considered by the Committee, and the Report reviewed the Council's current arrangements.

RESOLVED that the contents of the report be noted and the conclusion be endorsed that the Council has effective internal audit in place.

16 ANNUAL GOVERNANCE STATEMENT AND REVIEW OF CORPORATE GOVERNANCE FRAMEWORK (GA.09 12/13)

Members gave consideration to a report which presented the draft Annual Governance Statement for 2011/12 and the Review of the Corporate Governance Framework.

It was noted that the intention was for Members Personal Development Plans to be in place by September 2012.

RESOLVED that having considered the governance issues for the Annual Governance Statement and the Corporate Governance Framework, as detailed in report GA.09 these be included in the Statement, with an action plan, for approval by the Committee in September 2012.

17 WLDC LOCAL GOVERNMENT PEER REVIEW SEPT 2011 – FINAL REPORT (GA.10 12/13)

Members gave consideration to a report which presented the findings arising from the LG Peer Review undertaken in September 2011.

Members congratulated Officers on the positive outcomes and comments arising from the Peer Review.

RESOLVED that the contents of report GA.10 12/13 be received and noted.

18 WORK PLAN (GA.11 12/13)

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

RESOLVED that the work plan as at 30 May 2012 be noted and the additional items raised through the course of the debate be incorporated thereto.

The meeting concluded at 9.18 pm.

Chairman