

## 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 9 January 2014, commencing at 6.30 pm

**Present:**

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

Councillor Gillian Bardsley  
Councillor Ken Bridger  
Councillor Jackie Brockway  
Councillor David Dobbie  
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  
Suzanne Fysh  
Tracey Bircumshaw  
Katie Coughlan

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

**Also in attendance :**

Lucy Pledge Internal Audit (Lincolnshire County Council)  
Rachel Abbott Internal Audit (Lincolnshire County Council)  
Lisa McKenzie Internal Audit (Lincolnshire County Council)  
Adrian Benselin External Audit (KPMG)  
Tony Crawley External Audit (KPMG)

**Also Present :**

Councillor Jeff Summers  
Councillor Geoff Wiseman

**Apologies:**

Mr Steve Wallace (Independent Co-opted Member)  
Councillor Malcolm Leaning

#### **49 PUBLIC PARTICIPATION**

There was no public participation.

#### **50 MINUTES (GA.34 13/14)**

Meeting of the Governance and Audit Committee held on 21 November 2013

**RESOLVED** that the Minutes of the meeting of the Governance and Audit Committee held on 21 November 2013 be approved and signed as a correct record.

#### **51 MATTERS ARISING SCHEDULE (GA.35 13/14)**

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 31 December 2013 2013.

With regard to Green Item, the Chairman referred to a statement which had been prepared by the Chief Executive and would be circulated to the Committee.

**RESOLVED** that progress on the Matters Arising Schedule as set out in report GA.35 13/14, be received and noted.

#### **52 MEMBERS' DECLARATIONS OF INTEREST**

There were no declarations of interest made.

#### **53 INTERNAL AUDIT QUARTERLEY PROGRESS REPORT (GA.36 13/14)**

Members gave consideration to a report which provided an update on progress made by the Audit Partner, against the 2013/14 annual programme agreed by the Audit Committee on 21<sup>st</sup> March 2013.

Referring to page 13 the Committee asked what assurance they had that things were moving in the right direction. It was confirmed that a working group had been established through the C and I Committee charged with looking at the format of future reports, meaningful measures, and more succinct reporting. Live data was now also available on the Extranet. Members were also referred to the relevant management statement contained within the report. It was noted that all related actions were due for completion in January 2014 and therefore progress would be included in the next update report.

Referring to page 17 and in response to Members' questions, Officers confirmed the four high priority actions had now been completed. Any remaining ones would be completed on approval of the Policy which was to be considered by the Committee later in the evening.

With regard to the limited assurance finding in respect of Investment decisions. It was confirmed that the Interim Director was reviewing the Council's approach to investments in light of the Elswitha recommendations and would be meeting with internal audit shortly.

Internal Audit confirmed they would continue to monitor outstanding audit actions.

**RESOLVED** that the content of the report be noted,

#### **54 DRAFT TREASURY MANAGEMENT STRATEGY (GA.37 13/14)**

Members gave consideration to a report which asked that they scrutinise the Treasury Management Strategy and recommended its inclusion within the Medium Term Financial Plan to be presented to full Council.

It was noted that the prudential indicators were still provisional until the capital programme had been approved by the Policy and Resources Committee in February.

Members asked a number of prudent questions in responding Officers clarified the under / over borrowing figures and the Technical Accounting Entry which related.

With regard to paragraph 4.4 and in responding to Members comments it was noted that the final "loss" was expected to be in the region of £250k. However this was a much better position than had originally been expected and was at no loss to the original investment.

**RESOLVED** that the Draft Treasury Management Strategy be **RECOMMENDED** to full Council for formal adoption as part of the MTFP.

#### **55 JPU ASSURANCE OF AUDIT ACTIONS COMPLETION (GA.38 13/14)**

Consideration was given to a report which the Committee had requested and which outlined the current position on the JPU in relation to the Audit report dated March 2012.

It was noted that report dealt with the findings and recommendations of the audit undertaken in March 2012 and that it did not address any of the matters with the joint planning policy arrangements that have arisen since that time.

At the request of the Committee the Internal Auditor outlined how the audit scope had been set and how the audit had been conducted.

It was noted future audits would be co-ordinated across the four authorities and once a programme of work had been established gateway reviews would be programmed in.

There was a call for the Unit to undertake greater consultation in the future.

**RESOLVED** that the contents of the report be noted.

## **56 CORPORATE GOVERNANCE SMART ACTION PLAN – PROGRESS UPDATE (GA.39 13/14)**

Members gave consideration to a report which presented progress in relation to the Corporate Governance Smart Action Plan. It was noted that programme scopes and project plans underpinned the document presented to Members. The programmed meeting on 27 February would look at these in detail.

Significant progress had been made in some key areas and several milestones achieved aimed at addressing some of the root causes which had resulted in the red rating.

Additional training was planned for the Full Council meeting in March and would be aimed at access to information rules and roles and responsibilities of Officers and Members.

Members indicated that they wished to see clear links between objectives and measures.

Members further commented that improvements could already be seen, particularly in respect of communication. All were in agreement that continued high quality training was required.

With regard to the two amber items in responding to Members, Officer outlined the future plans which aimed to address these.

**RESOLVED** that having assessed the progress made in relation to the Corporate Governance SMART Action Plan the Committee have adequate assurance.

## **57 CONSTITUTION REVIEW (GA.40 13/14)**

Consideration was given to a report which advised of proposed changes to the Constitution.

It was noted that the changes aimed to give Members more knowledge, more involvement and addressed the concerns that had been raised.

**RESOLVED** that it be **RECOMMENDED** to full Council for approval the changes to :

- Land and Purchase Delegations
- Planning Delegations
- Street Naming and Numbering
- Training requirements for the Governance and Audit Committee

As detailed within the report.

## **58 FRAUD AND CORRUPTION POLICY (GA.41 13/14)**

Consideration was given to a report which sought approval of the updated Anti-Fraud, corruption and Money Laundering Policy and Action Plan.

In responding to a Members question it was confirmed that the Policy was not applicable to Parish Councils.

**RESOLVED** that the Anti-Fraud, Corruption and Money Laundering Policy 2014/15 be approved subject to the external audit paragraph being amended to reflect the duty to report such to the External Auditor.

## **59 STRATEGIC RISKS (GA.42 13/14)**

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

Members indicated a completed action column and direction of travel would be of assistance in future reports.

It was confirmed that all strategic risks were now available on the Extranet.

**RESOLVED** that:

- (a) it be confirmed that the strategic risk register provides sufficient assurance that the organisation is effectively managing its strategic risks; and
- (b) the JPU be considered as an additional strategic risk.

## **60 DRAFT AUDIT CHARTER (GA.43 13/14)**

Consideration was given to a report which presented Members with a Draft Audit Charter and local protocol for consideration following changes to public sector internal audit standards.

The purpose of the Charter was to set the nature, role, responsibilities and authority of the Internal Audit Service and that of the Council's Senior Management and the Governance and Audit Committee.

Members welcomed the document and its easy to understand nature. It was noted that the Annual Opinion Report should be included in the Committee's Responsibilities detailed on page 7 of the Charter.

**RESOLVED** that having considered the suitability of the Draft Audit Charter and local protocol in terms of the overall assurance framework the document be approved for adoption subject to the minor amendment above.

#### **61 WORK PLAN (GA.33 13/14)**

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

**RESOLVED** that the work plan as at 31 December 2013 be noted.

The meeting concluded at 9.20pm.

Chairman