

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 27 June 2011 commencing at 6.30pm.

Present: Councillor Anne Welburn (in the Chair)

Councillor Kenneth Bridger
Councillor Paul Howitt-Cowan
Councillor Malcolm Leaning
Councillor William Parry
Councillor Ray Sellars
Councillor Geoff Wiseman
Mrs A Adams, Co-Opted Member

In Attendance: Governance and Democratic Advisor
Section 151 Officer and Financial Services
Manager
EPA to the Chief Executive and Chairman's Officer
Sharon Bradbury - Audit Manager
Corporate Development Officer
Principal Accountant
Tony Crawley – District Auditor
Helen Storr – Internal Audit

6 APOLOGIES

Apologies were submitted by Councillors Jackie Brockway, Sue Rawlins and Di Rodgers. Councillor Geoff Wiseman substituted for Councillor Jackie Brockway.

7 URGENT ITEM

The Chairman advised Members that she had agreed to take an urgent item regarding work to be undertaken by the Standards Committee and would take it after Agenda Item 6. The reason for the urgency was because the Governance and Audit Committee meet quarterly and the Standards Committee required the support of this Committee before embarking on a programme of work.

8 PUBLIC PARTICIPATION

There was no public participation.

9 MINUTES

a) Audit Committee – 5 April 2011

RESOLVED that:

- a) the Minutes of the meeting of the Audit Committee held on 5 April be amended to reflect Mrs A Adams attendance; and
- b) with the above amendment the Minutes of the meeting of the Audit Committee held on 5 April 2011 be approved and signed as a correct record.

b) Governance and Audit Committee – 23 May 2011 (GA.01 11/12)

RESOLVED that the Minutes of the Meeting of the Governance and Audit Committee held on 23 May 2011 be approved and signed as a correct record.

10 MEMBERS' DECLARATIONS OF INTEREST

No Declarations of Interest were made.

11 GOVERNANCE AND AUDIT COMMITTEE WORK PLAN (GA.02 11/12)

Members considered their work plan for meetings during the 2011/12 Civic Year and requested a key for the initials used within the work plan report.

Members raised the process of submitting apologies and wished for this to be added to the workplan for consideration at a future date.

RESOLVED that the work plan be noted.

11 SUGGESTED MINOR CHANGES TO THE CONSTITUTION (GA.02 11/12)

Members considered the report which detailed minor proposed changes to the Constitution. Members were also made aware of a conflict in the Constitution with regard to substitution on the Governance and Audit Committee as at Part 4 page 7. It was suggested that the second paragraph of the notes be deleted and that a pool of trained members be identified to substitute on to the Committee. Reference was also made to the need to define 'training' for Members in the future. A Member also expressed some concerns regard the

name of the Development Management Committee and the Chairman agreed to monitor the situation and revisit in 3 month's time if necessary.

RESOLVED that

- a) the suggested minor amendments to the constitution be recommended to Council for approval;
- b) the terms of reference for the Development Management Committee and table 8.1 from the Contract Procedure Rules be noted;
- c) a form of words to amend the footnotes of the Governance and Audit Committee in Part IV page 7 of the Constitution as indicated above be recommended to Council for approval;
- d) the Governance and Audit Committee to look at the training requirements for substitutes on this Committee and this be added to the Workplan.

12 WORK TO BE UNDERTAKEN BY THE STANDARDS COMMITTEE – DEVELOPMENT OF A VOLUNTARY CODE OF CONDUCT FOR MEMBERS AND ASSOCIATED OPERATING PROCEDURE (URGENT ITEM)

The committee considered a report informing them of the work the Standards Committee proposed to undertake to develop a Voluntary Code of Conduct for members.

RESOLVED that

- a) the work and approach the Standards Committee are proposing to undertake in developing a voluntary Code of Conduct be noted, supported and endorsed;
- b) the Standards Committee's suggestion for representation on the Task and Finish Groups being established be approved; and
- c) periodic updates on the progress made by the Standards Committee be submitted to the Governance and Audit Committee as is considered appropriate.

13 AUDIT OPINION PLAN FOR 2010/11 (GA.04 11/12)

The Audit Manager highlighted some of the key points within the report for noting.

Members raised the question of fees charged by local audit and it was clarified that the Audit Commission was the only body able to appoint auditors to Local Government. The role of the Audit Commission and Local Audit was clarified for Members, and it was noted that legislation replacing the Audit Commission Act will change the way in which things are currently working.

RESOLVED that the report be noted.

14 EXTERNAL AUDIT PROGRESS REPORT 2010/11 AUDIT AND ANNUAL AUDIT FEE (GA.05 11/12)

The Audit Manager presented the Report to the committee and highlighted key points set out in the summary document. Members noted the appendix to the report as the Annual Audit Fee letter for the ensuing year.

Members questioned the largely reduced claim from the DWP and the Section 151 Officer explained the background to this matter and the investigation that led to the reduction and offered to make himself available for any further questions by Members on this matter.

RESOLVED that the report be noted.

15 INTERNAL AUDIT REPORT (GA.06 11/12)

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 2011.

It was clarified that only reports of limited or no assurance would be brought back to the committee.

RESOLVED that:

- a) the report be noted; and
- b) this Annual report be considered during scrutiny of the Annual Governance Statement.

16 INTERNAL AUDIT PROGRAMME 2011/12 – QUARTER 1 PROGRESS REPORT (GA.07 11/12)

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

RESOLVED that the content of the report be noted.

17 CONSULTATION ON THE FUTURE OF PUBLIC AUDIT (GA.08 11/12)

Members considered a Report which provided the Committee with the opportunity to comment upon a consultation exercise being undertaken by the Department of Communities and Local Government on the future arrangements for the provision of external audit in the public sector given the current Government's intention to abolish the Audit Commission.

The Financial Services Manager outlined proposed responses to the consultation, to which Members provided their comments and it was:-

RESOLVED that the Section 151 Officer, in consultation with the Chairman or Vice-Chairman of the Committee, responds to the consultation exercise on behalf of the Council.

18 REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT (ACCOUNTS AND AUDIT REGS 2011) (GA.09 11/12)

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.

It was noted that the review was very positive. Members requested clarification of abbreviations within all reports by report authors.

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

19 REVIEW OF THE LOCAL GOVERNANCE FRAMEWORK AND ANNUAL GOVERNANCE STATEMENT 2010/11 (GA.10 11/12)

Members considered the Annual Governance Statement for 2010/11 and the revised Local Governance Framework.

It was noted that Member training was still a key issue which needed to be addressed and it was agreed that Internal Audit would facilitate a workshop to move forward and define Member training in order to clearly identify the issues and possible outcomes. The intention would then be to pass this on to the Challenge and Improvement Committee to look at in more detail with support from Internal Audit. Internal audit agreed to pick up this matter during the governance audit. Risk Management and New Ways of Working were highlighted also for Member's attention.

RESOLVED that:

- a) the contents of the Annual Governance Statement 2010/11 be approved;
- b) the Local Governance Framework be approved; and
- c) A workshop be held to look at the issues within Member Training.

20 DRAFT STATEMENT OF ACCOUNTS 2010/11 (GA.11 11/12)

The Committee were updated on the preparation of the draft statement of accounts and were advised on the accounting policies and guidance that had been applied. It was noted that the approval process for the Statement of Accounts had been changed by Statute with this Committee's approval now required after the completion of the audit.

The Chief Finance Officer was required to certify the accounts subject to audit by the end of June.

The Committee were advised of other changes to the Accounts and Audit Regulations which meant that the Annual Governance Statement was now a separate document to the Statement of Accounts. The Annual Governance Statement could now be published separately or with the Statement of Accounts if clearly indicated that it was not part of the Statement. The Committee considered draft responses to the Audit Commission in respect of International Audit Standards by the Chairman and Chief Finance Officer.

RESOLVED that:

- (a) it be noted that the appropriate accounting policies and relevant guidance has been followed in the preparation of the 2010/11 Statement of Accounts.
- (b) the Annual Governance Statement be published with the Statement of Accounts clearly identifying that these are separate statements; and
- (c) the draft Member and Officer responses to the Auditors confirming compliance with international auditing standards be noted.

21 IMPLEMENTATION OF NEW WAYS OF WORKING TO ENHANCE THE DECISION MAKING CAPABILITIES OF COMMITTEES (GA.12 11/12)

Members considered a report which introduced Members to the new ways of working in relation to policy and strategy formulation, committee effectiveness and delivery against the Corporate Plan.

RESOLVED that the report be noted.

22 DRAFT CORPORATE PLAN 2011/15 AND WORK PROGRAMME AND PRIORITIES (GA.13 11/12)

The Committee received a report which provided an update on the development of the Corporate Plan priorities and outcomes. It also set out the work completed to date.

RESOLVED that the report be noted.

The meeting concluded at 8.41 pm.

Chairman