



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 25 September 2014, commencing at 7pm.

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

Councillor Gillian Bardsley
Councillor Ken Bridger
Councillor Chris Day
Councillor Ian Fleetwood
Councillor Malcolm Leaning
Councillor Anne Welburn

Alison Adams (Independent Co-opted Member)
Peter Walton (Independent Member)

Also Present: Councillor Chris Darcel
Councillor Geoff Wiseman

In Attendance:
Ian Knowles Director of Resources and S151 Officer
Penny Sharp Commercial Director
Alan Robinson Head of Central Services and Monitoring Officer
Russell Stone Head of Financial Services
James O'Shaughnessy Business Improvement Manager
Katie Coughlan Governance and Civic Officer

Also in attendance :
Adrian Benselin External Auditor - KPMG
Lisa Mackenzie Auditor
David Lomas Chairman of Remuneration Panel

Apologies: Cllr David Dobbie

31 PUBLIC PARTICIPATION

There was no public participation.

32 MINUTES

Meeting of the Governance and Audit Committee held on 31 July 2014

RESOLVED that the Minutes of the meeting of the Governance and Audit Committee held on 31 July 2014 be approved and signed as a correct record.

33 MEMBERS' DECLARATIONS OF INTEREST

Councillors Malcolm Leaning and Sue Rawlins declared a non-pecuniary interest as serving Members on Lincolnshire County Council's Pensions Committee.

34 MATTERS ARISING SCHEDULE SETTING OUT CURRENT POSITION OF PREVIOUSLY AGREED ACTIONS AS AT 17 SEPTEMBER 2014 (GA.19 14/15)

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 17 September 2014.

Making reference to the recent Minerva Training, Officers acknowledged that the site still required further development.

In response to a request, Officers undertook to investigate whether granting access to the Committee's Lay Members was feasible.

RESOLVED that progress on the Matters Arising Schedule as set out in report GA.19 14/15, be received and noted.

35 EXTERNAL AUDIT ANNUAL GOVERNANCE REPORT – ISA 260 (GA.20 14/15)

Consideration was given to a report from the Authority's Auditor KPMG, which presented their report to those charged with Governance (ISA 260 Report) in relation to the Statement of Accounts and Annual Governance Statement 2013/14.

In presenting the report the Auditor outlined the headline findings to the Committee as detailed on page 3 of the report.

Members picked up on the Auditor's comment that the Authority now needed to ensure the revised framework was embedded and sought indication as to how they would get assurance this was happening and to whether or not there was a specific action plan.

In response Officers advised of a future report which would be submitted to the Committee at the next meeting outlining all of the structures and processes that were in place internally regarding assurance.

Confirmation was also sought and received that the material mis-statement referred to in appendix two was a presentational issue only.

Finally Officers confirmed that work was ongoing with the Software Developer to mitigate against those issues identified on page 13 of the report and greater use would be made of version control going forward.

RESOLVED that the information contained within the report be received and noted.

36 INTERNAL AUDIT QUARTERLY PROGRESS REPORT (GA.21 14/15)

Consideration was given to a report which provided Members with an update of progress, by the Audit Partner, against the 2014/15 annual programmes agreed by the Audit Committee in March 2014.

Members referred to the Localism Audit and it having received substantial assurance. This finding was disputed with some Members being of the view that the Localism agenda was no longer active within their wards. It was stressed that the last audit had been carried out in 2012, and there was now a need to review all old outstanding recommendations to ascertain whether they were still relevant, achievable and timely.

With regard to the Corporate Fraud Audit, Members were advised that only one recommendation was outstanding.

The scope for the Central Lincolnshire Local Plan Partnership Audit had been included within the report for Members information. It was noted that this had been included within the work programme at the request of the Chairman, and the work was expected to be undertaken during quarter 3 or 4 of the plan. Members indicated that at the conclusion of the Audit they would want assurance that the Local Plan could be achieved in the required timescales.

RESOLVED that the information contained within the report be received and noted.

37 UPDATE ON OUTSTANDING RECOMMENDATIONS FOR LIMITED ASSURANCE (GA.22 14/15)

Members gave consideration to a report which sought to update them on outstanding audit recommendations made in areas where limited assurance had been achieved previously.

Members sought indication as to whether completion dates had been identified for all those outstanding recommendations. In responding Officers indicated that due to the nature of some of these, for example those relating to embedding, it was difficult to set a timeline. However by way of reassurance the Auditor confirmed there had definitely been a shift in organisation focus to ensure outstanding areas were completed.

Officers again advised of the work which was being undertaken to review outstanding recommendations to ascertain whether they were still relevant, achievable and timely. It was disputed as to whether some were actually outstanding but rather unrealistic timescales had been determined at the outset. A number of examples were cited and it was stressed that where actions relied on inter departmental work it was important to ensure that all parties involved in completing the action were consulted at the outset regarding timelines, in order that work plans were consistently aligned. This had not always been case historically.

RESOLVED that having sought assurance it be confirmed that outstanding audit actions are being managed appropriately.

38 ASSET MANAGEMENT – PROGRESS AGAINST ACTION PLAN (GA.23 14/15)

Members gave consideration to a report which sought to update them on the progress made in addressing the recommendations of the Asset Management Internal Audit.

In responding to Members' questions, Officers advised how the fixed asset list was tied into the Accounts and where the deeds were currently stored within the Authority.

Members sought and received information on how tenancies were reviewed and how going forward rents and voids would be reviewed. It was stressed that the 120 leases were being prioritised and resources were being deployed in this area to ensure progress was made.

It was hoped that good progress would have been made by March 2015, but Officers acknowledged the considerable amount of work which lay ahead.

RESOLVED that the progress which has been made in implementing the agreed actions arising from the Internal Audit of Asset Management, and the further work still required, be noted.

39 ANNUAL GOVERNANCE STATEMENT (GA.24 14/15)

Consideration was given to a report which presented Members with the Annual Governance Statement for 2013/14.

RESOLVED that:

- (a) having reviewed the attached Annual Governance Statement it be confirmed that there are no concerns that need to be brought to the attention of Council;
- (b) the Annual Governance Statement 13/14 and Associated Action Plan be approved; and

- (c) the Action Plan for 2012/2013 be signed off as completed.

40 STATEMENT OF ACCOUNTS 13/14 FOR APPROVAL (GA.25 14/15)

Members gave consideration to a report which presented the 2013/14 Statement of Accounts for scrutiny and adoption.

Members asked a number of technical and pertinent questions particularly in respect of pensions and were advised of the formula the Council used. This had originally been a unique approach, but was now more commonplace and payments were made at the rate advised by the scheme actuary, with a lump sum also paid to reduce the deficit balance.

Officers confirmed the outturn figure had changed upon audit and this was as a result of a £62,000 grant having to be repaid to the Government.

Explanation was offered as to why there appeared to be a considerable increase in Debtors and this was primarily as a result of the new NNDR retention scheme. The increase in central services to the public was explained as a result of a decrease in both income and expenditure and reflected the impact of the localisation of the Council tax benefit scheme.

The increased spend within the Planning department was as a result of a re-evaluation of the building meaning all services had had to pick up additional costs through the recharging process.

Following lengthy and detailed challenge it was: -

RESOLVED that:

- (a) having reviewed the Statement of Accounts as detailed in report GA.25 14/15 it be confirmed that there are no concerns arising from the Financial Statements that need to be brought to the attention of Council;
- (b) the Statement of Accounts for 2013/14 be approved;
- (c) the Section 151 Officer and the Chair of the Governance and Audit Committee certify the letter of representation to the External Auditor, KPMG, on completion of the audit.

41 MEMBERS' ALLOWANCES – DISCUSSION ITEM TO INFORM THE WORK OF THE REMUNERATION PANEL (GA.26 14/15)

Consideration was given to a report which allowed the Governance and Audit Committee to discuss Members' Allowances for 2015/2016 to assist and inform the work of the Remuneration Panel in forming its recommendations.

Debate ensued during which Members expressed the following comments: -

- The need to consider investigating the true cost of owning a car as opposed to just remunerating for mileage;
- Consideration be given to the fact that as a result of the boundary review some of the wards were going to be considerably larger and thus would require a greater time commitment;
- Consideration be given to the fact that there was now a considerable amount of meetings outside of Committee meetings; and
- It be factored in that the number of Councillors would be reduced by one, following the elections.

In concluding, the above comments were caveated with that Members would feel uncomfortable receiving a greater percentage increase than that being offered to staff.

RESOLVED that the comments made throughout the course of the debate, detailed above, be fed into the Remuneration Panel's deliberations.

42 WORK PLAN (GA.27 14/15)

Members considered their work plan for meetings during the ensuing year. A Committee Member requested that the issue of non-answered / returned phone calls and general standards of customer service be added to the work plan. The Chairman undertook to consider this matter at his next Chairman's briefing to ascertain the best way to take the item forward

RESOLVED that the work plan as at 17 September 2014 be noted.

43 EXCLUSION OF PUBLIC AND PRESS

RESOLVED that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 1,2 3 and 6 of Part 1 of Schedule 12A of the Act.

44 QUICKLINE BUSINESS PLAN / PAYMENTS – MONITORING REPORT (GA.28 14/15)

Members received a report for assurance purposes and to give the committee confidence that Quikline were able to meet the conditions of the loan.

In presenting the report Officers indicated at present the arrangement was in line with expectations with only one area of concern. The reasons for this were outlined

to Members. It was confirmed the accounts had been finalised and tracking was on-going. Confirmation had been received that creditors were being paid within the agreed terms and conditions.

RESOLVED that having received the monitoring information, Members be assured that the conditions of the loan are being met / can be met.

The meeting concluded at 9.40 pm.

Chairman