

## WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 25 July 2017 commencing at 2.00 pm.

**Present:** Councillor Giles McNeill (Chairman)  
Councillor Mrs Jackie Brockway (Vice-Chairman)

Councillor Mrs Sheila Bibb  
Councillor Mrs Angela White  
Alison Adams (Independent Co-opted Member)

**In Attendance:**  
Ian Knowles Director of Resources and S151 Officer  
Darren Mellors Business Improvement and Corporate Governance Team  
Manager  
Lyn Marlow Customer Services Manager  
Jana Randle Governance and Civic Officer

**Also In Attendance:**  
Lucy Pledge Head of Internal Audit – Lincolnshire County Council  
Jaki Salisbury Observer – Management Adviser  
Matt Waller Internal Auditor – Lincolnshire County Council

**Apologies:** Councillor David Bond  
Councillor John McNeill  
Andrew Morriss (Independent Co-opted Member)  
Peter Walton (Independent Co-opted Member)

**Membership:** No substitutes were appointed for this meeting.

### 15 PUBLIC PARTICIPATION PERIOD

There was no public participation.

### 16 MINUTES

(a) Meeting of the Governance and Audit Committee held on 20 June 2017.

**RESOLVED** that the Minutes of the meeting of the Governance and Audit Committee held on 20 June 2017 be approved and signed as a correct record.

## **17 MEMBERS' DECLARATIONS OF INTEREST**

There were no declarations of interest made at this stage of the meeting.

## **18 MATTERS ARISING SCHEDULE SETTING OUT CURRENT POSITION OF PREVIOUSLY AGREED ACTIONS AS AT 17 JULY 2017**

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 17 July 2017.

The Chairman expressed his thanks to the Business Improvement and Corporate Governance Team Manager for the delivery of the AGS refresher training at the previous meeting and summarised the current position of the other items listed in the Schedule.

**RESOLVED** that progress on the Matters Arising Schedule as set out in the report be received and noted.

## **19 ANNUAL GOVERNANCE STATEMENT 2016/17 AND ACTION PLAN. CLOSURE OF THE ANNUAL GOVERNANCE STATEMENT 2015/16 ACTION PLAN.**

Consideration was given to a report which presented the Council's Annual Governance Statement for 2016/17 and associated Action Plan to Members for approval.

The report also set out the 2015/16 Action Plan for signing off as completed, bar the aspects relating to Selective Licensing and Development Management which have been rolled forward into the 16/17 action plan.

Members were involved in the production of the Statement and the identification of the issues, which led to the continued tracking of Development Management & Licensing. A draft version was presented at the previous Committee meeting. The final version set out the definitive issues that were to be addressed during 2017/18. These were set out at point 5.1 of the report with additional detail provided in the Action Plan.

Members were asked to be assured that governance arrangements were working effectively which was also supported by the opinion expressed by the Head of Internal Audit.

In responding to Members' questions, Officers confirmed that the signature would be updated and the document would be signed by the Director of Resources and S151 Officer and the Head of Paid Service.

**RESOLVED** that:

- (a) the Annual Governance Statement for 2016/17 and associated Action Plan be approved; and
- (b) the Action Plan for 2015/16 be signed off as completed (bar the actions pertaining to Development Management and Selective Licensing).

## 20 ANNUAL CUSTOMER FEEDBACK REPORT 2016-2017

**Note:** A two minute recess was taken at this point to allow for the Customer Services Manager to join the meeting as the previous item was concluded faster than expected. During this time the Chairman introduced the Management Adviser who was observing the conduct of the meeting.

Consideration was given to a report which reviewed the number, type and results of compliments, comments and complaints made to the Council during 2016/17. The report further advised on any evident trends, areas for learning and future management or feedback.

It was highlighted that the Council received 186 compliments from April 2016 to March 2017 which was a 15% increase from the previous year. Most compliments were received by Development Management (Planning).

There were only 31 comments received in the same period which was disappointing. A new Customer Complaint Advocate had been appointed recently to allow for complaints to be handled in a more focused and customer centric way and help identify a learning outcome where relevant.

In relation to complaints, a total of 180 complaints were received which was a 32% increase on the previous year. This figure included both stage 2 and 3 complaints. It was pointed out that the figure equated to less than 0.05% of all customer contacts with the Council in 2016/17. Operational Services received the highest number of stage 2 complaints. There were three stage 3 complaints received which related to issues around Enforcement. This was being addressed by way of creating a template that planning officers would complete to avoid the identified issues coming up in the future.

Of the 180 complaints, 103 were upheld in favour of the customers. These 103 complaints were to be analysed by the newly appointed Customer Complaints Advocate who was starting in her post on the 1 August 2017 to avoid repeat mistakes.

Consultation was on-going to look into ways of streamlining the complaints process by reducing the number of touch points with the customer and managing the interaction with the customer more effectively by providing a single point of contact (the Customer Complaints Advocate) and thus improving the relations with the customer – putting customer first. A new report entitled 'The Voice of the Customer report' was to be produced as well as monthly updates being given to team managers.

The Chairman commented that it would be interesting to see whether the new post delivered the expected positive outcomes.

In opening the debate, Members thanked the Customer Services Manager for her report and the good work which had been done. Members then made comments relating to the new post, stating that the title Customer 'Complaints' Advocate could be seen as inviting the customer to complain and proposed that the title Customer 'First' Advocate may be a better, more positive alternative. Members then queried whether there was a member-customer breakdown available and whether any potential duplications were considered when producing the figures to avoid double counting.

In responding, it was confirmed that the job title was raised internally as well due to it sounding negative and would be re-looked at with the above proposal being put forward. In terms of the second question, Members were directed to Appendix I which detailed where the complaints had come from, showing that 12 of the complaints received came from Councillors. The possible duplications were being looked at with plans to create a new 'golden record' of a customer to resolve the current issue of not having a suitable IT system which would link the information effectively. This work was in progress.

Members then queried the 48 working hour response time when dealing with initial complaints, stating that this gave an expectation of resolution within two days and that this could be misleading as 48 'working' hours was more than a week but customers may perceive 48 hours initial response time as two days. The wording was to be reviewed to make the actual response time clearer to customers.

**RESOLVED** that the content of the 2016/17 report be received and noted.

## **21 ANNUAL FRAUD REPORT**

The Committee gave consideration to this annual report which reviewed the delivery of the Corporate Investigations Work during 2016/17 and provided information on the overall effectiveness of the authority's arrangements to counter fraud and corruption.

It showed the range of investigations undertaken and the savings generated by the team. The proposal to use this area as an income generator by selling the services to other authorities had not been successful this year but would continue to be promoted as a possibility. The table on page 76 was highlighted showing that 50% of the referrals received from the Benefit processing team resulted in one of the Penalties being applied. Section 4 showed Analysis of the other Corporate Fraud Activity investigated during 2016/17.

**RESOLVED** that the 2016/17 results be noted and the plan going forward to include corporate fraud investigations be supported.

## **22 ANNUAL WHISTLEBLOWING REPORT**

Members gave consideration to a report which set out the annual review of Whistleblowing incidents.

The Whistle Blowing Policy provided a method for employees to raise concerns about the running of the Council without the risk of victimisation. All employees had access to the policy.

There had been no Whistle Blowing Procedures carried out during 2016/2017. A link had been added to the policy as well as a number of bullet points showing alternative methods for raising concerns currently available, highlighting that whistle blowing was a last resort method. In light that there had been no cases it arguably demonstrated that these other avenues were working.

Members asked about one of the alternative methods to Whistleblowing for raising concerns

– namely the Employee Assistance Programme which provided 24-7 advice service for employees if they needed it.

Officers advised that this was a general helpline which allowed employees to raise any issues, whether they were private or work-based. The Council funded this externally provided confidential service. Members enquired whether any feedback was available from this service.

Members further raised the issue of the confidential nature of the service saying that without knowing more about the service provider and having access to the relevant figures relating to the service, it was difficult to scrutinise the service to see if it was providing good value for money and good quality service to assess whether it was worth having.

Officer responded that any information received from this service would be likely to be within the remit of the JSCC or CPR Committees rather than Governance and Audit. Members therefore requested that the appropriate route should be used to assess the service and information gathered to provide assurance that the Authority was getting value for money and assess whether the service was being used. Officers undertook to submit such a report to the JSCC committee in the first instance.

Members further queried whether any of the figures relating to the Alternative methods to Whistleblowing should be included in this report. Following a further discussion of this, it was highlighted that the purpose of this report was to deal with more serious issues rather than daily 'gripes' that people have within an organisation which should be managed through team managers and other routes with the Whistleblowing report focusing on unresolved high level or extreme cases.

Officers commented that the issues picked up via the alternative methods were reported via the Joint Staff Consultative and the Policy and Resources Committees as appropriate. Comfort should be had from the fact that there were no whistleblowing cases reported within the year and it should be seen as positive.

Internal auditors pointed out that there was also the avenue to raise issues to the Head of the Internal Audit which provided another alternative to using the management line or the whistleblowing route to report concerns.

On that basis it was:-

**RESOLVED** that:-

- (a) the Committee be assured the Whistleblowing Policy is in place and working effectively; and
- (b) Officers be requested to submit a report to JSCC regarding the 24-7 staff service (Employee Assistance Programme) in order to assess whether the service provides value for money.

## **23 INTERNAL AUDIT PLAN**

The Committee gave consideration to a report which sought to update Members of the

progress made with the 2017/18 Audit Plan. The report provided details of the audit work undertaken during the period; the current position with agreed management actions in respect of previously issued reports; and details of other audit activity relevant to the Committee.

The key messages of the report were summarised highlighting paragraph 3 of the report showing 'Work in Progress' which was now completed bar the Flare ICT system review which was due for a final approval at CLT. The overdue recommendations in paragraph 5, showed that some of the recommendations had the date for implementation extended with details of these provided at Appendix 3 and 6. Paragraph 6 showed that the three audits scheduled for quarter one of 2017/18 were underway with detailed provided at Appendix 2.

Summaries of the audit reports issued included Intelligent Client which was Substantial Assurance and the Progress and Delivery, which was Limited Assurance, with a follow up review planned for Q4 to provide further assurance on that area.

The performance details could be found in the table on page 102 and showed a good level of achievement against the targets.

The Chairman commented on the Progress and Delivery (P&D) Audit where there were actions to be undertaken with a follow up audit due later in the year.

The Head of Internal Audit stated that the key thing was to seek assurance from management who were responsible for implementing the actions and proposed inviting the appropriate manager to the next meeting to answer any questions in relation to this.

The Director of Resources and S151 Officer confirmed that management were committed to implementing the actions attached to P&D and that the purpose of inviting Audit back later in the year was to ensure the recommended actions were carried out satisfactorily.

On that basis, the Chairman invited the Head of Paid Service to the next meeting (September), which would be half way into the process, in order that he could update the Committee on the progress made regarding the outstanding recommendations.

Members queried the two paragraphs on page 104 of the report relating to Limited Assurance Risk 2 and Risk 3 wording. In responding, the Head of Internal Audit explained that the two risks in question, which were marked in red in the report, were two risk areas requiring improvement which was why the assurance given was limited.

The Director of Resources and S151 Officer expanded on this explaining that some of the actions were incomplete rather than inaccurate and highlighted that a full review of the original indicators (around 230) set about two to three years ago had been carried out and all of the current indicators, which had been reduced to around 140, were now owned by the current team managers who understood what they were working towards to improve service.

The independent members than queried whether the P&D report was going to be brought to the attention of the other committee Members to make them aware of the situation. The Chairman of the Governance and Audit committee advised that the P&D report had been discussed with the Chair, Vice-Chair and the Leader. The independent member present then proposed that the P&D report ought to be circulated to all relevant Councillors and committees.

A discussion ensued on the best way to address the issue of the members' ability to scrutinise the available information and whether some additional explanation of the proposed actions in response to the report was required first to ensure the right forum was being used and the right information was being sent out.

The Director of Resources and S151 Officer proposed that the recommendations could be included in the quarter 2 P&D report which would then go to the Prosperous Communities and Corporate Policy and Resources committees.

It was therefore:-

**RESOLVED** that: -

- (a) the contents of the report be received and noted; and
- (b) having reviewed the content of the report the following identified actions be undertaken in relation to the Progress and Delivery report: -
  - (i) the Head of Paid service be invited to attend the next Governance and Audit committee meeting (14 September 2017);
  - (ii) reference to the Progress and Delivery Limited Assurance Audit be included in the Progress and Delivery report for period 2 and thus submitted to the Prosperous Communities and Corporate Policy and Resources committees.

## **24 WORKPLAN**

Members considered their work plan for the remaining meetings during the ensuing civic year.

**RESOLVED** that the work plan as at 17 July 2017 be noted.

## **25 STATEMENT OF ACCOUNT TRAINING**

It was agreed that the Statement of Account Training would be delivered prior to the next Governance and Audit Committee meeting on the 14<sup>th</sup> September 2017. It was agreed to start the training session at 1:30pm. The training session was expected to take approximately one hour.

The Governance and Audit Committee meeting would follow on conclusion of the compulsory training starting at 2:30pm.

## **26 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 3 of Part 1 of Schedule 12A of the Act.

**Note:** The Committee took a ten minute recess to allow Members to consider the information tabled (appendices to the report). The meeting recommenced at 3.09pm.

## **27 QUICKLINE BUSINESS PLAN/PAYMENTS**

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 and capital repayments continued to be made with a good chance of an early repayment of the loan in August 2017.

No action was considered necessary at this time as all payments to-date had been met which was the Authority's primary concern.

Members raised a question whether a penalty should be imposed for loss of interest in case of an early repayment. Officers felt that as this was not built into the loan agreement, there should not be any additional cost imposed.

**RESOLVED** that: -

- (a) the monitoring information presented be received and noted, and appropriate assurance taken; and
- (b) future reports be presented either on an annual basis or upon the loan being settled.

The meeting concluded at 3.20 pm.

Chairman