

Guildhall Gainsborough  
Lincolnshire DN21 2NA  
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**AGENDA**

This meeting will be recorded and the video archive published on our website

**Governance and Audit Committee**

Tuesday, 25th July, 2017 at 2.00 pm

Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA

**Members:** Councillor Giles McNeill (Chairman)  
Councillor Mrs Jackie Brockway (Vice-Chairman)  
Councillor Mrs Sheila Bibb  
Councillor David Bond  
Councillor John McNeill  
Councillor Mrs Angela White  
Alison Adams  
Andrew Morriss  
Peter Walton

1. **Apologies for Absence**
2. **Public Participation Period**  
Up to 15 minutes are allowed for public participation.  
Participants are restricted to 3 minutes each.
3. **Minutes of Previous Meeting**
  - a) Meeting of the Governance and Audit Committee held (PAGES 3 - 14)  
on 20 June 2017
4. **Members Declarations of Interest**  
Members may make any declarations of interest at this point but  
may also make them at any point during the meeting.
5. **Matters Arising Schedule** (PAGES 15 - 18)  
Matters Arising schedule setting out current position of  
previously agreed actions as at (add despatch date).

Agendas, Reports and Minutes will be provided upon request in the following formats:

Large Clear Print: Braille: Audio: Native Language

**6. Public Reports for Consideration**

- a) Annual Governance Statement 2016/17 and Action Plan. Closure of the Annual Governance Statement 2015/16 Action Plan. (PAGES 19 - 58)
- b) Annual Customer Feedback Report 2016-2017 (PAGES 59 - 72)
- c) Annual Fraud Report (PAGES 73 - 78)
- d) Annual Whistleblowing Report (PAGES 79 - 92)
- e) Internal Audit Plan - Monitoring Report - Period 1 (PAGES 93 - 134)

**7. Workplan** (PAGES 135 - 138)

**8. General items of Business for Consideration**

- a) Statement of Account Training to agree start time

**9. Exclusion of Public and Press**

To resolve that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

**10. Exempt Reports for Consideration**

- a) Quickline Business Plan/Payments (PAGES 139 - 152)

Mark Sturgess  
Interim Head of Paid Service  
The Guildhall  
Gainsborough

Monday, 17 July 2017

## WEST LINDSEY DISTRICT COUNCIL

MINUTES of a Meeting of the Governance and Audit Committee held in the Council Chamber at the Guildhall, Gainsborough on Tuesday 20 June 2017, commencing at 6.00 pm.

**Present:**

Councillor Giles McNeill (Chairman)  
Councillor Jackie Brockway (Vice-Chairman)

Councillor Sheila Bibb

Councillor John McNeill  
Councillor Angela White

Andrew Morriss (Independent Co-opted Member)  
Peter Walton (Independent Co-opted Member)

**In Attendance:**

Ian Knowles  
Alan Robinson

Director of Resources and S151 Officer  
Strategic Lead – Business and Democratic Support and  
Monitoring Officer

Tracey Bircumshaw  
James O'Shaughnessy  
Katie Coughlan  
Jana Randle

Financial Services Manager  
Business Improvement and Corporate Governance Team Manager  
Governance and Civic Officer  
Governance and Civic Officer

**Also In Attendance:**

Lucy Pledge

Head of Internal Audit – Lincolnshire County Council

**Apologies**

Councillor David Bond  
Alison Adams (Independent Co-opted Member)

**Membership:**

No substitutes were appointed for the meeting.

## 5 PUBLIC PARTICIPATION

There was no public participation.

## 6 MINUTES

(a) Meeting of the Governance and Audit Committee held on 18 April 2017.

**RESOLVED** that the Minutes of the meeting of the Governance and Audit Committee held on 18 April 2017 be approved and signed as a correct record.

- (b) Meeting of Governance and Audit Committee on 8 May 2017 (at the conclusion of Annual Council).

**RESOLVED** that the Minutes of the meeting of the Governance and Audit Committee held on 8 May 2017 be approved and signed as a correct record.

## **7 MEMBERS' DECLARATIONS OF INTEREST**

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

## **8 MATTERS ARISING SCHEDULE SETTING OUT CURRENT POSITION OF PREVIOUSLY AGREED ACTIONS AS AT 12 June 2017.**

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 12 June 2017.

With regard to the black action entitled "length/style of committee papers", Officers confirmed that a meeting had taken place in which the suggestion for shortening reports and looking at the current style of reports was discussed.

Members and Independent Members initially felt that the reports were too long but after the issue was explored in more depth, they were satisfied that the current length and style was satisfactory and necessary for effective scrutiny and to meet the Governance requirements.

Members further commented that the style of the reports was continually improving, especially due to a better use of tabulations, graphics and various tools available in Excel, and that executive summaries were also proving extremely useful.

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

## **9 PRESENTATION – AGS REFRESHER TRAINING**

A short presentation was given by the Business Improvement and Corporate Governance Team Manager regarding the purpose of the Annual Governance Statement (AGS refresher training).

During the training Members received information on:

- What is governance?
- Governance Principles
- Governance Framework

- Annual Governance Statement (Purpose, Style, Content)
- Annual Governance Statement Action Plan, and
- Bad Governance

followed by an opportunity to raise questions.

Members discussed the content of the presentation commenting on a number of issues relating to the bad governance examples mentioned in the presentation, referring to unrealistic targets being set in the situations presented.

The need for setting achievable targets for employees and the need to ensure accurate reporting of staff experiences was then highlighted to aid correct decision-making.

## **10 INTERNAL AUDIT ANNUAL REPORT**

Consideration was given to this report which presented to Members the Head of Internal Audit's opinion on the adequacy of the Council's governance, risk and control environment and the delivery of the Internal Audit Plan for 2016/17.

The report aimed to present a summary of the audit work undertaken over the past year. The overall adequacy of and effectiveness of the governance framework and internal control system, as well as the extent to which the Council can rely on it, was assessed. The report informed how the plan was discharged and shown the overall outcomes of the work undertaken. Attention was drawn to issues relevant to the Annual Governance Statement.

It showed that the internal audit service continued to work well with the Governance and Audit Committee and Management to help the council maintain effective governance, risk and control processes.

The Internal Auditor summarised the purpose of the Annual Internal Audit Report, which is to meet the Head of Internal Audit annual reporting requirements set out in the Public Sector Internal Audit Statement (PSIAS) and the Accounts and Audit Regulations 2015.

It was highlighted that the content of the report informed the development of the Council's Annual Governance Statement 2016/17.

The Internal Auditor had shown how standards were being adhered to and how opinions in the four areas listed at Figure 1 of the report - Governance, Risk, Internal Control and Financial Control - were captured and evidenced, highlighting a number of paragraphs – namely:

- para 30 which talks about maintaining resilience and capacity and Information Governance,
- para 33 relating to Restrictions on Scope/Changes to plan – showing a significant reduction of coverage by 20% and
- para 35 which shows how the issues relating to s. 33 were addressed by working together with the Director of Resources, having scheduled all audits for 2017/18.

- para 37 – showing that there has not been any impairment to the audit function,
- para 43 – a ‘health check’ on the Council’s counter fraud arrangements showing that the Council has a ‘zero tolerance’ to fraud with strong policies in place; and
- para 44 – showing how the Internal Audit’s performance is measured against a range of indicators.

The Internal Auditor advised that the outcome of the quality assurance was that the council was performing well overall but also mentioned a key improvement area around the delivery of the audit schedule and the clearance of reports which will continue to be worked on.

Debate ensued and Members commented that it was a positive report but warned against complacency. Members highlighted paragraph 25 which showed an instance where procurement processes had not been fully complied with in relation to the recruitment and contract management of a consultant. This was to be followed up in more depth in the internal audit plan for 2017/18 to ensure that the issue was not systematic but a one of error.

Questions were raised in relation to Appendix 2 - Outstanding Recommendations relating to ICT infrastructure. In responding, the Director of Resources assured Members that this was being looked at and the figure relating to the one outstanding item relating to ICT infrastructure should be down to zero by Christmas. The outstanding item related to ICT strategy which was being developed. It was further stated that the Council was quite well placed in comparison to many other authorities – including larger unitary authorities, in particular in the way we were approaching our digital strategy and ICT strategy and understanding the interdependency of the two.

Members questioned how wide the involvement of staff was during the annual survey in relation to Governance arrangements and how workloads, stress and resilience were being addressed. In responding, the Internal Auditor and the Business Improvement and Corporate Governance Team Manager advised on methods used for the assessments highlighting the CIPFA document and the Quality Assurance Framework diagram. It was confirmed that feedback was sought from both staff and management. The Internal Auditor further advised that in relation to resilience, the annual staff survey highlighted the need for management development – balancing operational delivery with management responsibilities. Officers also advised that resilience and capacity would be appearing on the Action Plan this year to ensure improvements.

In light of the comments expressed during the debate it was: -

**RESOLVED that**

- (a) the contents of the report be received and noted and no further action be taken at this time, and
- (b) the Annual Report be further considered when scrutinising the a Annual Governance Statement.

## 11 DRAFT ANNUAL GOVERNANCE STATEMENT (AGS) 2016/17

The above report was presented to Members to provide feedback on the draft AGS to feed into the final statement to be submitted for approval at the July meeting of the Governance and Audit Committee.

It was stated that the AGS was a formal statement under the Accounts and Audit (England) Regulations 2011, which detailed the Council's governance arrangements and issues for the previous year as an annual report of governance. It included a summary of the Governance Framework and identified areas where further action was required to achieve full assurance. The sources for developing the AGS were listed at point 2 of the report and the seven principles of good governance, which the Framework followed, were set out at point 3 of the report. Point 4 showed that the draft version of the AGS was available for review at Appendix one.

'Issues Deemed Closed' were listed at point 5 of the report.

In relation to 5.1 VI – Selective Licensing, Members expressed concerns that there was still a lot going on and that the 'Selective Licensing' should therefore remain in the AGS for monitoring and further scrutiny. Officers proposed that it may not be necessary to keep the items open for a whole year if the relevant issues were addressed before, proposing that a six months period may be sufficient.

Under 'Issues to be Addressed' a number of items for consideration were listed at point 6. Item 6.1 was highlighted due to significant changes to the DPA linked to the European General Data Protection Regulation coming into force in May 2018. An Action Plan and a Project Plan was in place to ensure compliance. Item 6.1.4 Value for Money was highlighted stressing the need for appropriate improvement plans and benchmarking to create value for money culture.

Under item 6.1.7 – Development Management, the Chairman talked about a Member led audit of Planning querying whether it ought to be added to the AGS due to a number of planning queries having been received in relation to how it operates. Officers felt that this was possibly a duplication but Members wished to add this item for extra scrutiny.

In relation to point 5.1 I – Strategic and Spatial Planning, Members posed a question whether this would be influenced by the current national instabilities and also why Nottinghamshire authorities were singled out for co-operation in this area and whether we were looking elsewhere in the country as well.

In response to the first question, Officers felt that the current local plans should be followed until such time as any new regulations or guidance came out as an alternative and that the current instabilities should not have any major impact on the processes in place at this time.

In relation to the question as to why Nottinghamshire was chosen in particular, Officers confirmed that the main reasons were geographical, focusing on Lincolnshire and Nottinghamshire authorities.

A further two questions were then raised in relation to point 6.1.2 – Political Governance - standards of behaviour, specifically why this had been included as standards of behaviour were high, and in relation to 6.1.4 - Value for Money section, enquiring when those reviews were done previously.

In response to the Political arrangements query, Officers highlighted the newly adopted Code of Conduct agreed at the Annual Council, advising that training would need to be delivered to embed the new Conduct Code.

In relation to the Value for Money question, Officers advised that the Council's processes were assessed both internally and externally looking at not only performance and finances as before but also at outcomes. The three dimensional approach was being tested with a number of pilots taking place at this time. The learning obtained from the pilots would then be rolled out over the next 12 months across the council with the focus being not only on saving money but also assessing the impact of saving money and ensuring outcomes.

The Director of Resources explained that all the different mechanisms and techniques used across the authority had been put together in the Value for Money Handbook – starting from budget processes, business planning through to business case development, through to procurement - to ensure that all those techniques were known and understood by team managers and applied in an appropriate way ensuring value for money as well as high performance. This approach ensured even better value for money than before and a better evidence base for it.

Members asked whether any issues had been considered but subsequently not included in this report. Officers responded that there were some other areas which went in front of the GCLT as possibilities, for example, the homelessness reduction bill, and that it was a corporate decision as to what was worthy of being included on the plan.

It was mentioned that page 56 of the report listed a number of items by which this review had been conducted.

Members further enquired whether the 'closed items' were ever re-tested, for example, a year later.

*Councillor Bibb left the meeting at this point (7.15pm).*

Officers responded that any issues in relation to the above would still be monitored and any issues would be picked up within the general governance infrastructure.

A member proposed that it may be useful to include a list of all items which were considered in any future reports.

On the basis of the above discussion it was:

**RESOLVED** that



(a) Selective Licensing be carried over onto the AGS Action Plan 16/17 in order that Prosperous Communities Committee could receive and consider an evaluation report on the scheme (expected in September 2017), and

(b) Development Management be included again on the AGS Action Plan 16/17 in order that Members could consider the findings of the Internal Audit report due in July 2017 and monitor progress against agreed actions to meet the recommendations made within the report.

## **12 MEMBER TRAINING UPDATE/MEMBER DEVELOPMENT**

This regular report was presented to Members to set out progress to date and proposals for the future of Member Development to enable elected Members to perform effectively in their roles and to develop to meet future challenges as well as help achieve the Council's aims and strategic objectives.

A flexible approach to the delivery of learning and development was to be adopted wherever possible to include on-line development for both generic and bespoke topics. Statistics were to be produced to monitor participation and completion of courses. Evaluations were to be carried out to help define future development objectives. Training sessions were to be open to all elected and lay Members and levels of attendance at all training events were to be shared with group leaders.

A number of additional training needs were identified which were to be considered for a possible inclusion into the existing training program. The areas mentioned were understanding of the local government procurement process, regeneration and economic development, training on overview and scrutiny, media and social media training and presentation skills. It was proposed that some joint training could be arranged together with the LCC Members to make the training more cost effective.

In relation to the overview and scrutiny management training, a Member recommended contacting the LCC's Scrutineer of the Year award winner. The Member also enquired whether a skills and hobby audit would be useful to carry out to uncover any hidden skills and talents for use within the Council context.

In responding, Officers advised that a similar survey had been done in the past but the take up was very limited and the amount of time could not be justified at the time but this could be re-looked at under the Political Governance section of the report.

Members felt that this could be more valuable in 2019 at the start of the term.

An annual survey of competence being in place was mentioned by Members however Officers outlined the limitations and obstacles this could result in.

In relation to section 5 - Overall Management and Monitoring of the Plan, Members enquired how this report helped Members fulfil all the obligations, in particular, in relation to items 6 and 9. The Monitoring Officer proposed to test this against the outcomes next year.

In relation to section 5 point 9, Members raised a query in relation to how it could be ensured that Members benefited from the training querying a possibility of an assessment to indicate whether the Members learnt anything from the experience.

It was clarified that the Members attendance at training was monitored and a report was produced showing numbers but not names of attendees.

The chairman stated that he would like to see the list of training attended.

Members commented that the recent training was of a higher standard than previously.

In relation to the proposed competence testing of Members, Officers felt that the quality of training could be seen and judged from the robustness of the questions Members asked and from their effective decision-making.

It was also mentioned that the online training modules were now developed and ready for testing and some quantitative data would be recorded as part of this training.

Independent members raised a point that it appeared that sometimes people who needed the training most did not attend and vice versa and commented that there appeared to be a lack of sanctions for non-attendance. The issue of how the training is 'sold' to Members was raised as it was felt that sometimes admitting that Members needed training was seen as a bad thing and it needed to be clearly pointed out to Members how the training would benefit them to encourage attendance.

Officers explained that Member training was a matter of group conduct and there was little Officers could do accept where training was mandatory to enable Members to sit on relevant committees.

**RESOLVED** that:

- (a) the previously agreed Development Plan be noted;
- (b) the development undertaken in the previous year be noted;
- (c) the development programmed for the coming year be noted;
- (d) the progress and implementation be reviewed on an annual basis;
- (e) the list of suggested training areas be further considered for inclusion within the plan.

### **13 UNAUDITED STATEMENT OF ACCOUNTS 2016/2017**

Consideration was given to the Unaudited Statement of Accounts 2016/17 which had been prepared under the International Financial Reporting Standards based Code of Practice on Local Authority Accounting (the Code).

The Committee was presented with the Unaudited Statement of Accounts, which was issued to the Auditor, KPMG on 31 May 2017, for consideration and review, a month earlier than the statutory deadline of 30 June 2017.

The Statutory deadline for the publication of the unaudited Statement of Accounts 2017/18 was being brought forward to 31 May 2018, and the Audited statements to 31 July 2018 (currently 30 September). The Finance team therefore had worked hard over the past few months to achieve this target deadline for the 2016/17 closedown process which had been achieved, providing assurance that the future statutory deadline could be met.

The Audited Statement of Accounts was due to be presented to the Committee for approval on 14 September 2017 after the audit process. Any changes resulting from the External Auditor (KPMG) Audit process, would be highlighted in the September report.

The Statement of Accounts and all supporting documentation would be available for inspection by the electorate from 3 July 2017 to 11 August 2017 by appointment.

The Expenditure Funding Analysis showed a surplus of £0.610m as detailed in section 2.1 of the report which reconciled in the figure declared in the Corporate Policy and Resources.

The Comprehensive Income and Expenditure Statement (CIES) was mentioned which showed the accounting cost in the year of providing services in accordance with generally accepted accounting practices. The deficit on the Provision of Services totalled £1.134m reconciled through the EFA with the declared surplus of £610,000.

The Cash Flow Statement showed the overall decrease in cash over the year of £1.763m (decrease of £1.075m 2015/16) and showed where this was derived from within the activities within the authority.

The Balance Sheets set out the assets and liabilities of the Council as of the 31 March 2017. The balance sheet showed net assets of just over 4 million pounds which took into account the net pensions liability which was deemed a really positive place to be. The total assets exceeded 43 million, showing we were in a strong position.

The Collection Fund Statement was then highlighted explaining that as a collection authority we collected all council tax and business rates on behalf of other councils as well as ourselves and that this was the account that we took those funds into and showed the distribution from that account. This was reconciled on an annual basis and there was a surplus, it would be reallocated at the end of each year.

Members congratulated Officers on achieving the 31 May target.

*Councillor Angela White left the meeting at this point (7:50pm).*

Members then asked what the three things were, which were giving the Officers the biggest concern or disappointment.

*The Committee was suspended for a few moments to ensure the meeting was still quorate after Councillor White's departure. The meeting re-started once this was confirmed.*

Officers responded to the above query stating that one worry was the pension liability which moved from one year to the next and which needed to be kept under review. The other aspect was that the Council had hoped to have acquired investment properties during 16/17 which continued to be of concern. Another aspect was the level of commercial income that was being built into our financial statements as Officers could not yet be confident that these would be delivered.

Members wanted clarification whether net cash was in line with the budget, enquiring whether it was better or worse.

Officers advised that the Cash Flow statement showed the overall cash in and out of the organisation. Looking at the Balance Sheet at cash and cash equivalents, the figure was just over 7 million at the end of March. It was confirmed that under treasure management rules we did not breach any of our limits that we set ourselves. Overall our investments were 19 million and that compared to the 22 million we had as useable reserve at the bottom of the balance sheet.

Clarification was sought by Members in relation to the Collection Fund Account as there appeared to be quite a disparity in 2015/16 and 2016/17 Provision for Appeals.

In responding, Officers advised that at the end of last year's year end we had a significant number of speculative appeals. We had about 6 million pounds worth of appeals come in the last 4 weeks of the previous year so we built up the provision in 2015/16 and the analysis of the appeals provision for the year end of this year had shown that we had kept it at that same level so no further contribution was needed to that provision.

A further query was raised in relation to VAT on postages which related to an ongoing court case. It was confirmed that this was yet to be resolved.

**RESOLVED** that having discussed the Unaudited Statement of Accounts its content be approved and referred to the S151 Officer as recommended.

## **14 WORK PLAN**

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

**RESOLVED** that the work plan as at 12 June 2017 be noted.

Members of the Committee discussed the preferred start time for future committee meetings and agreed on a 2.00pm start for their next scheduled meeting and all

subsequent meetings. The proposed change was to be actioned once room availability was confirmed.

The meeting concluded at 8.00 pm.

Chairman

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## Governance & Audit Committee Matters Arising Schedule

### Purpose:

To consider progress on the matters arising from previous Governance & Audit Committee meetings.

**Recommendation:** That members note progress on the matters arising and request corrective action if necessary.

### Matters arising Schedule

| Active/Closed | Active                         |  |  |          |                     |
|---------------|--------------------------------|--|--|----------|---------------------|
| Meeting       | Governance and Audit Committee |  |  |          |                     |
|               |                                |  |  |          |                     |
| Status        | Title                          | Action Required  | Comments   | Due Date | Allocated To        |
| Black         |                                |  |  |          |                     |
| 1             | <b>AGS refresher training</b>  | Extract from mins of mtg 8/11/16<br>It was suggested that an AGS refresher training session may be useful. | To be raised at chairs brief initially - added to Jan agenda.<br>Discussion held, training will be arrange in May/June 2017 (following annual council and re appointment of cttees) and will include training on the wider role of the cttee also<br>Following discussion at Briefing on 1 June, agreed that WLDC members be invited to an event in the autumn to be organised by LCC, Chair, Vice and Lucy to liaise further and all members to be provided with event details in due course.<br>Added to Briefing Agenda for 1 June, requirements to be discussed further. | 20/06/17 | James O'Shaughnessy |

|       |  |   |  |          |                     |
|-------|--|---|--|----------|---------------------|
|       |  |   | <b>Refresher training delivered at 20 June meeting. Action completed.</b>  |          |                     |
| 2     | <b>strategic risk register - cross reference</b> | <p>extract from mins of mtg 18/4/17:<br/>There was also a suggestion that those areas which were not being audited, referred to in the Internal Audit Plan, considered by the Committee at the March meeting, should be included. In response it was noted that a number of these, whilst not explicit, were included and examples were cited. The remaining issues would be incorporated into 16/17 AGS and thus tracked through that process. The Committee indicated that some form of cross referencing would be beneficial.</p> <p>Following further discussion the Director of Resources undertook to give this suggestion further consideration.</p> | <p>James please see above, please feedback through these matters arising any progress / thoughts. James to provide verbal update at 1 June Briefing.<br/>The attached document summarises to members were assurance are being received in the absence of formal audits (electronic copy of the document to be circulated with the meeting Agenda).<br/><b>Document circulated. Action completed.</b></p> | 20/06/17 | James O'Shaughnessy |
| Green |  |   |  |          |                     |



|   |   |   |  |            |                     |
|---|---|---|--|------------|---------------------|
| 1 | <b>whistleblowing report - future format</b>  | <p>Extract from mins of mtg 26/7</p> <p>It was suggested that in future the whistle blowing report, if a nil return, should be extended to include the other support packages and measures on offer to employees. It was further suggested that “web page hits” data could be incorporated.</p>                         | <p>Whistleblowing Report is on the July Agenda, discuss whether amendments/proposals were considered/incorporated.</p> <p>The format of the report was discussed at the Brief with recommendations made about additional information being added.</p>  | 25/07/17   | Alan Robinson       |
| 2 | <b>member training - future topic request</b> | <p>Extract from mins of mtg 14/3</p> <p>The rationale for reviewing sales invoicing was further explained and it was noted that key staff were been offered training around commerciality. Members requested that some level of commercial awareness training be built into the Member Training Plan in the future.</p> | <p>Please build into plan going forward.</p> <p>Discussion took place to confirm what training Members required. Agreed to look at courses to aid better understanding of issues such as Procurement, Commercial awareness, Ethics, Decision making, Business Case risk/understanding, Conflicts of Interest, Commercialism, setting up a Private Company and related risks, Contract management. External and Internal training options to be considered.</p> | 29/08/2017 | Alan Robinson       |
| 3 | <b>strategic risk register</b>                | <p>extract from mins of mtg 18/4/17: -</p> <p>Discussion ensued and Members were asked to consider whether there were any further strategic risks they considered should be reflected on the register.</p>  | <p>James please see above, and feedback through this matters arising any comments you have. James to provide an update at 1 June Briefing.</p> <p>Work is on-going, suggestions made to date continue to be</p>  | 26/10/17   | James O'Shaughnessy |

|                    |          |   |  |          |                |
|--------------------|----------|---|--|----------|----------------|
|                    |          | <p>The following suggestions were made:</p> <p>-</p> <ul style="list-style-type: none"> <li>• Uncertain outcome of the general election</li> <li>• County Council's plans regarding unitary authorities</li> </ul> <p>Officers undertook to consider these further.</p> | <p>considered.</p> <p><b>Members will next review the Risk Register in November.</b></p>       |          |                |
| 4                  |          | <p>Extract from Minutes – 20/06/17:<br/>The chairman requested to see the list of training attended by Members.</p>   | <p>Katie to arrange for the relevant information be provided to Cllr McNeill as requested.</p> | 25/07/17 | Katie Coughlan |
| <b>Grand Total</b> | <b>6</b> |   |  |          |                |



**Committee: Governance & Audit**

**Date: 25<sup>th</sup> July 2017**

**Subject: Annual Governance Statement 2016/17 and Action Plan.  
Closure of the Annual Governance Statement 2015/16 Action Plan.**

Report by:

Director of Resources – Ian Knowles

Contact Officer:

Ian Knowles

Purpose / Summary:

1. To present to Members the Annual Governance Statement for 2016/17 and Action Plan.
2. For Members to agree to the closure of the Action Plan relating to the 2015/16 Annual Governance Statement

**RECOMMENDATION(S): 1. That Members approve the Annual Governance Statement for 2016/17 and associated Action Plan.  
2. That Members sign off the Action Plan for 2015/16 as completed (bar the actions pertaining to Development Management and Selective Licensing)**

## IMPLICATIONS

**Legal: The Annual Governance Statement must comply with the Accounts and Audit (England) Regulations 2011**

**Financial: FIN/52/18/TJB**

**None from this report**

**Staffing: None**

**Equality and Diversity including Human Rights: None**

**Risk Assessment: Risk management arrangements are part of corporate governance and issues raised under these arrangements have been included in the Annual Governance Statement**

**Climate Related Risks and Opportunities: None**

**Title and Location of any Background Papers used in the preparation of this report:**

Wherever possible please provide a hyperlink to the background paper/s

If a document is confidential and not for public viewing it should not be listed.

### Call in and Urgency:

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

**Yes**

**No**

**x**

### Key Decision:

A matter which affects two or more wards, or has significant financial implications

**Yes**

**No**

**x**

## **Executive Summary**

If the main body of your report is longer than 4 sides of A4 then you are required to complete an executive summary. Please summarise the entire content of the report, its purpose and the decisions you require on one side of A4.

## **1. Background**

1.1 The Annual Governance Statement is a formal statement under the Accounts and Audit (England) Regulations 2011, which details the Council's governance arrangements and issues for the previous year as an annual report of governance.

1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that we make the best use of all resources.

1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are, "doing the right things, in the right way, for the right people in an open, honest, inclusive and timely manner."

1.4 The Council is required to produce an Annual Governance Statement for approval by 30th September 2017 to accompany the Council's Statement of Accounts.

1.5 The Annual Governance Statement includes a summary of the governance framework and identifies those areas where further action is required to achieve full assurance.

## **2 Developing the Annual Governance Statement**

2.1 Sources of information used to develop the Statement include:

- The development of the framework itself
- The Combined Assurance Report 2016/17
- Internal Audit Annual Report
- Internal Audit "limited assurance" reports
- The management of strategic and service risks
- External Audit Annual Audit Letter
- Complaints and lessons learnt
- Consultation results
- Ombudsman investigations
- Corporate functions assurance statements – Legal, Health & Safety, ICT, Procurement
- Service Managers – any service or performance issues, including signed assurance that the internal control and governance assurance framework has been upheld, covering:
  - Review of key controls
  - Budget setting and allocation of resources
  - Performance management
  - Risk management
  - Financial and legal implications

## **3 The Framework**

3.1 The Governance Framework follows the seven principles of good governance as set out in CIPFA's "Delivering Good Governance in Local Government Framework (2016 edition)" and is formed by the systems and

processes, standards, policies and activities through which it accounts to, engages with and leads the community.

3.2 Under each of the principles we have identified improvements that have taken place during the year, activity to support the principle, any significant issues and actions that will be undertaken to address any issues or to develop the principles further.

#### **4. Annual Governance Statement 2016/17**

4.1 The Statement for 2016/17 is attached for review.

#### **5. Issues to be Addressed**

5.1 Issues that have been identified as requiring attention to ensure good governance and which will be addressed in the coming year via the Action Plan are:

- i. **Implementation of General Data Protection Regulations** – to ensure compliance with new regulations coming into force on 25<sup>th</sup> May 2018, which aim to increase cyber-security and the protection of data
- ii. **Political Governance** – to maintain and re-inforce the current high standards of behaviour across all levels of democratic governance within West Lindsey
- iii. **Partnerships** – to critically evaluate and maintain the effectiveness of the Council's key strategic partnerships
- iv. **Value for Money** – to complete value for money assessments across service areas and develop appropriate improvement plans to achieve greater value for money and increased productivity; wider usage of benchmarking and the creation of a value for money culture
- v. **Delivery of Key Commercial and Community Based Projects** – to deliver at the required pace, key projects in support of the Corporate Plan which deliver benefits for the whole of the District
- vi. **Resilience and Capacity** – to balance the Council's capacity to deliver ambitious programmes with the operational and management responsibilities placed on staff
- vii. **Selective Licensing** – for Members to receive and consider a report evaluating the implementation and effectiveness of the scheme
- viii. **Development Management** – to receive the findings of an audit into the service, providing oversight and scrutiny to ensure subsequent recommendations and actions are appropriately considered and implemented

5.2 To address the issues detailed above an action plan has been developed containing SMART actions which when completed will realise a satisfactory state of affairs. The action plan is the main vehicle through which Members of the Governance & Audit Committee are provided with updates on progress against the completion of the required actions.

5.3 The Action Plan is attached for review.

## 6. Issues Deemed Closed – Annual Governance Statement Action Plan 2015/16

6.1 The issues which were identified as matters to be addressed via the AGS Action Plan 2015/16 and are now deemed to be completed are detailed below. Members are asked to review and determine whether they are satisfied that sufficient progress has been made to warrant completion.

- i. **Strategic & Spatial Planning** – Local Plan completed and approved. Arrangements to effectively monitor delivery in place.
- ii. **Strategic Programme Delivery** – Growth Board established and key personnel assigned to programme manage key initiatives. Regular progress reporting to GCLT and Members. Use of external expertise utilised when appropriate to provide objective opinion and provide additional capacity
- iii. **Information Governance & Security** – Staff awareness training implemented and PSN certification received. Malware and anti-virus detection systems robust. Incident management and disaster recovery processes in place.
- iv. **Intelligent Clienting** – Substantial assurance finding received from audit report into Intelligent Client principles, function and application across the Council

6.2 The actions relating to **Selective Licensing and Development Management** have been carried over into the action plan for 2016/17. The rationale is offered below:

6.2.1 **Selective Licensing** – the scheme has been implemented with favourable outcomes to date. However, it is to remain on the action plan until a report reviewing and evaluating the scheme has been considered by the Prosperous Communities Committee

6.2.2 **Development Management** – It is acknowledged that the improvements wished for in terms of performance, resilience and staffing have materialised. However, the outcomes of a current audit into the service are awaited and it is considered prudent to maintain oversight via the action plan to ensure recommendations are appropriately considered and any required actions are effectively implemented

6.3 The 2015/16 Action Plan is attached for review and sign off.

## 7. Recommendation

7.1 Members are asked to:

1. Approve the Annual Governance Statement for 2016/17 and associated Action Plan.
2. Members sign off the Action Plan for 2015/16 as completed (bar the actions pertaining to Selective Licensing and Development Management)



WEST LINDSEY DISTRICT COUNCIL

# Annual Governance Statement 2016/17

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## SCOPE OF RESPONSIBILITY

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West Lindsey District Council is responsible for ensuring that its business is conducted in accordance with the law and proper accounting standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. West Lindsey District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, West Lindsey District Council has put in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

During 2016/17, West Lindsey District Council reviewed its code of corporate governance. This has ensured consistency with the principles set out in new guidance provided by CIPFA/SOLACE in 2016 in their Delivering Good Governance in Local Government Framework. The purpose of the Framework is to assist local government to take responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. A copy of the authority's framework is on the Council's website contained within the [Codes and Protocols](#) section of The Constitution.

This Annual Governance Statement explains how West Lindsey District Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulations 4(3) and 4(4), which requires all relevant bodies to prepare and publish an annual governance statement.

## THE PURPOSE OF THE GOVERNANCE FRAMEWORK

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The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services that are value for money. The framework has been reviewed during the year and is deemed to be relevant and robust.

The system of internal control is an important part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of

West Lindsey District Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at West Lindsey District Council for the year ended 31<sup>st</sup> March 2017 and up to the date of approval of the statement of accounts at a meeting of the Governance and Audit Committee on 30<sup>th</sup> September 2017.

## **THE GOVERNANCE FRAMEWORK AND REVIEW OF EFFECTIVENESS**

The Governance Framework is presented in detail at Appendix One with commentary about improvements made during the year and improvements still required. Some of the key features of the Governance Framework are set out below.

The [Corporate Plan \(2016-2020\)](#) sets out the Council's vision for the District and sets out the key strategic objectives which will deliver these outcomes for our communities. The Corporate Plan is explicitly aligned to the Medium Term Financial Plan, ensuring that the aspirations in the Plan are realistic within the context of the funding constraints placed on the Council. Progress against the priorities detailed within the Corporate Plan is reported annually and the on-going relevance of the Plan is reviewed annually and takes into account feedback from surveys conducted with the citizens of West Lindsey.

The Constitution of West Lindsey District Council establishes the roles and responsibilities of the Full Council, Policy Committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements. The Constitution is reviewed annually to ensure it continues to be fit for purpose.

The Constitution also contains rules of procedures (standing orders and financial regulations) that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of the Paid Service, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and to ensure that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by the post-holders' membership of the Governance & Corporate Leadership Team.

West Lindsey District Council has developed, communicated and embedded codes of conduct, defining the standards of behaviour for both Members and staff. In addition, training needs are identified through development appraisals and reviews, enabling individuals to undertake their present roles effectively and have the opportunity to develop to meet their own and the Council's current and future needs.

West Lindsey District Council has responsibility for conducting at least annually a review of the effectiveness of its governance framework including the system of internal control. The review is informed by:

- 1. The Combined Assurance Report – made up from:**
  - a) Feedback from senior managers within the Authority who have responsibility for the development and maintenance of the governance environment and its effectiveness within their areas
  - b) An independent review by the Corporate Governance Team
  - c) The findings of the Annual Audit Work Plan
  - d) Third Party assessment e.g. peer review
- 2. The Annual Review of Comments, Compliments and Complaints**
- 3. The Annual Review of The Constitution**
- 4. The Annual Review of the Effectiveness of Internal Audit**
- 5. The Annual Review of Whistleblowing**
- 6. The Annual Review of Fraud**
- 7. The Head of Internal Audit’s Annual Report**
- 8. Comments made by the external auditors and other review agencies and inspectorates**

These reviews have been considered by the Governance and Audit Committee as well as a draft version of this governance statement. As a result the arrangements are deemed as being fit for purpose.

The areas already addressed and those to be specifically addressed via an action plan to be developed in the coming year are outlined below.

## **SIGNIFICANT GOVERNANCE ISSUES**

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Over the last year the Council has consolidated its progress made over previous years in further strengthening its corporate governance arrangements and procedures and to consistently communicate the message across the organisation that governance is an essential component of corporate activity. This work has been recognised by the Head of Internal Audit. In providing her annual opinion she has assessed the key components of our overall governance framework as performing well.

| <b>Component</b>  | <b>Opinion</b>  |
|-------------------|---|
| Governance        | Performing Well - Some improvements identified over the Council’s governance, risk and control framework or to manage medium risks across the Council |
| Risk              | Performing Well – No concerns that significantly affect the risk management framework and successful delivery of Council priorities                   |
| Internal Control  | Performing Well – Some improvements identified over the Council’s control framework or to manage medium risks across the Council                      |
| Financial Control | Performing Well - No concerns that significantly affect the risk management framework and successful delivery of Council priorities                   |

To enhance capacity and capability across the Council a review of staffing requirements has been undertaken resulting in appointments to key areas to support both operational and programme delivery. Where appropriate, expert subject matter advice has been externally sourced to provide expertise and objective thinking in support of a number of the Council's key projects.

We also continue to review and refresh where appropriate the main processes which constitute the Council's performance and governance framework. This includes considerations relating to project management, partnership arrangements, risk management and contract management. We aim to provide clear guidance and support and regularly undertake workshops with staff to ensure that procedures are fully understood and are routinely applied. Significant work has also been undertaken to review the Council's Programme Board structure to provide appropriate support and scrutiny in relation to project development and to realise effective delivery.

Considerable attention has been paid to ensure governance arrangements to support the Council's growth agenda are fit for purpose. This is a fast-paced and highly technical area. The Council has worked closely with a combination of colleagues from Lincolnshire Procurement and Lincolnshire Legal Shared Services, in addition to sourcing relevant external professional advice to review particular proposals and help steer decision making.

Training for staff and Members has also taken place, as have workshop sessions and regular feedback to Members and the Governance Corporate Leadership Team (GCLT) on governance related matters. A comprehensive, well attended and well received induction programme was held for Members following the May 2015 elections and on-going training as been provided for them since that time. This provides a sound footing from which Members can continue to develop into their roles.

A refresh of measures to be incorporated into the Council's Progress and Delivery reporting has been undertaken to ensure that we report against meaningful aspects of service delivery and also track and record progress against the ambitions detailed within the Council's Corporate Plan.

During 2016/17 West Lindsey District Council has also regularly reviewed progress against the significant issues identified in the previous year's AGS (2015/16). Quarterly update reports have been presented to the Governance and Audit Committee. Issues that have been sufficiently progressed and so are now removed from the AGS (2015/16) action plan are:

1. **Strategic & Spatial Planning** – Local Plan completed and approved. Arrangements to effectively monitor delivery in place
2. **Strategic Programme Delivery** - Growth Board established and key personnel assigned to programme manage key initiatives. Regular progress reporting to GCLT and Members. Use of external expertise utilised when appropriate to provide objective opinion and provide additional capacity
3. **Information Governance & Security** – Staff awareness training implemented and PSN certification received. Malware and anti-virus detection systems robust. Incident management and disaster recovery processes in

place

4. **Intelligent Clienting** – Substantial assurance finding received from audit report into Intelligent Client principles, function and application across the Council

The actions relating to Selective Licensing and Development Management have been carried over into the action plan for 2016/17. The rationale is offered below:

**Selective Licensing** – the scheme has been implemented with favourable outcomes to date. However, it is to remain on the action plan until a report reviewing and evaluating the scheme has been considered by the Prosperous Communities Committee.

**Development Management** – It is acknowledged that the improvements wished for in terms of performance, resilience and staffing have materialised. However, the outcomes of a current audit into the service are awaited and it is considered prudent to maintain oversight via the action plan to ensure recommendations are appropriately considered and any required actions are effectively implemented.

## **SIGNIFICANT CURRENT ISSUES TO BE A FOCUS IN 2017/18.**

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For 2017/18, the Council will pay attention to a number of issues as described below and will continue to stress the message across the organisation that governance is a core component of corporate activity. Hence all officers are required to play a part in ensuring that our processes and systems are robust and adhered to. On-going 'testing' of our processes will be undertaken and we will continue to work in a collaborative manner with Internal and External Audit colleagues.

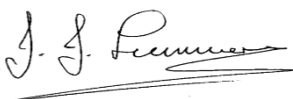
Those issues that have been identified as requiring particular attention during 2017/18 are reproduced below. These were identified by GCLT; via reference to Internal Audit opinion and through the work undertaken to complete the Council's Combined Assurance Report for 2016/17. Progress will be made in 2017/18, monitored and driven forward by GCLT and the Governance and Audit Committee in conjunction with the Challenge and Improvement Committee.

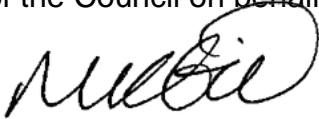
The significant issues identified are:

1. **Implementation of General Data Protection Regulations** – to ensure compliance with new regulations coming into force on 25<sup>th</sup> May 2018, which aim to increase cyber-security and the protection of data
2. **Political Governance** – to maintain and re-inforce the current high standards of behaviour across all levels of democratic governance within West Lindsey
3. **Partnerships** – to critically evaluate and maintain the effectiveness of the Council's key strategic partnerships
4. **Value for Money** – to complete value for money assessments across service areas and develop appropriate improvement plans to achieve greater value for money and increased productivity; wider usage of benchmarking and the creation of a value for money culture

5. **Delivery of Key Commercial and Community Based Projects** – to deliver at the required pace, key projects in support of the Corporate Plan which deliver benefits for the whole of the District
6. **Resilience and Capacity** – to balance the Council's capacity to deliver ambitious programmes with the operational and management responsibilities placed on staff
7. **Selective Licensing** – for Members to receive and consider a report evaluating the implementation and effectiveness of the scheme
8. **Development Management** – to receive the findings of an audit into the service, providing oversight and scrutiny to ensure subsequent recommendations and actions are appropriately considered and implemented

We propose over the coming year to take steps to address the above matters via an action plan to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review. There have been no significant events or developments relating to the governance system between the year-end and the date on which the Statement of Accounts were signed by the responsible financial officer.

Signed  Date \_\_\_\_\_  
\_\_\_\_\_  
Leader of the Council on behalf of West Lindsey District Council

Signed  Date \_\_\_\_\_  
\_\_\_\_\_  
Chief Executive on behalf of West Lindsey District Council

## APPENDIX 1 - THE GOVERNANCE FRAMEWORK & REVIEW OF EFFECTIVENESS

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### 1. The Council's Vision

**Objective:** Developing, communicating, operationalising and reviewing the Council's vision.

This section incorporates information relating to:

- identifying and communicating the Council's vision
- reviewing the Council's vision and its implications for the Council's governance arrangements
- translating the vision into objectives for the Council and its partnerships

To help identify priorities, the Council analyses information from external sources, internal statistics, engagement events, working with partners and horizon scanning reports. It produces an annual State of the District Report for review by Members, the public and other stakeholders alike.

Priorities are tested further through public consultation with both the Citizen's Panel (an established representative group of approximately 1300 local residents) and residents more generally. This is supplemented by engagement with a range of businesses and third sector organisations and Member workshops, which build on the identified community priorities.

The Council, is currently working to its Corporate Plan (2016-2020) which was approved by Council in March 2016. The overall vision contains the following strategic priorities:

- Theme 1: Open for Business
- Theme 2: Asset Management
- Theme 3: People First
- Theme 4: Central Lincolnshire Local Plan
- Theme 5: Partnership/Devolution
- Theme 6: Excellent Value for Money Services

The Corporate Plan is explicitly linked to the Medium Term Financial Plan through to 2020.

The Council publishes its [Corporate Plan](#) on its website in accordance with requirements for transparency and making information available for local people. A review of progress against its objectives was carried out on its first anniversary and presented at Full Council to Members for review and endorsement. A summary publication detailing this has also been produced and shared with stakeholders and published on the Council's website.

The Corporate Plan is delivered in the main through the Council's Entrepreneurial and Growth Boards. Each have clear terms of reference outlining responsibilities for delivery and each programme board delivery plan is further translated into business and service plans, team plans and personal actions (through the appraisal process), which contain specific key objectives, desired outcomes, responsibilities and targets. This ensures that the necessary resources, both staff and financial, are allocated to deliver the service plans and informs the Medium Term Financial Plan.

In addition to the Corporate Plan and MTFP, the Council has also published its Commercial Plan and the required deliverables. These three strategic documents complement one another and set the direction for the Council over the medium-term

The Council continues to operate in a challenging short and medium term financial environment. This challenge is not new to the Council and it has, since 2008, undertaken on-going reviews of its structures, services and income generating potential to achieve substantial savings. However, for the year ending 31<sup>st</sup> March 2017 the authority continued to operate within a challenging financial environment as a consequence of further cuts in government funding and local economic conditions, with the outlook for the coming years equally challenging (see [WLDC Budget Book 2017/18 to 2021/22](#)). However, to provide us with a degree of certainty the Council has accepted the Government's offer of a four year settlement deal for 2016/17 to 2019/20.



Within this context the priorities for the Financial Strategy are to maximise available resources through effective and efficient delivery of services and to identify and drive innovative and commercial approaches to service delivery; resourcing and the use of our land and property assets. This remains important so as to achieve financial sustainability. The positive action taken by the Council to date means that it is relatively well placed to respond to these challenges. In addition capital investment in projects which will generate a revenue return and working in partnership with the private sector, will bring inward investment and economic growth to the District. There are however further uncertain times ahead (despite indicators of economic recovery) and it is essential that the Council continues to take proactive and sustained action, as without this the Council's financial position will not be sustainable in the longer term.

A robust process of monitoring and the taking of responsible actions in managing its budget ensures the Council remains in a good position to achieve the additional savings/income targets of approximately £2.5m by 2020/21 in a considered manner. Budgets are controlled and monitored by Budget Managers who are supported by regular liaison meetings with the Council's Finance Business Partners. Budget and performance monitoring is reported to Members and GCLT in the form of regular Budget Monitoring and Progress and Delivery Reports.

All Committee reports contain a financial reference issued by the Finance Team. This provides decision makers with the full financial implications of the proposals being recommended.

To ensure that staff possess the necessary financial knowledge and skills, the Council is working through the delivery of a further programme of finance related training under the banner 'Finance Matters II'. This package complements and enhances the previous training (Finance Matters) delivered to staff three years ago.

## 2. Measuring the Quality of Services

**Objective:** Measuring the quality of services for users, ensuring they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources and value for money

### **Performance Management & Value for Money**

During the year, the Council has monitored the effectiveness of the Progress and Delivery report in monitoring and reporting on performance, with the Challenge and Improvement Committee retaining oversight. A sub-group of the Committee has met once again to discuss the need for a refresh of measures for 2017/18 to ensure that progress against the achievement of corporate priorities can be tracked. We are keen to stress the message that any measures adopted should be able to help the Council learn and improve. The Chief Operating Officer (COO) is responsible for performance management and provides:

1. Quarterly Progress and Delivery reports to the policy committees and the scrutiny committee
2. Assurance that the reports provide quality and contextual data for Members

Individual performance is discussed via the appraisal system for employees, which continues to be monitored to ensure that it is applied consistently.

The Council has adhered to the transparency agenda by publishing spend over £250 on the Council's web site on a monthly basis and continues to meet the legal requirements to publish equality objectives which are included in the Corporate Plan.

### **Commissioning Partnerships**

To achieve value for money and the best use of resources, the Council has adopted a positive approach to partnership working and has retained a number of shared working arrangements, mainly with North Kesteven District Council. Other key partnerships include Lincolnshire Legal Services, Procurement Lincolnshire and the creation of a formal statutory body to consider planning policy across Central Lincolnshire. Additionally, key contractual partnerships incorporating performance management aspects are in place for a range of services.

The Council's ambitious growth plans for the District are beginning to crystallise with the formation of a key strategic outcome focused partnership (in the form of a joint venture) established to achieve regeneration in the retail sector in Gainsborough. Additional work is underway to secure a further development partner to focus on delivering comprehensive regeneration of Gainsborough town centre. Both arrangements conspire to ensure that the Council can deliver the Central Lincolnshire Local Plan housing growth target. Further, the Council is engaged in a meaningful manner with partners from the business sector to promote West Lindsey in general and Gainsborough specifically, as a place to invest and grow.

Further examples of partnership working are provided by the work the Council has conducted with the Greater Lincolnshire Local Enterprise Partnership (GLLEP) and the Homes and Communities Agency (HCA). As the Council moves its growth plans into delivery, this has attracted significant support and funding from these bodies, providing revenue funds to continue the intensive planning and development work to support land assembly and provide significant capital for site acquisition, infrastructure and in effect "gap" funds to bridge viability gaps.

Significant work has been undertaken during 2016/17 to review the Council's partnership arrangements relating to Choice Based Lettings. The learning taken from this work will ensure that on-going review and oversight of the effectiveness and suitability of all key strategic partnership arrangements is a key concern of the Council. This will be an area of focus for the coming year. To initiate this work, GCLT have determined to identify relevant current partnership arrangements and objectively assess their appropriateness and also consider potential future arrangements that would be of benefit.

To ensure that the Council considers the appropriateness of partnership working prior to entering into arrangements, an ACoP is in place to offer guidance and workshops have been held with staff to discuss the topic. As stressed above, it is essential that officers involved in partnership working consider value for money by assessing the on-going importance of any partnership and its effectiveness in meeting intended outcomes.

## **Value for Money**

Specific reference has been made to our approach to achieving value for money in both the Council's Corporate Plan and also the MTFP. Our approach received a positive outcome when audited by External Audit.

One of the Council's Corporate Plan priorities is the delivery of excellent, value for money services. To assist in achieving this goal, the Council has subscribed to a database of metrics which provide the ability to benchmark service related costs and performance, triangulated where possible with outcomes. Work has commenced to use this resource and produce value for money assessments across a range of services. These assessments will provide services with the basis for generating greater value for money via improvement plans. Over the short/medium term we want to create a culture of value for money across all decision, building on evidence of benchmarking and the achievement of greater productivity.

## **Contract Management**

Effective contract management is key to ensuring that value for money is achieved. Over the last two years the Council has taken steps to improve such matters and Internal Audit have recognised the improvements made, with the latest audit providing a substantial assurance rating. Close working during 2016/17 with Procurement Lincs across a number of key contracts (both renewals and new arrangements) have helped to further embed progress. Elements of contract management are reported via Progress and Delivery reporting. During 2017/18, plans are in place to move to a new contract management system; with training and communications key aspects of the implementation plan. The Council's Contract Procedure Rules and ACoP which supports contract management are both regularly reviewed.

## **Service Reviews**

External reviews of service provision, structural arrangements and performance are key components in assessing the value for money of service delivery. During 2016/17 a review of enforcement related services was carried out to assess processes, structures and outcomes. This highlighted a number of areas for the Council to consider to improve the co-ordination and delivery of enforcement related functions.

## **Customer Feedback**

The Council recognises the important role that customer feedback plays in assessing the quality and range of the services delivered. Public consultation plays an integral role in informing budget proposals. Customer satisfaction is an integral component of the Council's performance measurement metrics and an annual review of complaints is reported to GCLT, wider management and Members via a report to the Governance & Audit and the Challenge and Improvement Committees detailing the type and volumes of complaints and comparative analysis with previous years. Contextual information is also provided.

In addition, a pro-active stance is taken across a number of services in the form of customer satisfaction surveys. The consistent application of this across the Council is a key aim in support of effective performance management.

### 3. Roles, Responsibilities and Delegations

**Objective:** Defining and documenting the roles and responsibilities of the Full Council, Policy Committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnerships arrangements

The Council has an overview and scrutiny function and there is a clear split between policy and scrutiny. Overview and scrutiny contributes to the decision making process.

The Council's policy and decision-making process is defined in detail in The Constitution but can be summarised as follows:

- a) The Budget and Policy Framework is decided by Council and has significant links to the Corporate Plan
- b) The Corporate Policy and Resources Committee formulates policy, plans and strategies which do not form part of the Council's Policy Framework. They are responsible for the effective use of all council resources, whether land finances, property or personnel
- c) The Prosperous Communities Committee deals with economic development, leisure and cultural, environmental issues and community issues. They formulate policy, plans and strategies other than those identified for adoption by the Council or the Corporate Policy and Resources Committee
- d) The scrutiny function is provided by the Challenge and Improvement Committee which examines the activity of the policy committees to ensure they deliver Council policy and can call the policy committees to account for aspects of poor performance in areas under their jurisdiction
- e) The Challenge and Improvement Committee works to an individual work programme of matters to be considered for the year ahead and there is a monitoring role for the Committee to ensure delivery of the programme. Additionally the Committee invites and raises questions and discussion with strategic partners responsible for service delivery across the District
- f) The Challenge and Improvement Committee can also establish time limited groups to carry out in depth reviews
- g) Quasi-judicial matters such as Planning and Licensing are dealt with through separate Planning and Licensing Committees

The scheme of delegated and reserved powers is set out within The Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation.

The Annual Council meeting each year considers a report from the Monitoring Officer which reviews The Constitution to ensure it remains robust and effective. This allows for appropriate amendments to be made.

There are protocols for effective communication which include:

- a) Member/Officer Relations Protocol
- b) Leaders Panel regularly meet with designated officers and Chief Officers
- c) Group Leaders meetings with Key Officers
- d) Chair's Briefs
- e) 'Call-in' protocol which enables a decision of the Policy Committees to be questioned by Scrutiny before it is finally approved

The Chief Executive and Leader have established a communication process and they have mechanisms in place to manage the delivery of objectives.

#### 4. Standards of Behaviour

**Objective:** Developing, communicating and embedding codes of conduct, defining the standards of behavior for Members and staff

It is vital that there is a constructive working relationship between elected Members and Officers and that the respective roles are carried out to a high standard.

The Council's leadership is responsible for setting the tone for the organisation and it is tasked with creating a climate of openness, support and respect. A set of organisational behaviours and core values are in place and have been communicated. Lead Member positions also have clear role descriptions set out within The Constitution and these make reference to the behaviours expected when undertaking their duties.

Standards of conduct and personal behaviour expected of Members and staff, of work between Members and staff and between the Council, its partners and the community are defined and communicated through codes of conduct and protocols. These are reviewed on a regular basis and when circumstances dictate.

This includes:

- a. Members and Co-opted Members Code of Conduct
- b. Guidance when dealing with Planning Matters
- c. Protocol on Member/Officer Relations (Operational Conventions protocol)
- d. Officer Code of Conduct
- e. Whistle Blowing Policy
- f. Complaints Procedure
- g. Anti-Fraud and Corruption Policy
- h. Local Code of Corporate Governance

The Council has in place Members' related codes of conduct and a Local Code of Corporate Governance. Both have been reviewed and revised during 2016/17 with a view to being adopted from 2017/18. An agreed process is in place to deal with standards matters should they arise. The Standards Sub-Committee plays a significant role in promoting and maintaining high standards of conduct between elected and co-opted Members and hearing complaints where standards of behaviour fall short of what is expected. In particular the role of the Committee is:

- a) promoting and maintaining high standards of conduct by councillors and co-opted Members
- b) assisting the councillors and co-opted Members to observe the Members' Code of Conduct
- c) advising the Council on the adoption or revision of the Members' Code of Conduct
- d) monitoring the operation of the Members' Code of Conduct
- e) advising, training or arranging to train councillors and co-opted Members on matters relating to the Members' Code of Conduct
- f) granting dispensations to councillors and co-opted Members from requirements relating to interests set out in the Members' Code of Conduct
- g) to hear complaints locally regarding alleged breaches of the Code
- h) exercising such other functions as the Council considers appropriate; and
- i) the exercise of (a) to (g) above in relation to the town/parish councils/meetings and their Members in the Council's area

During the year, the Sub-Committee met to discuss issues arising out of complaints received as a result of allegations of breaches of the Code of Conduct. As a result, a revised Code was developed to cover aspects not previously incorporated such as bullying, confidentiality and respect.

The Code of Conduct and the Standards regime form part of the Members' induction arrangements and all Members (new and returning) are required to sign the Code of Conduct and provide a new register of interest return.

There is a Code of Conduct for employees and there is also an induction process in place which includes conduct matters. There is an appraisal process in place for both Members and Officers which allows a personal development plan to be put in place.

The Council has an [Anti-fraud and anti-corruption policy](#) and also a [whistle blowing policy](#) in place. These have been reviewed and amendments have been identified which will be introduced during 2017/18. Annual reports on fraud and whistle blowing incidents are presented to Members and are made available for review via the Council's web site.

There are registers of gifts and hospitality, interests, and secondary employment. During the year (and especially around Christmas and holiday periods) Members and staff are reminded of the procedure for registering gifts and hospitality and more senior staff are regularly reminded of the need to do this. Procedures for dealing with conflict of interest are in place. Arrangements are in place to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.

Rules and procedures are set out in The Constitution including Members' Code of Conduct, Operation of the Standards Sub-Committee, Procedure Rules for Committees, Financial and Contract Procedure Rules (updated during 2016/17) and Scheme of Delegation.

The Monitoring Officer and Chief Finance Officer also have clear supporting roles.

Awareness of probity issues amongst managers is raised through regular reminders that are sent out to all staff.

The Council has an investigation and disciplinary process for conduct issues and action is taken against employees where conduct falls below that expected. At a Chief Officer level this function is undertaken by elected Members and there are clear rules of procedure defined in The Constitution.

## 5. The decision making framework

**Objective:** Reviewing the effectiveness of the authority's decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

The scheme of delegated and reserved powers is set out within The Constitution, including a formal schedule of those matters specifically reserved for collective decision of the Council, taking account of relevant legislation. Attention is paid to ensure that arrangements reflect current structures and roles and support appropriate good decision making.

A Scrutiny Committee (Challenge & Improvement) is in place and has clear terms of reference. Their operation is covered in The Constitution which allows them to exercise their powers to 'Call In' decisions made by the policy committees and if necessary ask them to reconsider their earlier decisions. During 2016/17, the 'Call In' process was reviewed as a result of a decision being reviewed and the updated process has been incorporated into the refresh of The Constitution.

The Council has a robust reporting process in place. There is a committee timetable and Democratic Services identify agendas with the services. The committee report template requires report authors to seek professional comment on proposals from finance and legal colleagues. It also prompts officers, where appropriate, to detail at least three options for consideration with a recommended option highlighted and to also consider legal, staffing and equalities matters and to assess risk.

The meetings of the Council have appropriate agendas, reports and minutes which demonstrate data quality. All Committees are web cast with the Planning Committee and Full Council meetings webcast live.

The Council uses training, workshops, ACoPs and manuals to help staff operate systems.

The Council has a Risk Management Strategy which set clear policy and guidance on managing risk and Members receive risk management training.

Three delivery boards are in place to manage the delivery of the Corporate Plan:

- **Entrepreneurial Board** – which focuses on the delivery of specific programmes of an entrepreneurial nature and oversees the work of the other three boards

- **Growth Board** – which leads on economic regeneration, housing and development management
- **Closer to the Customer Programme Board** – to oversee the development, identification of resourcing requirements, options generation and delivery of this programme.

Each board is chaired by a member of the GCLT and has specific terms of reference. A review of the effectiveness of the Boards has been undertaken during the year with recommendations made for incremental improvement.

A key component to assist in decision making and delivery is the role of sponsor. The Council has stressed the importance of this role (usually at Director level) during 2016/17. The role is accountable for putting in place the appropriate governance arrangements (including the formation of a board if necessary) to avoid the creation of a transactional approach and to ensure that due proportionality is applied to risk.

During 2016/17, both the Section 151 and the Monitoring Officers have played a key role in decision making. They have ensured gateway reviews have been undertaken in connection with the development of business cases associated with land and property and regeneration initiatives. Such reviews have enabled effective decisions to be made at each stage of project development.

The step change we are making on the growth and commercial agendas (specifically the Commercial Investment portfolio) requires pace, ability to take a commercial view and responsive governance. The latter two remain work in progress and present a challenge. This requires an internal shift in culture to ensure that the key foci in discussions remain on programme direction and the commercial imperatives.

Member committees have all been approved following the May 2015 elections, with membership, chairs and lead officers all agreed and documented. Staff survey results showed there is nearly 100% understanding of the committee process. The management leadership teams and project boards are established and regular meetings taking place. The Business Improvement Team provide corporate support and scrutiny on project management and progress reports.

Data quality contributes to the achievement of and underpins, the Council's priorities. The Council is committed to high standards of data quality and must take care to ensure that the data and information used throughout the organisation and particularly in relation to performance management is fit for purpose. In the recent past, the Council recognised the need to ensure a consistent approach to data quality and has therefore produced and communicated via workshops and meetings a [Data Quality Policy](#). In addition agreement has been reached with Internal Audit for them to explicitly assess and reference data quality (where relevant) as part of their audit work.

## 6. Risk Management

**Objective:** Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

The Council has in place a [Risk Management Strategy](#) which was revised



and approved during 2015/16. The accompanying risk management ACoP, which supports the strategy to outline operational procedures and roles and responsibilities was similarly refreshed and communicated to colleagues.

Internal Audit reviewed the Council's risk management arrangements during the year and provided a substantial assurance finding. Service risk management is a standing item of the Service Leadership Team (SLT) meeting agenda whereby any issues can be raised and service areas undertake on-going assessment of service related risks.

A number of workshops with staff and GCLT have been held during the year to discuss risk and the Council has attended the Lincolnshire Risk Management Group meetings.

All risks are maintained on a central system which enables risk owners to identify risks at a service level. If any such risk escalates in nature there is a process on place by which it can be brought to the attention of GCLT.

The Strategic Risk register identifies risks to the delivery of the outcomes in the Corporate Plan. Therefore, during 2016/17, GCLT revised the content of the strategic risk register to more effectively align it to addressing the risks associated with the delivery of the priorities contained within the Council's Corporate Plan (2016-2020). This approach reflects the guidance provided by the Association of Local Authority Risk Managers (ALARM). The register is reviewed regularly by GCLT and is presented for review by the Governance and Audit Committee on a six-monthly basis.

The Governance and Audit Committee have a responsibility as part of their terms of reference for approving the Risk Strategy and maintain an overview of risks. The committee has appointed a Member Risk Champion who has clear terms of reference.

## 7. Counter-fraud and anti-corruption

**Objective: Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained**

The Council has an [Anti-Fraud, Corruption and Money Laundering Strategy](#) which stresses a zero tolerance approach and is part of a suite of policies covering:

- Whistleblowing Policy
- Disciplinary Policy
- Covert Surveillance Policy
- Codes of Conduct for Members and Officers
- Risk Management Policy and Strategy
- Gifts and Hospitality
- Standing Orders

The policy applies to:

- All West Lindsey District Council Employees.
- Councillors and Independent Members

- Staff and members of Council funded voluntary organisations
- Partners
- Suppliers, contractors and consultants
- Residents

Members of staff, partners and contractors have all been reminded of the policy and how to raise any concerns, or report suspected fraud or corruption, through a series of leaflets and posters and a 'Fighting Fraud' leaflet is distributed annually to all staff. An anti-fraud presentation forms part of the corporate induction process. The Council also maintains a specific fraud related risk register.

The Governance and Audit Committee receive a yearly report on anti-fraud and corruption arrangements and the action that has been taken to investigate and prosecute cases.

To monitor and manage the risk of fraud, the Council continues to retain an internal fraud capability. A programme of work has been developed supported by the Lincolnshire Fraud Partnership. The Council also takes part in the Housing Benefit Matching Service (HBMS) work and the National Fraud Initiative (NFI); a bi-annual exercise that matches electronic data within and between public sector bodies to prevent and detect fraud. A fraud-health check was conducted in the year by Assurance Lincolnshire which assessed our anti-fraud related arrangements and identified some areas for improvement.

## **8. Management of Change**

**Objective: Ensuring effective management of change and transformation**

Governance arrangements are in place to ensure change is effectively managed in the form of Board scrutiny, effective project management and Progress and Delivery reporting against projects and programme development. Members are also part of this process and regular reports are produced to keep them updated.

An internal review of the Council's principles and processes in place to support effective project management has been undertaken with colleagues to ensure they remain fit for purpose. Additionally during 2016/17, Internal Audit have reported a finding of substantial assurance following an audit into the Council's project management processes and methodology.

Each Board has been assigned a Programme Manager to provide support to project managers and objective analysis of the progress and quality of project development and adherence to the Council's project management methodology.

Effective communication is regarded as crucial to delivering effective change and strong links have been forged between the relevant Boards and the Communications Team to ensure the Council as a whole is kept abreast of developments.

To provide strategic capacity and capability concerned with change and

transformation, particularly in support of the delivery of key programmes and projects, the Council has adopted an approach of sourcing professional subject related expertise on a needs basis. This is intended to deliver better value for money and objectivity.

## 9. Role of the Chief Financial Officer

**Objective: Ensuring the authority's financial management arrangements conform with the governance requirements of the [CIPFA Statement on the Role of the Chief Financial Officer in Local Government \(2010\)](#) and, where they do not, explain why and how they deliver the same impact**

The Council has designated the Director of Resources as the Chief Finance Officer under Section 151 of the Local Government Act 1972. This officer has statutory responsibility for the proper planning, administration and monitoring of the Council's financial affairs. The Council's financial management arrangements also conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The financial management of the Council is conducted in accordance with the Financial Procedure Rules set out in The Constitution. The financial management system includes:

- A five year Medium Term Financial Strategy which is reviewed and updated annually to support the delivery of the Council's strategic priorities.
- An annual budget cycle incorporating Council approval for revenue and capital budgets as well as treasury management strategies.
- Financial Procedure Rules that are reviewed at intervals of not more than three years. A refresh was undertaken and approved during 2015/16. Relevant amendments are made when required.
- Process and procedure guidance manuals.
- Regular budget monitoring by budget holders through monthly financial monitoring meetings and reports.
- Four reports per year to GCLT and Members relating to the Council's financial position stating financial and performance information.
- Annual accounts supporting stewardship responsibilities which are subjected to external audit and which follow the Code of Practice on Local Authority Accounting in the UK in line with International Financial Reporting Standards.

## 10. Role of the Head of Internal Audit

**Objective: Ensuring the authority's assurance arrangements conform with the governance requirements of the [CIPFA Statement on the Role of the Head of Internal Audit \(2010\)](#) and, where they do not, explain why and how they deliver the same impact**

The [CIPFA statement on the Role of the Head of Internal Audit \(2010\)](#) states that the Head of Internal Audit in a public service organisation plays a critical role in delivering the organisation's strategic objectives by:

1. Championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments
2. Giving an objective and evidence based opinion on all aspects of governance, risk management and internal control

To perform this role the Head of Internal Audit:

3. Must be a senior manager with regular and open engagement across the organisation, particularly with the GCLT and with the Audit Committee
4. Must lead and direct an internal audit service that is resourced to be fit for purpose; and
5. Must be professionally qualified and suitably experienced

A review of the CIPFA statement has taken place and no matters of concern were identified. The Head of Internal Audit reports to the GCLT and the Governance & Audit Committee on a regular basis in relation to audit and governance related matters.

The Council has in place an Internal Audit Charter which defines the terms of reference for Internal Audit by setting out the nature, role, responsibilities and authority of the Internal Audit service within the Council.

The Constitution identifies that the Chief Finance Officer is responsible for providing an efficient and effective Internal Audit service, which will comply with relevant legislation and best auditing practice.

## 11. Role of the Monitoring Officer

**Objective:** Ensuring effective arrangements are in place for the discharge of the monitoring officer function

The [Constitution](#) covers the key statutory role and functions of the Monitoring Officer. It also includes the requirement for the Council to ensure that the Monitoring Officer has access to sufficient skills and resources to undertake the role. The Monitoring Officer has confirmed that this is the case and he continues to review this. Appropriate training is delivered where needs are identified and the Officer has attended a number of training courses during 2016/17.

There is a specific job role which reflects the Monitoring Officer duties. The Monitoring Officer is line-managed by the Chief Executive who provides mentoring support. No conflict of interest in this line management structure has been identified.

## 12. Role of the Head of Paid Service

**Objective:** Ensuring effective arrangements are in place for the discharge of the head of paid service function

The statutory provisions are included in The [Constitution](#). The authority does not share its Chief Executive with other authorities.

The Leader and the Chief Executive have agreed corporate objectives and key priorities for the year. From that the Chief Executive has agreed with the Leader key work objectives for both the Chief Executive and Directors. Monitoring against progress is achieved via regular liaison between relevant parties.

## 13. The Audit Committee

**Objective:** Undertaking the core functions of an audit committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities

The Council maintains and operates a Governance & Audit Committee which is independent of the Policy Committees and the scrutiny function. Membership includes up to three Independent Members. The Committee receives training and has a defined work plan. Substitutes are not permitted unless the substitute has undertaken specific audit committee training.

The core functions of the [Governance and Audit Committee](#) are set out in The Constitution. Terms of reference are in line with CIPFA guidance and the Committee operates to these.

Some Audit Committee Members are also Members of the scrutiny committee. This arrangement has been agreed by Full Council.

## 14. Compliance with laws and regulations

**Objective:** Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The subject of 'Compliance' is detailed within the Council's strategic risk register. This demonstrates the importance the Council places on the requirement to comply with and/or correctly implement relevant statutory legislation.

The Constitution and relevant job descriptions outline Officer, Member, Committee and Council responsibilities.

Lincolnshire Legal Services hold a central library of all relevant legislation and are consulted when required. The Corporate Governance Team maintains a horizon scanning function which feeds into monthly horizon scanning reports to Strategic Leads and Team Managers. However, departments take responsibility for receiving and operating to new legislative responsibilities as they arise with service and business planning providing opportunities to consider the implications and plan for legislative change.

Where relevant, expert legal advice is procured to support decision making, particularly in relation to delivery of projects supporting the growth and commercial plans. During 2016/17 the Council drew on expert legal advice in its negotiations and decision making relating to the purchase of a staffing agency and the subsequent creation of a holding company and two trading arms beneath this. Additionally, advice has been sought to ensure legal complexities were understood across a number of projects related to economic growth and regeneration.

Legislation and Statutory Instruments are dealt with and assessed as they are received (from a range of sources including national email alert systems). Changes in legislation have been implemented successfully with no major issues arising.

The communication of local policies and procedures is embedded in a number of different ways such as SLT meetings and workshops, team briefings and local training. Officers ensure that they are aware of and comply with laws and regulations which are relevant to their roles.

The Council pays close attention to requirements relating to Information Governance and we have provided expertise and support in this area for neighbouring authorities. Training packages have been provided for staff during the year via the Council's on-line training platform. The requirement to be compliant with the General Data Protection Regulations by May 2018, has been a focus during the year and a delivery plan is being worked through to achieve this. Best practice has been followed with the nomination of officers to the roles of Senior Information Risk Officer (SIRO) and Senior Information Governance Officer (SIGO) and Data Protection Officer (DPO). The Corporate Information Governance Group meets regularly to review information governance related matters and developments.

The Council's statutory officers are the Head of Paid Service (Chief Executive), the Section 151 Officer (Director of Resources) and the Monitoring Officer (Strategic Lead for Democracy and Business Support). These officers are responsible for ensuring that the Council acts within the law and in accordance with established policy and procedure.

Counsel opinion may be obtained in certain circumstances and unusual transactions are referred to the External Auditor for consideration.

The Section 151 Officer is specifically responsible for the proper discharge of the Council's financial arrangements and must advise elected Members where expenditure is likely to exceed resources.

Where any proposal is unlawful, the Section 151 Officer, jointly with the Monitoring Officer, have a duty (should such a scenario arise) to produce a 'Section Five' report and inform the Head of Paid Service and External Audit.

The Chief Executive and Directors carry responsibility for ensuring that legislation and policy relating to service delivery and health and safety are implemented. A disciplinary process is in place for both staff and Members for any breaches.

The Governance and Audit Committee receive reports by Internal Audit

which include review of compliance with legislation. This provides the Committee with an overview of compliance with policy and procedures and it can request attendance of managers to provide further assurance.

## 15. Whistleblowing arrangements

**Objective:** Arrangements for whistle blowing and for receiving and investigating complaints from the public

The Council has in place a [whistle blowing policy](#) which is available for reference via the Council's web site and internal intranet and its existence and content is regularly communicated to staff. The Council also works in partnership with Lincolnshire County Council and fellow Lincolnshire authorities to develop and produce a County-wide 'Fighting Fraud' leaflet which is distributed to staff.

The Council also has in place a customer complaints, compliments and comments procedure. The [procedure](#) is available for view on the intranet and web site. When complaints are received an internal independent officer is appointed to investigate and in certain circumstances an external appointment may be made. One of the key aspects of the policy is our desire to learn from complaints to rectify matters if required. Where appropriate, complaints that have been referred to the Ombudsman are brought to the attention of GCLT. Annual reports are presented to the Governance & Audit Committee on whistleblowing and more general customer feedback.

## 16. Member and Officer Development

**Objective:** Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training

An updated [Member Development Plan](#) has been approved which will oversee the training and development requirements of the current administration. The plan was compiled from a number of sources:

- Requirements from The Constitution
- Areas for development recommended for each committee
- Feedback from Members
- Areas of interest
- Changes to the local government environment including legislation

Member training is also recorded to keep track of the training delivered and details of Member attendance. During the year, Members have received training on such matters as Treasury Management Strategy Scrutiny; Statement of Accounts Scrutiny; Code of Conduct, Licensing and Development Management related topics.

Staff surveys are undertaken on an annual basis and the content is used to develop appropriate training and to address any issues identified. Additionally the Council currently holds Investors in People accreditation; however on-going participation is under consideration. During 2015/16 a People Strategy was approved and a range

of actions are being worked through to address issues. This will be supported by a newly formed Staff Engagement Group drawn from staff across the Council. A Workforce Development Plan was produced in 2016/17; agreed by both GCLT and JSCC.

To improve the ability of managers with line management responsibility to fulfil their roles more effectively, the HR team have held a series of drop-in workshops where staff can raise issues and seek advice and guidance.

The Corporate Plan is communicated to staff and forms the golden thread for staff appraisals and work objectives for the forthcoming year and associated training/development needs. During 2016/17 much of the Council's training was delivered via an on-line learning and development tool.

## 17. Community and Stakeholder Engagement

**Objective:** Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Council meets its statutory responsibilities with regard to engagement on budget setting by holding events with residents, parishes and businesses. The Council uses a variety of channels to communicate with the community and stakeholders for example:

- West Lindsey Citizen Panel through surveys and focus groups
- West Lindsey District Council website
- Focus groups with residents and local businesses
- E-surveys
- Local press
- West Lindsey section of County News
- Summits
- Social media

During 2017/18, the Council is planning to review its current usage of printed means of communication to achieve on-going effectiveness and value for money.

The Council consults on key service changes and issues that may affect residents of the District. Topics consulted on during 2016/17 included:

- Three Proposed Public Space Orders
- High Speed Broadband
- County News
- Waste and Recycling
- Budget Options
- Governance Arrangements
- Level of Communication
- Contact with the Council
- Devolution
- Yearbook



- Effectiveness of Community Broadband Provision

During the year we also undertook surveys with service users (whether they are internal or external to the Council) to ascertain the levels of satisfaction with services. Results are used to develop our services to ensure they are delivering the level of service required by users.

The Council actively supports the Community Right to Bid initiative. During the year a number of applications from community groups have been received and considered with decisions fed back.

## 18. Partnership Governance

**Objective:** Enhancing the accountability for service delivery and effectiveness of other public service providers incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.

To enhance the accountability for service delivery and effectiveness of other public service providers, the Challenge and Improvement Committee have continued with their programme of holding meetings with strategic partners to discuss their approach to addressing the strategic needs of the residents of the District. To this end the Committee focused on the issue of youth unemployment during 2016/17. Over the course of the year a number of bodies (the Careers Service, local schools, colleges and training providers, the DWP and local employers) were invited to attend the Committee to detail the work they do, the issues they face and the aspects they feel need to be addressed. The interest shown by the Committee in this issue was welcomed by all attendees. A concluding report detailing possible actions the Council could take to support young people was prepared for Members to consider; with a recommendation that the Prosperous Communities Committee take on-going ownership.

Meetings held during the year have also seen Lincolnshire Police attend to present overviews of their work; the impact it is having on the general well-being of the District and the issues they face.

The Committee has also initiated a Health Commission to review the provision, extent, locations and effectiveness of health related services for residents of the District. This work will continue through 2017/18 and will involve close working and discussion with the key health related partner organisations working across West Lindsey.

During the course of the year, the Home Choices Service has worked closely with neighbouring authorities involved in partnership to deliver of Choice Based Lettings. This work has sought to address a number of issues highlighted by a previous audit into the service.

Internal Audit have conducted an audit into the Council's approach to partnership working during 2016/17; focusing on the fulfillment of the role of Intelligent Client. It is important that the outputs required from the Council's varied arrangements for it to

achieve its objectives are completely and effectively delivered, and good value for money is achieved. To achieve this the Council acts as an Intelligent Client in its relationship with its partners, shared service providers and contractors. A finding of substantial assurance was reported; with two recommendations made to further strengthen arrangements.

Strategic partnership working is recognised by the Council as being integral to the achievement of its ambitions. Key partnerships have been formed in the areas of skills, economic development and regeneration to deliver growth and support business across the District. Partnership working is also evident in the form of the Joint Planning Unit (created to devise and deliver the Central Lincolnshire Local Plan) and the Council's participation in local enterprise partnerships. The creation of further partnerships are in the pipeline.

The Council's GCLT have sponsored a review of all current partnership arrangements across the Council to ensure on-going relevance and effectiveness. In conducting this work, reference will be paid to the Audit Commission's '[Governing Partnerships](#)' Report. The work will involve working in accordance with the Partnership ACoP, on-going population and maintenance of the Council's partnership register, consideration of the financial implications of partnership working to ensure value for money is achieved (and the required accounting assessments are undertaken to ensure appropriate accounting treatment) and the holding of workshops with service areas to discuss their partnership working arrangements.

Our current Contract Procedure Rules cover contract monitoring procedures and management of delivery. They were amended slightly during 2016/17 to reflect new thresholds. The accountability of service providers is managed through contract management and work has been undertaken to ensure The Council has robust contract management procedures in place.

**Annual Governance Statement 2015/16 Action Plan**

| Issue                        | Description   | Action  | Current Position  | Date Due   | Officer     | BRAG  |
|------------------------------|---|---|---|------------|-------------|-------|
| Strategic & Spatial Planning | Upon completion of the Local Plan and in light of the Greater Lincolnshire focus on strategic and spatial planning, we need to ensure West Lindsey's growth needs and strategic planning duties are understood and addressed to include duty to co-operate with all relevant strategic planning areas including all Nottinghamshire authorities | To undertake review of future options and develop a strategy for delivery   | <ol style="list-style-type: none"> <li>1. Plan submitted June 2016 to SoS to hold an examination in public</li> <li>2. Public Consultation period held Oct - Dec 2016</li> <li>3. Plan re-submitted to SoS for decision Dec 2016</li> <li>4. SoS decision received in Apr 2017 approving the Plan</li> <li>5. Arrangements in place for on-going monitoring of delivery of Local Plan</li> </ol>    | 31/12/2016 | M. Sturgess | Black |
| Development Management       | To ensure issues relating to capacity; performance and customer care are addressed and sustainable improvements are realised  | <ol style="list-style-type: none"> <li>1. Ensure adequate capacity and skills within the service</li> <li>2. Ensure performance reporting is robust and reliable</li> <li>3. External independent assessment of performance reporting is provided</li> <li>4. Deliver measurable and sustainable improvements in customer care</li> </ol> | <ol style="list-style-type: none"> <li>1. Team Manager appointed and other key positions filled</li> <li>2. Audit underway by Internal Audit - due to report Q2 of 17/18</li> <li>3. Performance measures in place and scrutiny and review processes in place</li> <li>4. Improvement Plan update provided for C&amp;I for 13th October 2016 - final progress report provided March 2017</li> </ol> | 31/07/2017 | M. Sturgess | Green |

|                                   |  |   |   |            |            |       |
|-----------------------------------|--|---|---|------------|------------|-------|
| Strategic Programme Delivery      | An extensive capital programme has been agreed and we therefore need to ensure that robust and appropriate governance arrangements are implemented to oversee its delivery and financial management governance and other strategic considerations e.g. stakeholder engagement are adequate to support complex change | <ol style="list-style-type: none"> <li>1. Establish regular monitoring via Entrepreneurial Board.</li> <li>2. Report to Members via Quarterly Finance Monitoring reports</li> <li>3. Ensure each project follows the project management framework</li> <li>4. Exception reporting through Progress &amp; Delivery reports of projects not performing as expected</li> <li>5. Annual review as part of year end closedown</li> </ol> | <ol style="list-style-type: none"> <li>1. Entrepreneurial Board in place</li> <li>2. Progress &amp; Delivery and Quarterly Finance Monitoring reports in place.</li> <li>3. Project methodology in place and adherence monitored.</li> <li>4. Review of Boards undertaken with emphasis on delivery of key strategic programmes in support of Corporate Plan delivery.</li> <li>5. Arrangements in place for technical and expert advice to be received from parties such as Lincs legal and Procurement Lincs. Key Sponsor roles played by Directors.</li> </ol> | 31/07/2017 | I. Knowles | Black |
| Information Governance & Security | To ensure that appropriate controls and polices are in place to provide on-going mitigation for the Council against the risk of cyber-crime and/or data/information leakage  | <ol style="list-style-type: none"> <li>1. Implement revised Information Governance Strategy</li> <li>2. Refresh Information Security Policy</li> <li>3. Develop and deliver training programme</li> <li>4. Achieve PSN compliance</li> <li>5. Follow-up ICT Incident Mgt Audit to be conducted Q3.</li> </ol>   | <ol style="list-style-type: none"> <li>1. Strategy produced</li> <li>2. Security Policy reviewed. Many other policies refreshed</li> <li>3. DPA training completed. Further elements planned.</li> <li>4. PSN submission issued to Cabinet Office</li> <li>5. ICT Incident Mgt Audit completed - substantial assurance finding received</li> </ol>  | 31/07/2017 | I. Knowles | Black |

|                       |   |   |   |            |             |       |
|-----------------------|---|---|---|------------|-------------|-------|
|                       |   | 6. Prepare for implementation of GDPR by May 2018   | 6. Work plan developed for introduction of GDPR by May 2018.  |            |             |       |
| Intelligent Clienting | To address the recognised issues across the CBL partnership and develop improved processes for customers and to review similar areas where good practice exists and apply learning to similar circumstances across the organisation | <ol style="list-style-type: none"> <li>1. Improve effectiveness of nominations through CBL</li> <li>2. Improve effectiveness of CBL partnership</li> <li>3. Address issues relating to the CBL IT system</li> <li>4. Strengthen CBL related contractual arrangements</li> <li>5. Formalise CBL recharge arrangements</li> <li>6. Improve quality of Housing register data</li> <li>7. Formalise Housing Register related performance monitoring</li> <li>8. Introduce Nominations and CBL Performance Monitoring</li> <li>9. Request Internal Audit review of subject matter</li> <li>10. Arrange audit to look at Intelligent Client arrangements at WLDC</li> </ol> | <ol style="list-style-type: none"> <li>1. Weekly monitoring in place undertaken by a post jointly funded by ACIS.</li> <li>2. Review undertaken of ToR of CBL partnership using guidance set out in WLDC ACoP and new policy produced.</li> <li>3. Review of legal requirements of CBL partnership completed and position fully understood.</li> <li>4. IT system rebuilt but still not effective. Exploration of alternative system underway.</li> <li>5. Sampling of case data undertaken by monitoring officer.</li> <li>6. Performance measures regularised and monitoring process in place</li> <li>7. Follow-up audit scheduled.</li> <li>8. Intelligent Client audit conducted with substantial assurance finding</li> </ol> | 31/07/2017 | M. Sturgess | Black |

|                     |   |   |   |            |             |       |
|---------------------|---|---|---|------------|-------------|-------|
| Selective Licensing | To review the implementation, monitoring and initial performance of the selective licensing project in the Gainsborough South West Ward | 1. To deliver a selective licensing scheme in the SWW of Gainsborough | 1. Scheme implemented from 18/7/16<br>2. Communication with landlords on-going<br>3. Enforcement activity commenced from 01/04/17<br>4. Awaiting Officer report | 31/07/2017 | M. Sturgess | Green |
|---------------------|---|---|---|------------|-------------|-------|

## Annual Governance Statement 2016/17 Action Plan

| Issue   | Description   | Action   | Current Position  | Date Due   | Officer     | BRAG  |
|---|---|--|---|------------|-------------|-------|
| Implementation of General Data Protection Regulations | To ensure compliance with new regulations coming into force on 25th May 2018, which aim to increase cyber-security and the protection of data | <ol style="list-style-type: none"> <li>1. Devise project plan and milestones</li> <li>2. Undertake self-assessment exercise and act on findings</li> <li>3. Determine response for appointment of DPO</li> <li>4. Implement scheme of staff training and awareness</li> <li>5. Maintain on-going review of guidance and best practice</li> </ol>   | <ol style="list-style-type: none"> <li>1. Project plan designed and progress review mechanisms in place.</li> <li>2. Self-assessment exercise underway</li> <li>3. Training packages being investigated</li> <li>4. Discussions underway re DPO role</li> </ol> | 31/07/2018 | I. Knowles  | Green |
| Political Governance                                  | To maintain and re-inforce the current high standards of behaviour across all levels of democratic governance within West Lindsey             | <ol style="list-style-type: none"> <li>1. Roll-out newly adopted Code of Conduct via training/workshops</li> <li>2. Deliver specific Member behaviour training via external provider</li> <li>3. Produce annual report to Standards Committee</li> <li>4. Work closely with Group Leaders</li> <li>5. Work with team managers and other key staff on working in a political environment</li> </ol> | <ol style="list-style-type: none"> <li>1. New Code of Conduct in place.</li> <li>2. Training delivered for Members July 2017</li> <li>3. Regular meetings scheduled with Group Leaders</li> </ol>   | 31/07/2018 | A. Robinson | Green |
| Partnerships  | To critically evaluate and maintain the effectiveness of the Council's key strategic partnerships   | <ol style="list-style-type: none"> <li>1. Review all key partnerships and update partnership register</li> <li>2. Report to GCLT on evaluation</li> </ol>  | <ol style="list-style-type: none"> <li>1. Paper to GCLT in May 2017 setting out rationale.</li> <li>2. Review of Audit Commission's 'Governing</li> </ol>   | 31/07/2018 | I. Knowles  | Green |

|   |   |  |  |            |                    |       |
|---|---|--|--|------------|--------------------|-------|
|   |   | <ul style="list-style-type: none"> <li>3. Raise awareness and understanding across staff</li> <li>4. Implement on-going monitoring and reporting on effectiveness</li> </ul>   | <ul style="list-style-type: none"> <li>Partnerships' guidance underway.</li> <li>3. Review meetings TBA with partnership leads</li> </ul>  |            |                    |       |
| Value for Money   | To complete value for money assessments across service areas and develop appropriate improvement plans to achieve greater value for money and increased productivity; wider usage of benchmarking and the creation of a value for money culture | <ul style="list-style-type: none"> <li>1. Gain understanding of benchmarking tool</li> <li>2. Undertake VfM assessments across a number of service areas</li> <li>3. Report initial findings to GCLT and learning obtained</li> <li>4. Roll-out VfM work across remaining service areas</li> <li>5. Identify improvements required and plans for delivery</li> <li>6. Monitor progress through internal process</li> </ul> | <ul style="list-style-type: none"> <li>1. VfM tool utilised and VfM assessments produced.</li> <li>2. Findings presented to a number of service areas with discussions and consideration of results</li> </ul>   | 31/07/2018 | I. Knowles         | Green |
| Delivery of Key Commercial and Community Based Projects | To deliver at the required pace, key projects in support of the Corporate Plan which deliver benefits for the whole of the District   | <ul style="list-style-type: none"> <li>1. Ensure effective Sponsorship of all key projects.</li> <li>2. Review delegation arrangements and streamlining of governance arrangements</li> <li>3. Effective Board scrutiny and challenge/support for programme delivery</li> <li>4. Commission audits into 'Effective Decision Making' and 'EB/Programme Board'</li> </ul>  | <ul style="list-style-type: none"> <li>1. Sponsorship of key programmes and projects allocated</li> <li>2. Work underway to examine governance processes</li> <li>3. Board ToRs in place and reviewed</li> <li>4. Await 'Effective Decision Making' audit report</li> <li>5. Await 'EB/Programme Board' audit reports</li> <li>6. Await review of Commercial Plan</li> </ul> | 31/07/2018 | E. Fawcett-Moralee | Green |



|                         |  |   |   |            |             |       |
|-------------------------|--|---|---|------------|-------------|-------|
|                         |  | 5. Act on recommendations of Commercial Plan review   |   |            |             |       |
| Resilience and Capacity | To balance the Council's capacity to deliver ambitious programmes with the operational and management responsibilities placed on staff   | <ol style="list-style-type: none"> <li>1. Workforce Development Plan reviewed and updated</li> <li>2. Implement resourcing plan to ensure appropriate skills/capacity in place</li> <li>3. Undertake to streamline processes to deliver greater efficiency and delivery capacity</li> </ol> | <ol style="list-style-type: none"> <li>1. Current Workforce Development Plan ready to be reviewed taking account of appraisal 16/17 needs.</li> <li>2. Outline Resourcing Plan principles in place.</li> <li>3. Work underway to examine processes of governance</li> </ol> | 31/07/2018 | I. Knowles  | Green |
| Selective Licensing     | For Members to receive and consider a report evaluating the implementation and effectiveness of the scheme   | <ol style="list-style-type: none"> <li>1. Officers to collate data and information and produce report</li> <li>2. Report to be presented and approved by Prosperous Communities Committee</li> </ol>  | <ol style="list-style-type: none"> <li>1. Scheme in place and monitoring and review of effectiveness in place</li> </ol>  | 31/07/2018 | M. Sturgess | Green |
| Development Management  | To receive the findings of an audit into the service, providing oversight and scrutiny to ensure subsequent recommendations and actions are appropriately considered and implemented | <ol style="list-style-type: none"> <li>1. Audit to be completed and findings considered by GCLT</li> <li>2. Audit report to be presented to G&amp;A Committee</li> <li>3. Actions to be completed and signed off</li> </ol>   | <ol style="list-style-type: none"> <li>1. Audit underway – due for completion July '17</li> </ol>   | 31/07/2018 | M. Sturgess | Green |

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**Committee: Governance and Audit**

**Date 25 July 17**

**Subject: Annual Customer Feedback report**

Report by:

Lyn Marlow

Contact Officer:

Lyn Marlow

Team Manager Customer Strategy and Services

Telephone 01427 676 684

Email [lyn.marlow@west-lindsey.gov.uk](mailto:lyn.marlow@west-lindsey.gov.uk)

Purpose / Summary:

To review the number, type and results of Compliments, comments and complaints made to the Council during 2016/17, advise on any trends, areas for learning and future management of feedback

**RECOMMENDATION(S): That Members note the 2016/17 results and where appropriate suggest corrective action**

## IMPLICATIONS

**Legal: None arising from this report**

**Financial FIN/TJB/35/18:** A position of a Customer Complaint Advocate has been created and is to be funded from in-year vacancy savings. The post has been evaluated as Band 8, annual salary £25,951 rising to £29,323. The work of this position is explained within this report at item 7.

**Staffing : HR033-7-17:** See above. If it is felt that this position is required on a permanent basis then a recommendation will be made within the Annual Feedback report for 2017/18.

**Equality and Diversity including Human Rights :** Customers have the ability to make a compliment, comment or complaint in a variety of ways such as face to face, letter, telephone, email or the website. When requested our procedure will be provided in alternative formats such as another language or in braille

**Risk Assessment : None arising from this report**

**Climate Related Risks and Opportunities : None arising from this report**

**Title and Location of any Background Papers used in the preparation of this report:** The Local Government Ombudsman prepare an annual letter which provides details of LGO complaints received and dealt with.

\*Institute of Customer Services "Cost of handling complaints in the public sector 2014"

Details of all compliments, comments and complaints are held on internal software and reports from that system are used to create this report

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

*i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)*

**Yes**

**No**

**Key Decision:**

*A matter which affects two or more wards, or has significant financial implications*

**Yes**

**No**

**1. Looking Backwards**

1.1 In March 2008 the Corporate Governance Group agreed to submit an annual report to this Committee on customer complaints, referred to internally as feedback. Customers are at the heart of what we do and we need to ensure that our services meet the needs of the customer.

1.2 This report looks at 3 main areas within feedback. These are compliments, comments and complaints. All 3 are of equal importance in understanding what

customers think of the services we provide and give us the chance to seize learning opportunities.

1.3 Customers can also ask that their complaint is ultimately reviewed by the Local Government Ombudsman (LGO). The remit of the LGO is to investigate complaints about 'maladministration' and 'service failure'. If there has been fault she considers whether it has caused an injustice and if it has, she may suggest a remedy. (Local Government Act 1974 Sections 26 (1) & 26A (1))

1.4 Historical feedback, details and statically data is held in sections 3 to 6

## **2. Looking Forwards**

2.1 Compliments, Comments and Complaints are all recorded by the Customer Services Team and are dealt with in accordance with Council procedures. Customers also have the option to log a compliment, comment or complaint via the West Lindsey Website.

2.2 Refer to section 7

## **3. Compliments**

3.1 The Council received a total of 186 compliments from April 2016 to March 2017 and this is an increase of 15% from the previous year, which is to be welcomed.

3.2 Compliments were received for the following teams:

|                                   |    |
|-----------------------------------|----|
| Development Management (Planning) | 59 |
| Operations Services (Waste)       | 33 |
| Customer Services                 | 27 |
| Public Protection                 | 15 |
| Building Control                  | 15 |
| Housing/Home Choices              | 12 |
| Revenues                          | 6  |
| Trinity Arts Centre               | 5  |
| Planning Enforcement              | 4  |
| Anti-Social Behaviour             | 2  |
| Local Land Charges                | 2  |
| Organisation Development          | 2  |
| Property and Assets               | 2  |
| Electoral Registration            | 1  |
| Licensing                         | 1  |

3.3 As shown above, Development Management (planning) received the highest number of compliments of any service, with 59 during 2016/17, followed by Operations Services (waste) at 33. A fact that should be celebrate and demonstrates that services that our customers are passionate about will receive both good and bad reactions during delivery.

3.4 The Council encourages all staff to record any compliments that are received each year so the public perception on the services we deliver can be understood. Although the number of compliments increased the number of teams receiving compliments decreased, suggesting some teams are more proactive with the recording of compliments.

3.5 With the implementation of the Customer Complaints Advocate position it is envisaged that this role will also promote the proactive capture and logging of compliments across the Council.

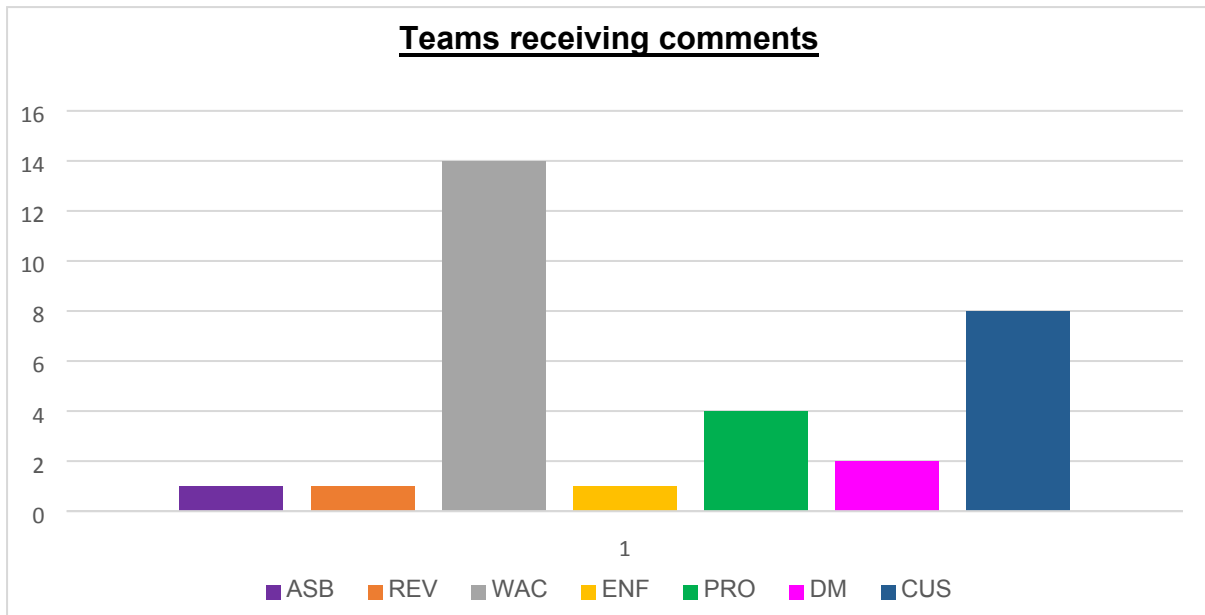
3.6 Appendix A shows what customers complimented us for.

#### **4. Comments**

4.1 Every year the number of comments received are captured from our customers. These comments give us essential information to look at ways to improve services for the benefit of residents.

4.2 For the year 2016/2017 we received a total of 31 comments which is disappointing. In the previous year 142 comments were received.

The comments were across seven teams and covered a range of issues. Comments were received for the following teams.



|     |                                  |
|-----|----------------------------------|
| ASB | Anti-Social Behaviour            |
| Rev | Revenues(Council Tax)            |
| WAC | Operational Services (Waste)     |
| ENF | Planning Enforcement             |
| PRO | Property and Assets              |
| DM  | Development Management(planning) |
| CUS | Customer Services                |

4.3 The introduction of car parking charges in Market Rasen, being a local contentious issue and the loss of the multi storey car park in Gainsborough have brought challenges over the last year. Our customers clearly made this known to us and this is demonstrated in Appendix B. The comments showed the passion our residents have for the area in which they live, which is to be welcomed.

4.4 The second highest comments received were with regards to missed bins, in total over the year 1430 bins were reported to us as missed this decreased from the previous year's total of 1661 so would be consistent that comments were also higher then.

4.5 Using the Customer Complaint Advocate proactive work will be undertaken to promote the capture and logging of comments during 2017/18 and onwards.

## **5. Complaints**

5.1 A total of 180 complaints have been received during 2016/17, this is a 32% increase on the previous year. The total figure includes both stage 2 and stage 3 complaints.

5.2 Whilst this is an increase we need to understand that 180 complaints represents 0.05% of customer contact with the Council resulted in a complaint in 2016/17.

5.3 March 2017 saw the biggest increase in complaints being received, with Development Management (Planning) receiving the highest amount, 7 in total.

5.3.1 However this also aligns with changes to the way member comments and MP letters were being recorded, with some of these being logged as complaints for the first time, although this method of recording is to be reviewed and is referred to in section 7 of this report.

5.3.2 Given the many thousands of people that interact with the planning service during the year, this represents an extremely low percentage of customers and well under 1%.

5.3.3 Over the course of the last year just 30 complaints were received, a reduction of 11 on previous years, whilst the team handled over 1,400 different planning applications and pre-application requests, but actual customer contact is higher as this does not take into account the number of telephone calls and email received by the Development Management team.

5.4 Waste services followed closely behind with 5 complaints during March. Proportionally waste services also receive an extremely small amount of complaints if we take into account the 41910 households that have their bins emptied each month, typically less than 1%.

5.5 The number of contacts the Council receives from customers, whether this be via phone, face to face or email has decreased from the previous year, from over half a million to approximately 400,000. However this in part could be attributed to the extensive work IT have done to prevent spam emails being received by officers.

5.6 The number of complaints received equates to less than 0.05% of all customer contact.

5.7 Appendix E shows the number of informal complaints received. Waste services receive the majority of informal complaints, however the majority only equates to three. Customers tend to be satisfied with an informal response or apology, complaints for this department seem best resolved on an informal basis and a service improvement is quick to identify.

5.8 In 2014/15 members requested an understanding of how much it costs the Council to deal with complaints. Using the same figures as 2014/15, with each complaint costing a minimum of £314.54 to deal with. Therefore the total minimum figure for investigating and resolving the whole year's complaints is £56,617.20. As complaints have increased then these costs have also increased by a minimum of £13,000 from the last financial year. \*(see background papers comment)

5.9 Of the 180 complaints 103 were upheld in the customers favour. On one occasion we issued Trinity Arts tickets as their original visit had been disrupted, by way of an apology. In the majority of cases customer are happy with an apology and a commitment from the Council not to allow the situation to be repeated.



5.10 Appendices D to I provided at the end of this report show volumes of complaints, types and the response rates.

## **6. Local Government Ombudsman**

6.1 There has been a total of eight enquiries to the Local Government Ombudsman (LGO) which is over double the amount of referred complaints from 2015/16.

6.2 Seven of the cases have been investigated and closed with one currently still under investigation.

6.3 Below shows the outcome of the seven referred complaints. At no point did the LGO find any evidence of the Council being at fault. Therefore there has been no financial compensation made.

|                              |   |
|------------------------------|---|
| Closed after initial contact | 4 |
| Out of jurisdiction          | 1 |
| Not upheld                   | 2 |

6.4 The complaints referred to the LGO were originally against the following departments:

|                          |   |
|--------------------------|---|
| Development Management   | 3 |
| Planning Enforcement     | 1 |
| Housing Enforcement      | 1 |
| Housing Benefit          | 1 |
| Environmental Protection | 1 |

6.5 The final outstanding investigation outstanding with the LGO is in relation to Development Management.

## **7. Next Steps**

7.1 Following the increase of complaints over the year and the reduction in comments received from customers the Council is taking action to address the situation for the coming year, in terms of being more proactive in capturing comments and using complaints as a learning tool.

7.2 Work continues in refining our processes, with the implementation of the Customer Complaints Advocate, our work with the Institute of customer services and a number of changes will take place to our 3c's system. (Compliments, comments and complaints) which may include enhancing the current 3cs system.

7.3 Work is also underway to review the complaint process itself in order to make it simpler and easier for customers, improve communication with the customer during

the complaint process and easier for officers to analysis and understand complaints, how they occur, identification of learning from our complaints and monitoring to ensure learning is implemented

7.4 West Lindsey has recently appointed a Customer Complaints Advocate. The role will allow for complaints to be handled in a more focussed and customer centric way. It is anticipated that the officer in post will provide feedback to panel of Senior Officers and where relevant a learning outcome will be identified and updates on progress will be requested. I

7.4.1 It is envisaged that this post will ultimately focus on all aspects of Customer feedback not just complaints, in order to improve the Customer Experience by undertaking regular satisfaction surveys and acting on those results, putting mistakes right quickly when they go wrong, promoting our complaint learning outcomes, using the website in a proactive way demonstrating the number of 3cs received during the year and for those updates to happen in real time during the rest of 2017/18 and going forward and working to enhance the current complaints system

7.5 All of the above work will be carried out in accordance with our Customer First Programme as part of the Council Corporate Priorities one of which is of "Putting People First"

## **8. Conclusion**

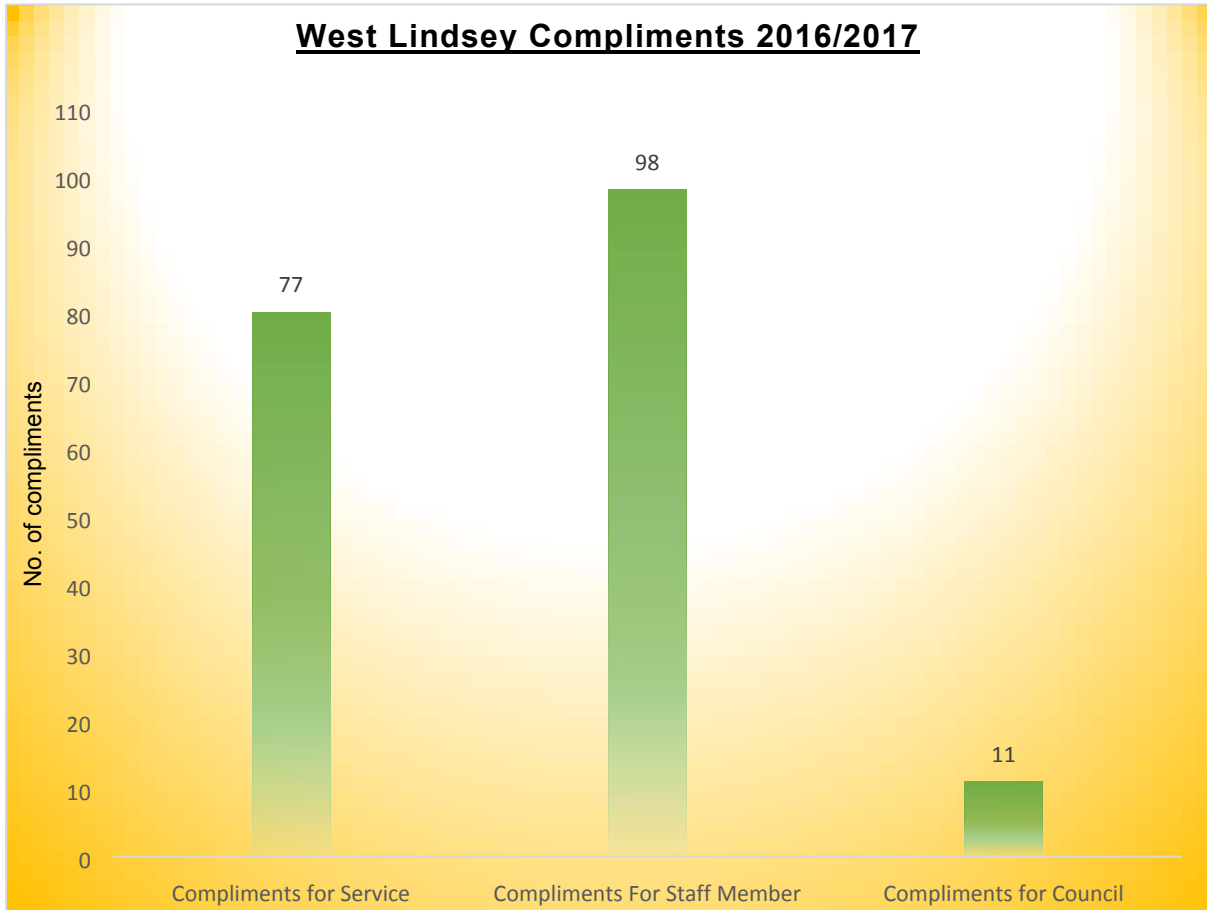
8.1 The content of this report details comprehensive information on customer comments, compliments and complaints and clearly provides us with the feedback needed to implement a customer focused system for the coming year.

8.2 The journey we are embarking on with the Institute of Customer Services will ensure we embed our new Customer First strategy with all staff and over the coming years, endeavour to see more comments and compliments logged, more learning from complaints and a proactive culture towards receiving and reacting to the complaints we receive.

## Appendix A

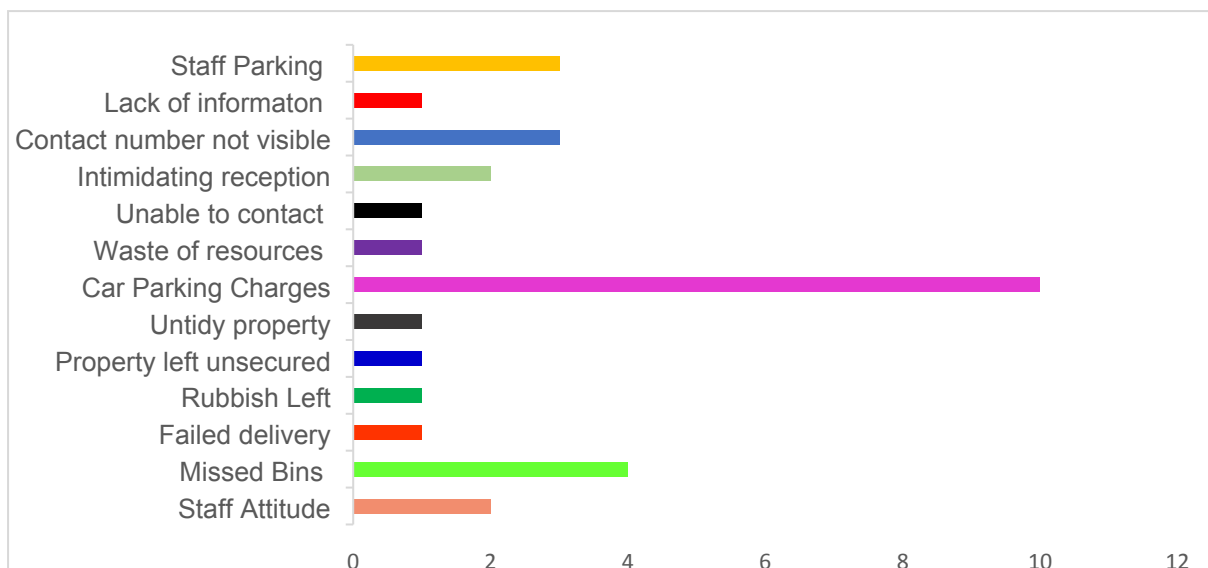
### What customers complimented us on

The results shown below are consistent with the previous year, customer's complimenting staff over service which needs to be recognised for and staff rewarded for this.



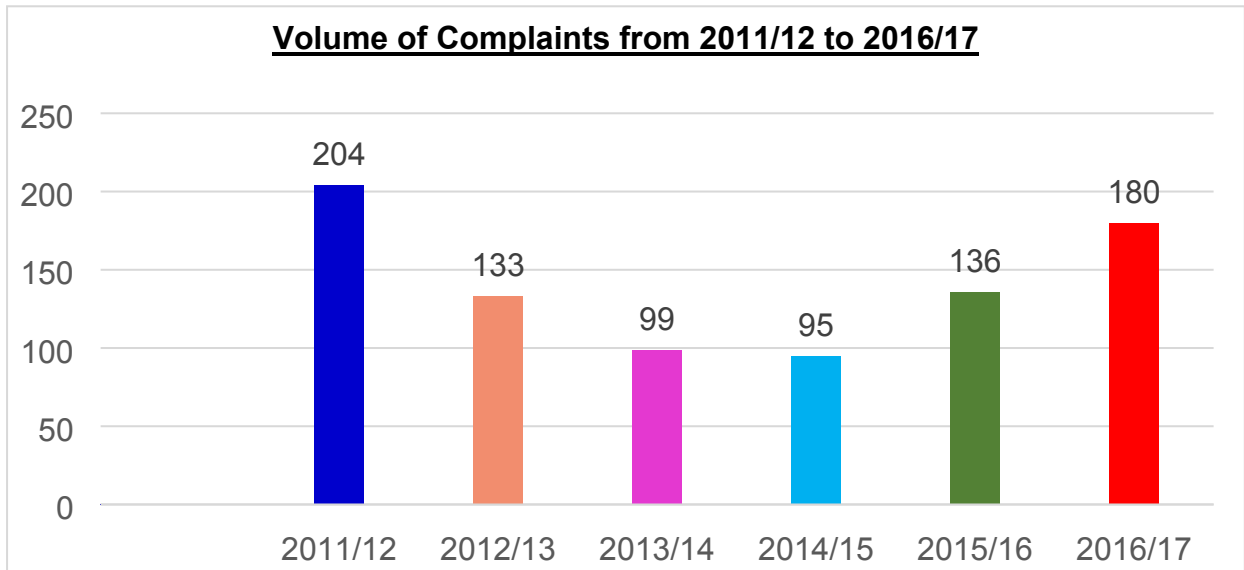
## Appendix B

### Subject of Comment made

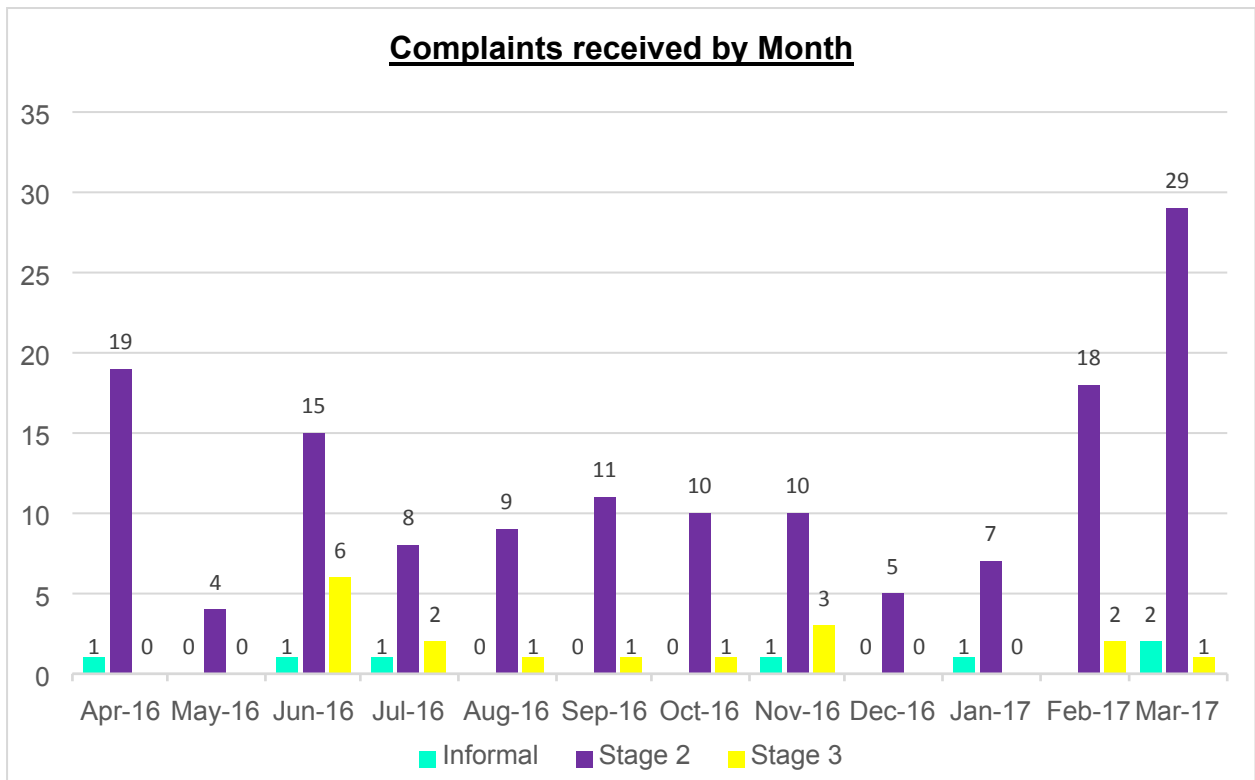


**Appendix C**

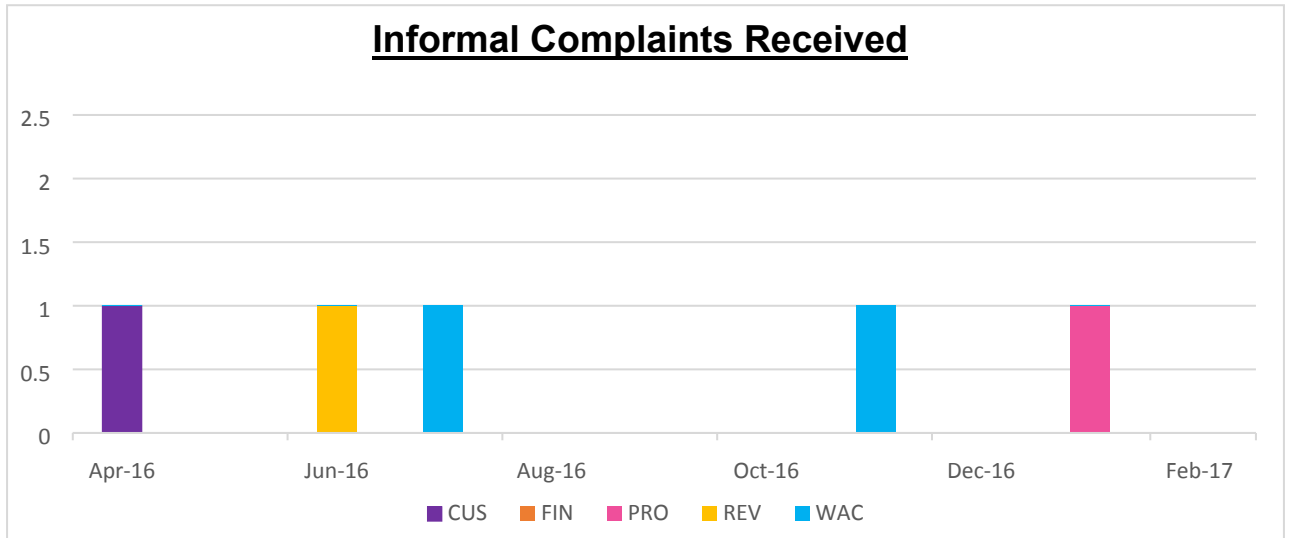
**Complaints volume year on year and monthly for 2016/17**



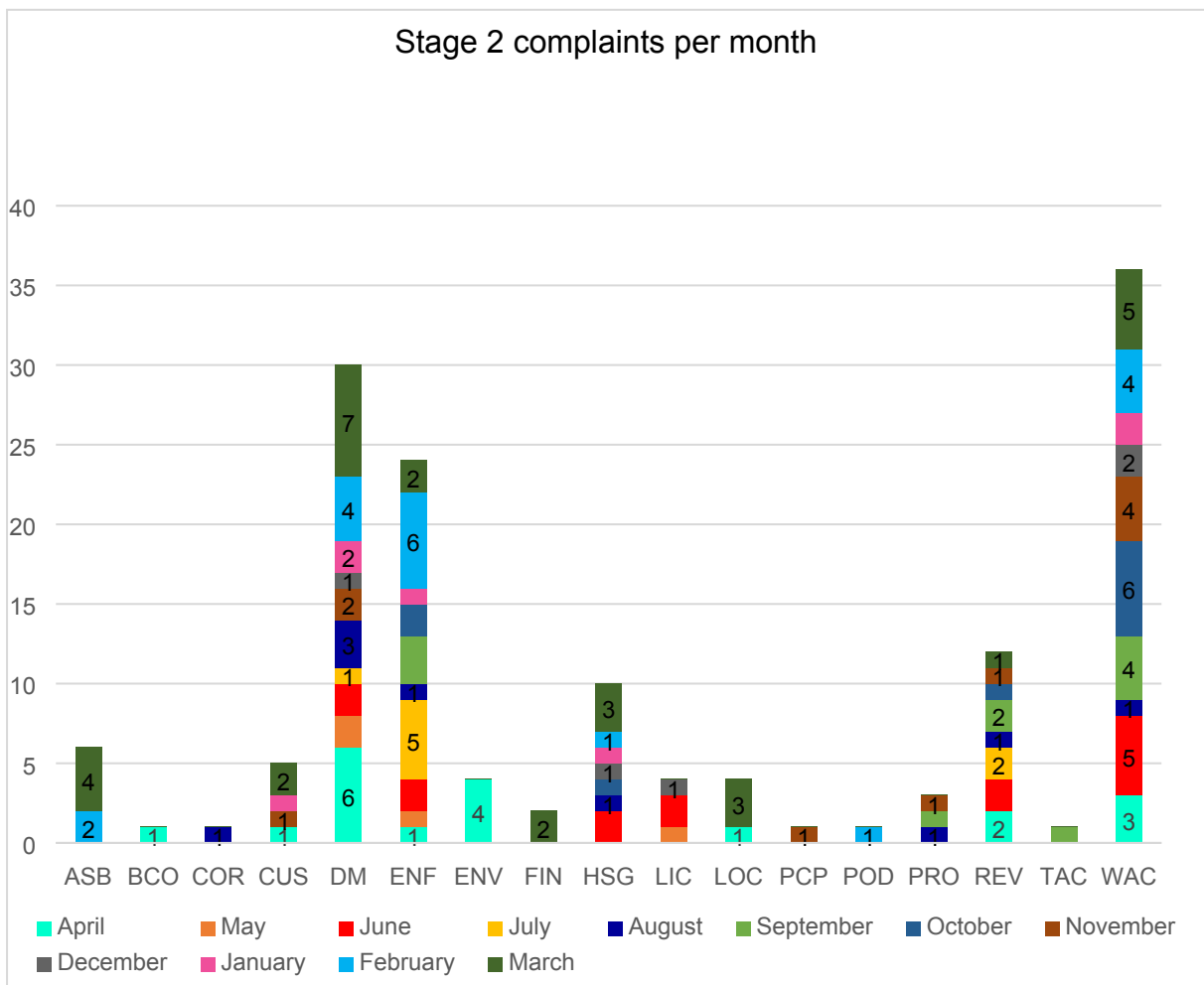
**Appendix D Continued**



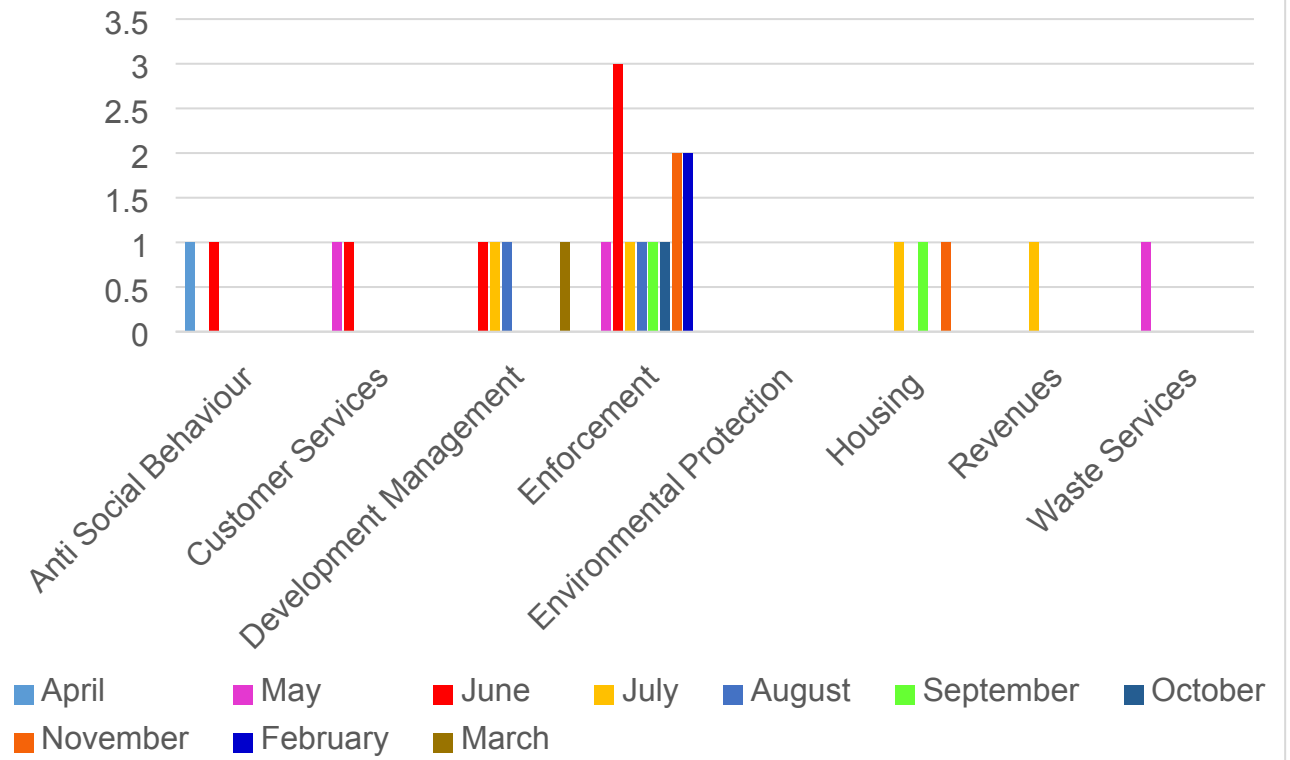
**Appendix E**



**Appendix F**



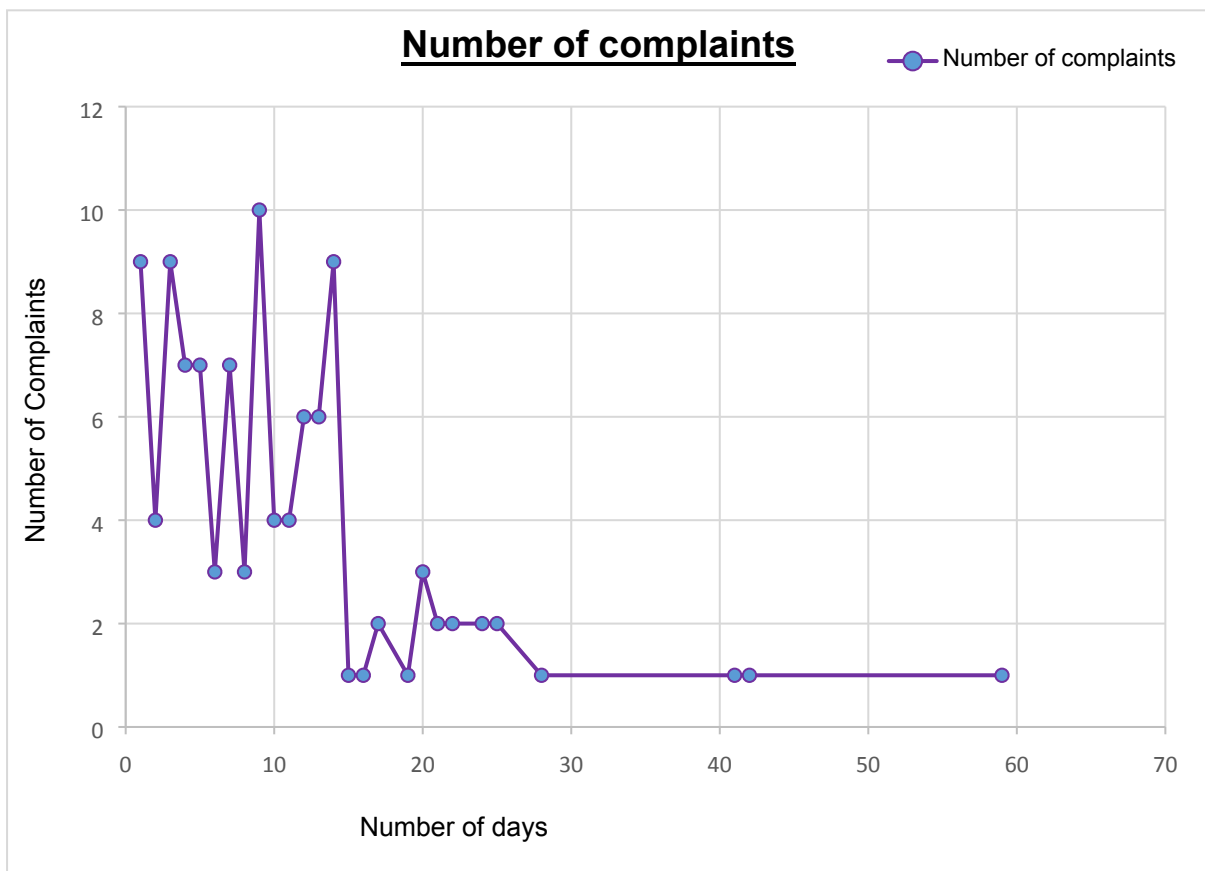
**Stage 3 Complaints per month**



## Appendix G

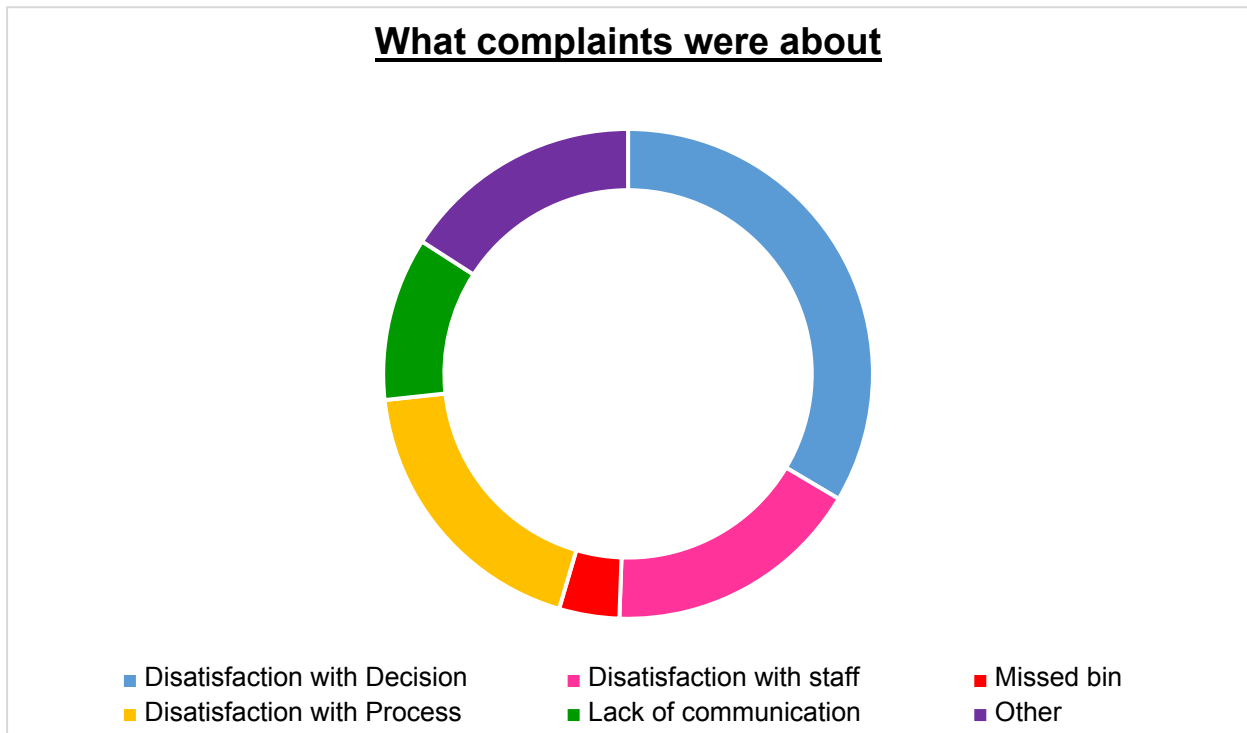
### Time taken to resolve stage 2 and stage 3 complaints

Where complaints are complex and require extensive investigation customers receive 'keeping in touch' letters or phone calls from officers keeping them updated on progress. The number of complaints detailed in the below graph is less than the total number of complaints received. This is because some complaints are categorised as requiring 'no written response'.



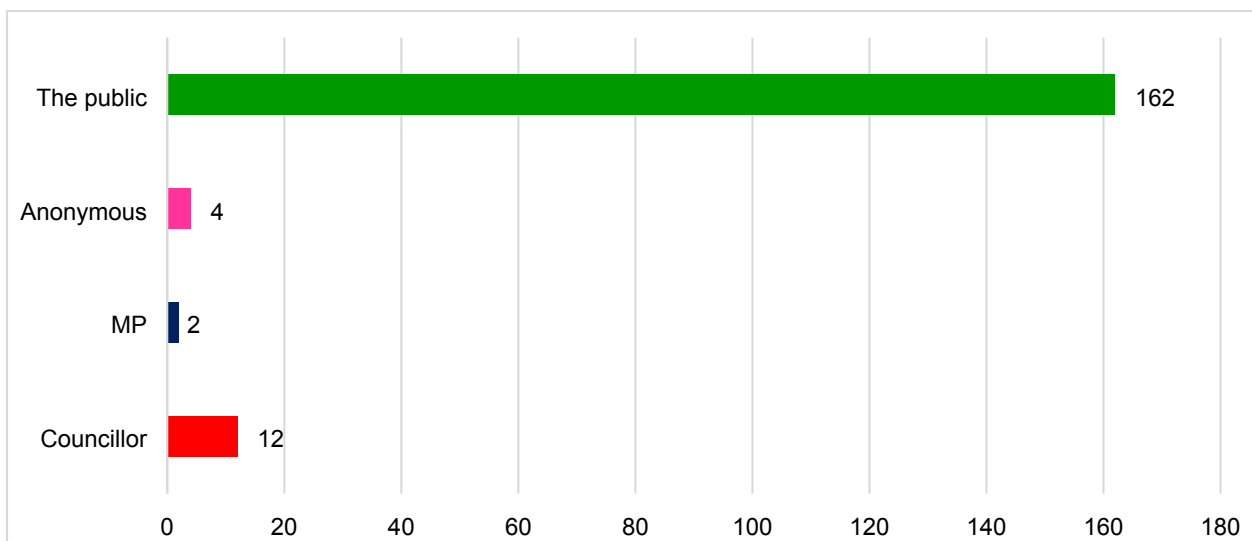
## Appendix H

This shows what customers complained to us about, other complaints were generally a collection of waste issues, such as bins left in the middle of pavements, bags verses bins and bin lorries blocking roads. The largest majority of decision dissatisfaction came from planning enforcement complaints, this is usually where we have concluded no action needs to be taken but the issue still remains.



## Appendix I

Below details who are complaints over the year came from







|                             |
|-----------------------------|
| Report No:                  |
| <b>Governance and Audit</b> |
| <b>Date: 25 July 2017</b>   |

**Subject: Summary of Corporate Fraud Investigations 2016/2017**

Report by: Carol Bond

Contact Officer: Carol Bond  
Corporate Investigations Officer  
T: 01427 676522

Purpose / Summary: To review the number, type and results of investigations made by the Council during 2016/2017

**RECOMMENDATIONS:**  
That Members note the 2016/2017 results and support the plan going forward to include corporate fraud investigations.

## IMPLICATIONS

**Legal: None**

**Financial : FIN/36/TJB/18**

None from this report.

However the service generated £5,772 from Council Tax investigations and has saved £23,000 of otherwise external costs.

**Staffing : None**

**Equality and Diversity including Human Rights : N/A**

**Risk Assessment : N/A**

**Climate Related Risks and Opportunities : None**

**Title and Location of any Background Papers used in the preparation of this report:**

|  |
|--|
|  |
|  |
|  |
|  |
|  |

**Call in and Urgency:**

**Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?**

Yes

No

**Key Decision:**

Yes

No

## 1. Introduction

The purpose of this report is to:

Review the delivery of our Corporate Investigations Work during 2016/2017

Provide information on the overall effectiveness of the authority's arrangements to counter fraud and corruption

## 2. Background

- 2.1 2015/16 was the first year that the newly established West Lindsey Corporate Investigations Team had dealt with all corporate fraud issues. In January 2017 the team moved to become part of the finance team.
- 2.2 The Corporate Investigations Team is designed to be a self-financing unit of one officer with fraud detection experience. The unit trades internally and externally, currently commissioning work from departments within West Lindsey and neighbouring Local Authorities.
- 2.3 West Lindsey DC worked in conjunction with Boston Borough Council to provide an investigation service to complete their project into Local Council Tax Reduction review.
- 2.4 Other work carried out by the Corporate Investigation Team during 2016/2017 included Stage 3 complaints, staff investigations, investigating referrals from the DWP Housing Benefit Matching Service and making referrals and dealing with information requests from the Department for Works and Pensions fraud team and National Fraud Initiative referrals. A recent addition to the work programme is assisting with housing enforcement.
- 2.3 The WLDC Corporate Investigations future work will include corporate issues in line with the now disbanded Audit Commission's advice to acknowledge that fraud takes place, to take measures to prevent those frauds taking place and to actively pursue fraudulent activity within this Local Authority. To this end the Whistleblowing policy and Anti-Money Laundering policy have been reviewed.

## 3. Analysis of Council Tax Support Investigations 2016/2017

- 3.1 Local Council Tax Support (CTS) Fraud - The actual savings for West Lindsey DC were £4,652 (being 12.5% of the full CTR reduction of

£35,922.32 the remainder being the County and Police savings) plus income of £1,120 from penalties.

3.2 The table below shows that 50% of the referrals received from the Benefit processing team resulted in one of the Penalties being applied.

| No. Investigations | CTB    | LCTRS   | Future LCTRS | Total adjustments | Warning letter | £70 penalty | Ad-pen | Pros |
|--------------------|--------|---------|--------------|-------------------|----------------|-------------|--------|------|
| 42                 | £2,510 | £35,922 | £649         | £39,081           | 8              | £1,120      | £3,892 | 0    |

3.3 The criteria for investigation is that a Council Tax Support claim had been 'adjusted' by £250 or more and the information causing the necessary adjustment had been withheld by the claimant in excess of one month to warrant a £70 penalty. If the "adjustment" was more than £400 and deemed to be a fraudulent activity the case would be considered for an Administrative Penalty which would be equal to 50 % of the adjustment to a maximum of £1,000.

#### 4 Analysis of other Corporate Fraud activity 2016/17

4.1 The team continue to receive and act on referrals from the Housing Benefit Matching Service (HBMS) and received 190 Referrals during 2016/17, each of which underwent some form of investigation.

4.2 The Corporate Fraud team also continued to receive referrals for Housing Benefit fraud from the general public and officers of the council. Between April 16 and March 17 the team made **51** referrals to the Department for Works and Pensions Fraud Team to investigate. These referrals do result in further information being requested by the DWP to support their investigation.

#### Housing Benefit Fraud reported to DWP by 'Referral Source'

|    | Case Review | Officer Report | Anonymous Report | Total     |
|----|-------------|----------------|------------------|-----------|
| Q1 | 8           | 3              | 3                | <b>14</b> |
| Q2 | 8           | 2              | 0                | <b>10</b> |
| Q3 | 8           | 0              | 1                | <b>9</b>  |
| Q4 | 8           | 1              | 4                | <b>13</b> |

- 4.3 Corporate Fraud investigations during 2016/2017 included 11 Stage 3 complaints, 3 Standards investigation and two internal investigations. The table below details the cost of supporting departments and the cost of using an external provider.

### **Corporate and Investigation Fraud Service:**

The external cost of activities for the year would have totalled £23,000 should this have been procured, rather than delivered in house.

### **5. 2017/18 Fraud Work**

- 5.1 For the coming year the team will look at further Local Council Tax Support Fraud, Business Rates discounts, a proactive drive to include other departments looking at empty homes, tenancy fraud (homeless applications), council tax payers/council tax exemptions and new Local Council Tax Support claims.
- 5.2 Further promotion of the service internally and externally will be scheduled through the Summer and Autumn months
- 5.3 To provide fraud awareness training through the new e-learning programme and RIPA application updates
- 5.4 Undertake further corporate fraud risks and review.

### **6. Conclusion**

- 6.1 The new Corporate Fraud Team has concentrated on Council Tax Support fraud and building up an internal customer base to investigate all West Lindsey fraud and high-level complaints.
- 6.2 The team moved into the Finance Department in January 2017 and since then has concentrated on undertaking a corporate fraud review of our procurement processes
- 6.3 Since moving into finance team work within the housing enforcement team has been completed and identified as an area which complements investigation skills and will be explored over the coming months to establish a corporate approach to enforcement.
- 6.4 Alongside the new fraud activities, the statutory duties such as making Housing Benefit fraud referrals and dealing with Housing Benefit Matching Service referrals have all been completed.

- 6.5** The commercialisation of the Corporate Fraud Service will be kept under review during the coming year.



**Governance and Audit**

**Date: 25/07/2017**

**Subject: Review of the Whistle Blowing Policy 2016/2017**

|                    |  |
|--------------------|--|
| Report by:         | Alan Robinson  |
| Contact Officer:   | Alan Robinson<br>Monitoring Officer<br>T: 01427 676509 |
| Purpose / Summary: | Annual Review of the Whistleblowing Policy             |

**RECOMMENDATIONS:**

**That Members Assure themselves the Whistleblowing Policy in place is working effectively. Where appropriate members may suggest improvements to the Policy.**

**IMPLICATIONS**

**Legal: None**

**Financial : FIN/51/18/TJB**

**None from this report**

**Staffing : None**

**Equality and Diversity including Human Rights : N/A**

**Risk Assessment : N/A**

**Climate Related Risks and Opportunities : None**

**Title and Location of any Background Papers used in the preparation of this report:**

|  |
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|  |
|  |
|  |

**Call in and Urgency:**

**Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?**

**Yes**

**No**

**Key Decision:**

**Yes**

**No**

## **1. Introduction**

- 1.1 The Whistle Blowing Policy provides a method for employees to raise concerns about the running of the Council without the risk of



victimisation. All employees have access top this policy. This committee has been receiving regular updates on this matter since 2008

## **2. Whistle Blowing Policy**

- 2.1 There have been no Whistle Blowing Procedures carried out during 2016/2017. The policy has been publicised to all staff member and it is also highlighted to new starters in their induction.

Link to the above policy:

<https://www.west-lindsey.gov.uk/my-council/have-your-say/whistleblowing/>

## **3. Alternative methods to Whistleblowing for raising concern**

- Regular one to one meetings with manager
- Regular team meetings
- Human Resources drop in days
- Access to Human Resources at any time
- Employee assistance programme – 24 7 advice service for employees
- Easy access to Internal Audit
- Trade Unions
- Grievance procedures

## **4. Communication of the Whistleblowing Policy**

- Available on the Intranet
- Available on the website
- Part of induction
- Included in the officer code of conduct

## **5. Conclusion**

- 5.1 Whilst there have been no reported cases this year it is still vitally important that we maintain this policy and continue to publicise the reporting mechanism.

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# Whistle-blowing Policy



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### **Whistle Blowing Policy**

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## **Introduction**

1. Employees are often the first to realise that there may be something seriously wrong within the council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the council. They may also fear harassment or victimisation. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.
2. The Public Interest Disclosure Act 1998 protects employees who report wrongdoing within the workplace but it is the aim of this policy to ensure that as far as possible our employees are able to tell us about any wrongdoing at work which they believe has occurred or is likely to occur.
3. The council recognises that employees may not always feel comfortable about discussing their concerns internally, especially if they believe that the council itself is responsible for the wrong doing.
4. The aim of this policy is to ensure that employees are confident that they can raise any matter with the council that concerns them in the knowledge that it will be taken seriously, treated as confidential and that no action will be taken against them.
5. The council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we expect employees, and others that we work and deal with, who have serious concerns about any aspect of the council's work to come forward and voice those concerns. It is recognised that most cases will have to proceed on a confidential basis.
6. This policy makes it clear that employees can do so without fear of victimisation, subsequent discrimination or disadvantage. This whistle-blowing policy is intended to encourage and enable employees to raise serious concerns within the council rather than overlooking a problem or 'blowing the whistle' outside.
7. The policy applies to all employees and those contractors working for the council, for example, certain agency staff, builders, apprentices, certain trainees, homeworkers etc. It also covers suppliers and those providing services under a contract with the council from their own premises.
8. The procedures are in addition to the council's complaints procedures and other statutory reporting procedures which may apply. Managers are responsible for making employees aware of the existence of these procedures.

## **The responsible officers**

The council's monitoring officer has overall responsibility for the maintenance and operation of this policy. The People and Organisational Development Team Manager will maintain a record of concerns raised and the outcomes (but in a form which does not endanger confidentiality) and will report as necessary to the council.

The council's Section 151 Officer will be responsible for investigating allegations of fraud or financial irregularity. Other offences will be investigated by other heads of service or a member of the council's core management team.

### **Aims and scope of this policy**

This policy aims to:

- Encourage employees to feel confident in raising serious concerns and to question and act upon concerns about practice
- Provide avenues for employees to raise those concerns and receive feedback on any action taken
- Ensure that employees receive a response to their concerns and that managers are aware of how to pursue them
- Reassure employees that they will be protected from possible reprisals or victimisation if they have a reasonable belief that they have made a disclosure in good faith

There are existing procedures in place to enable employees to lodge a grievance relating to their own employment.

The whistle-blowing policy is intended to cover major concerns that fall outside the scope of other procedures.

These include:

- Conduct which is an offence or a breach of law
- Failure to comply with any legal obligations
- Disclosures related to miscarriage of justice
- Health and safety risks, including risks to the public as well as other employees
- Damage to the environment
- The unauthorised use of public funds
- Possible fraud and corruption
- Other unethical conduct
- Deliberate concealment of any of the above

Thus, any serious concerns that employees have about any aspect of service provision or the conduct of officers, members of the council or others acting on behalf of the council can be reported under the whistle-blowing policy.

This may be about something that:

- Makes employees feel uncomfortable in terms of known standards, their experience or the standards they believe the council subscribes to
- Is against the council's procedure rules and policies
- Falls below established standards of practice
- Amounts to improper conduct

## **Safeguards against harassment and victimisation**

The council is committed to good practice and high standards and wants to be supportive of employees.

The council recognises that the decision to report a concern can be a difficult one to make. If what is being said is believed to be true, employees should have nothing to fear because they will be doing their duty to the council and those for whom we are providing a service.

The council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action, including disciplinary action if necessary, to protect employees when they raise a concern in good faith.

Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect the employee who raises an issue.

## **Confidentiality**

All concerns will be treated in confidence and every effort will be made not to reveal an employee's identity if he/she so wishes. At the appropriate time, however, an employee may need to come forward as a witness.

## **Anonymous allegations**

This policy encourages employees to put their name to an allegation whenever possible.

Concerns expressed anonymously are much less powerful and will only be considered in exceptional circumstances at the discretion of the council.

In exercising this discretion, the factors to be taken into account would include:

- The seriousness of the issues raised
- The credibility of the concern
- The likelihood of confirming the allegation from attributable sources
- Consideration of the damage that could be caused to an individual or group of people if the allegation is not proven

## **Untrue/vexatious allegations**

If an employee makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against him/her.

If, however, an employee is found to have made an allegation maliciously or for personal gain then this will constitute a misconduct and will be dealt with in accordance with the disciplinary procedure.

## **How to raise a concern**

As a first step, an employee should normally raise concerns with his/her immediate line manager or head of service. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if an employee believes that management is involved, he/she should approach the People and Organisational Development Team Manager.

Concerns may be raised verbally or in writing. Employees who wish to make a written report are invited to provide:

- the background and history of the concern (including relevant dates)
- the reason why they are particularly concerned about the situation

Although employees are not expected to prove beyond doubt the truth of an allegation, they will need to demonstrate to the person contacted that there are reasonable grounds for their concern. The earlier a concern is expressed, the easier it is to take action.

Employees may wish to consider discussing their concern with a colleague first and they may find it easier to raise the matter if there are two (or more) employees who have had the same experience or concerns.

Employees may invite their trade union or a friend to be present during any meetings or interviews (off site if they prefer) in connection with the concerns they have raised.

## **How the council will respond**

The council will respond to employees' concerns, not forgetting that testing out concerns is not the same as either accepting or rejecting them.

Where appropriate, the matters raised may:

- Be investigated (in accordance with the Fraud and Corruption Response Plan) by management, internal audit, or through the disciplinary process
- Be referred to the police
- Be referred to the external auditor
- Form the subject of an independent inquiry

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take.

The overriding principle which the council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, grievance, disciplinary or discrimination issues) will normally be referred for consideration under those procedures.



Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required (e.g. suspension), this will be taken before any investigation is conducted.

Within 10 working days of a concern being raised, the responsible officer will write to the employee who raised it:

- Acknowledging that the concern has been received
- Indicating how we propose to deal with the matter
- Giving an estimate of how long it will take to provide a final response
- Confirming whether any initial enquiries have been made
- Confirming what support mechanisms there are in place for the employee
- Informing the employee whether further investigations are necessary and, if not, why not

The amount of contact between the officers considering the issues and the employee who raised them will depend on the nature of the matters, the potential difficulties involved and the clarity of the information provided. If necessary, the council will seek further information from the employee.

The council will take steps to minimise any difficulties which employees may experience as a result of raising a concern. For instance, if an employee is required to give evidence in criminal or disciplinary proceedings, the council will arrange for him/her to receive advice about the procedure.

The council accepts that employees need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform the employee who reported the matter of the outcome of any investigation.

### **How the matter can be taken further**

This policy is intended to provide employees with an avenue within the council to raise concerns. The council hopes employees will be satisfied with any action taken. If an employee is not satisfied and feels it is right to take the matter outside the council, the Audit Commission is the designated independent organisation nominated for this purpose by the council.

The following are also possible contact points:

- The external auditor
- The employee's trade union
- Citizens' Advice Bureau
- A relevant voluntary organisation, for example, Public Concern at Work (PCAW)
- Relevant professional bodies or regulatory organisations
- The police

Contact details are set out in the Appendix to this policy.

If an employee does take the matter outside the council, he/she should ensure that confidential information is not disclosed. The council's monitoring officer can provide further advice on this.

### **Monitoring**

The effectiveness of the council's whistle-blowing code will be monitored annually and it will be updated where/when necessary.

### **Employees' rights**

The policy does not prevent employees from exercising their right to report to relevant outside bodies nor prevent anyone from having rights under the Public Interest Disclosure Act 1998.

## **Appendix**

### Contact details for external organisations

External Auditor  
KPMG LLP (UK)  
1, Waterloo Way  
Leicester  
LE1 6LP  
Tel: 0116 256 6067

UNISON East Midlands  
UNISON Regional Centre  
Vivian Avenue  
Nottingham  
NG5 1AF  
Tel: 0800 0857 857  
E-mail: [eastmidlands@unison.co.uk](mailto:eastmidlands@unison.co.uk)

Citizens' Advice Bureau  
26 North Street  
Gainsborough  
Lincs  
Tel: 08444 111 444  
Website: [www.westlindseycab.org.uk](http://www.westlindseycab.org.uk)

Public Concern at Work  
3<sup>rd</sup> Floor, Bank Chambers  
6-10 Borough High Street  
London SE1 9QQ  
Tel: Whistleblowing Advice Line 020 7474 6609  
General Enquiries 020 3117 2520  
Email: UK advice line: [whistle@pcaw.org.uk](mailto:whistle@pcaw.org.uk) UK services: [services@pcaw.org.uk](mailto:services@pcaw.org.uk)

Lincolnshire Police  
Lincolnshire Police Headquarters  
Deepdale Lane  
Nettleham  
Lincs  
Tel: 01522 532222

# If you would like a copy of this leaflet in large print, audio, Braille or in another language: Please telephone 01427 676676

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01427 676676 За повече информация пръстен

01427 676676 Lisainformatsiooni ring

01427 676676 További információ gyűrű

01427 676676 Lai iegūtu vairāk informācijas gredzenu

01427 676676 Norėdami gauti daugiau informacijos žiedo

01427 676676 Aby uzyskać więcej informacji na ring

01427 676676 Pentru mai multe informații inel

01427 676676 За више информација назовите

01427 676676 ے ٹوگنا ے تامل عمل نم دي زم

Guildhall, Marshall's Yard  
Gainsborough DN21 2NA

[www.west-lindsey.gov.uk](http://www.west-lindsey.gov.uk)



**Governance & Audit  
Committee**

**25 July 2017**

**Subject: Internal Audit Plan – Monitoring Report – Period 1 2017/18**

Report by:

Lucy Pledge (Head of Service – Corporate Audit & Risk Management – Lincolnshire County Council)

Contact Officer:

Ian Knowles, Director of Resources  
[ian.knowles@west-lindsey.gov.uk](mailto:ian.knowles@west-lindsey.gov.uk)

Purpose / Summary:

The report gives members an update of progress, by the Audit partner against the 2017/18 annual programmes agreed by the Audit Committee in March 2017.

**RECOMMENDATION(S):**

- Members consider the content of the report and identify any actions required.**
- 1)

## IMPLICATIONS

**Legal:** None directly arising from the report

**Financial: FIN/49/18/TJB** None directly arises from the report.

**Staffing:** None.

**Equality and Diversity including Human Rights:**

NB: A full impact assessment **HAS TO BE** attached if the report relates to any new or revised policy or revision to service delivery/introduction of new services.

None arising from this report

**Risk Assessment:** N/A

**Climate Related Risks and Opportunities:** None arising from this report

**Background Papers:** No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

**Call in and Urgency:**

**Is the decision one to which Rule 14 of the Scrutiny Procedure Rules apply?**

**Yes**

**No**

**Key Decision:**

**Yes**

**No**

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# Draft Internal Audit Progress Report at 15<sup>th</sup> June 2017



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| Appendix 5 – Details on overdue audit recommendations             |            |

**Contact Details:**

**Lucy Pledge CMIIA QIAL**  
**Head of Audit & Risk Management**



***For all your assurance needs***

**County Offices, Newland, Lincoln, LN1 1YG**

☐: 01522 553692 ☐ [lucy.pledge@lincolnshire.gov.uk](mailto:lucy.pledge@lincolnshire.gov.uk)

## Introduction

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1. The purpose of this report is to:
  - Advise of progress made with the 2017/18 Audit Plan
  - Provide details of the audit work undertaken since the last progress report.
  - Provide details of the current position with agreed management actions in respect of previously issued reports
  - Raise any other matters that may be relevant to the West Lindsey Governance & Audit Committee role

## Key Messages

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2. Work on the 2016/17 audit plan is drawing to a close - with all audit reviews either delivered or at draft report stage. Two audits have been completed since the last progress report and three are at draft report stage. Of the two completed The Progress & Delivery review is limited assurance and further details are attached in **Appendix 1**. Intelligent Client is substantial assurance and is summarised below at paragraph 8.
3. Work in progress includes – Flare ICT system review – at draft report stage. Projects audit at draft report stage and Finance Key Controls at draft report stage. The Key Control testing covered Debtors, Housing Benefits and Pensions.
4. We have worked closely with the senior management to develop a detailed structured approach to scheduling audits for the whole year and agreeing the audit terms of reference for all reviews. This should help build on the effective working and delivery of the audit plan.
5. Progress has been made in implementing audit recommendations - there are currently no overdue actions but eleven actions have had the date extended for implementation. Details on the outstanding actions can be found in **Appendix 3 & 6**.
6. We have three audits scheduled in for quarter one of 2017/18 from the annual agreed audit plan. All of these are underway with one at draft report stage and two at fieldwork stage. These are the Development Management review, Commercial plans delivery and a consultancy review of Effective Decision making. Details are included in the Internal Audit Plan schedule in Appendix 2.

## Internal Audit work completed at 15<sup>th</sup> June 2017

7. The following audit work has been completed and final reports have been issued since the progress report presented to the January meeting of the audit committee:

| <b>High Assurance</b> | <b>Substantial Assurance</b> | <b>Limited Assurance</b> | <b>Low Assurance</b> | <b>Consultancy</b> |
|-----------------------|------------------------------|--------------------------|----------------------|--------------------|
| None                  | Intelligent Client           | Progress & Delivery      | None                 | None               |

**Note:** The Audit Committee should note that the assurance expressed is at the time of issue of the report but before the full implementation of the agreed management action plan. Definitions levels are shown in **Appendix 4**.

8. Below are summaries of the audit reports issued. :

### **Intelligent Client – Substantial Assurance**

We found that the managers we interviewed responsible for a partnership, shared service or contract are undertaking the 'intelligent client' role as effectively as they can. They have a good awareness of their role as a manager, the purpose of the partnership, shared service or contract, and it came over strongly that these officers are very committed to getting the best outcome and value for the Council.

We found that the 'intelligent client' role is most effectively being delivered where:

- There is clarity as to what the Council wants from the partnership, shared service or contract
- The officer has experience of the area they have responsibility for
- The officer is empowered to make decisions
- The officer has the support of more senior staff when required

We noted that the managers were however acting as 'intelligent clients' because they are experienced managers committed to doing a good job, rather than because they are applying an agreed and accepted Corporate approach to being an 'intelligent client'. We found that the managers had differing views on what the 'intelligent client' role is, and had largely formed their own view. The Council needs to be clear as to what the role is and what needs to be in place for it to be undertaken effectively and ensure it is embedded.

The Council has a Partnership Approved Code of Practice (ACoP), which whilst not badged as being the 'Intelligent Client' role, or mentioning it, does go some way to capturing what the role is. Expanding the ACoP and ensuring its requirements are met

would give the clarity required around the 'intelligent client' role, and help to embed it within the Council.

We agreed an action plan with management to address these points.

## **Progress and Delivery – Limited Assurance**

Performance of the council's services, delivery of the Corporate Plan and the Commercial Plan are reported via the Progress and Delivery (P&D) to members and senior management. To provide a key part of the Council's oversight on performance of corporate aims and objectives.

We found that although the report had developed and improved in some areas there are still issues with the completeness and accuracy of the performance measures recorded in the report. The issues around the missing data and targets could undermine the confidence that can be placed on the reports. We feel the Council should review whether the current system is focused on the right measures and is workable in its current form.

We identified several areas from the P&D reporting system that the Council can strengthen including Policy, People and Process.

Further details and the report executive summary is attached as Appendix 1.

A follow up audit is planned for Q4 - (Jan – Mar 2018).

## **Overdue Audit Recommendations**

---

9. Outstanding Internal Audit recommendations are tracked and monitored along with the Council's Business Improvement Officers to ensure actions are accurately recorded and monitored. This helps to maintain oversight and momentum over improvements.
10. There are currently no overdue management actions but there are eleven actions where the completion date has been pushed back as work has not been completed to action these. Details of progress on these actions is attached in Appendix 6.

**Appendix 3** provides details of all outstanding recommendations.

## Performance Information

11. Our performance is measured against a range of indicators. We are pleased to report a good level of achievement against our targets – The table below shows our performance on key indicators as at 15<sup>th</sup> June 2017.

### Performance Details 2017/18 Planned Work

| Performance Indicator   | Annual Target       | Target to date    | Actual            |
|---|---------------------|-------------------|-------------------|
| Percentage of plan completed.   | 100% (revised plan) | 17%               | 12%               |
| Percentage of key financial systems completed.  | 100%                | 0%                | 0%                |
| Percentage of recommendations agreed.   | 100%                | 100%              | 100%              |
| Percentage of recommendations due, implemented.   | 100% or escalated   | 100% or escalated | 100% or escalated |
| <b>Timescales:</b><br>Draft report issued within 10 working days of completing audit.                       | 100%                | 100%              | % N/A             |
| Final report issued within 5 working days of CLT agreement.   | 100%                | 100%              | % N/A             |
| Period taken to complete audit –within 3 months from fieldwork commencing to the issue of the draft report. | 80%                 | 80%               | % N/A             |
| Client Feedback on Audit (average)  | Good to excellent   | Good to excellent | N/A               |

\*NB Work scheduled in and due to start April, this will give us the full previous 12 months to review financial transactions.

### Other Matters of Interest

12. The CIPFA Better Governance Forum has issued some guidance for Audit Committees to help when considering the development of an effective Annual Governance Statement – this is attached in **Appendix 5**.

## Appendix 1 – Details of Limited Assurance Reports

### Progress & Delivery – Limited Assurance – issued June 2017

#### Background and Context

Performance of the council's services, delivery of the Corporate Plan and the Commercial Plan are reported via the Progress and Delivery (P&D) to members and senior management to provide a key part of the Council's oversight on performance of corporate aims and objectives.

The last assurance map from 2015 rated the process as Amber and the last Internal Audit review in 2014 gave limited assurance around the P&D process.

This is the third review of Progress & Delivery reports over the last four years. The previous reports have given Substantial (2012) and then Limited (2014) assurance. For this review we considered not just the report and processes for compiling the report as in the previous two reviews but also the outputs and outcomes of the report and how these feed into the Council's management of performance.

#### Scope

To review the systems and processes that the Council has in place to provide assurance that the corporate plan is being delivered.

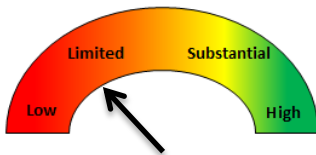
Verify that the management and monitoring of performance information is understood and applied by staff.

Confirm that the current reporting process does provide the required information and assurance that corporate themes, aims and objectives are being delivered.

#### Risks

To provide assurance the following risk areas to be reviewed -

- Performance, the Corporate Plan and the health of the Council is not monitored and managed as reporting systems are ineffective.
- The report is incomplete or inaccurate as services are unaware of the reporting requirements and importance of accurate information.
- Business intelligence and performance information is not used to improve services and delivery.
- The reports are inaccurate due to a lack of governance and monitoring on content.
- There is a lack of scrutiny and challenge from members.



**Limited Assurance**

| Risk  | Rating (R-A-G) | Recommendations |        |
|---|----------------|-----------------|--------|
|   |                | High            | Medium |
| Risk 1 - Performance, the Corporate Plan and the health of the Council is not monitored and managed as reporting systems are ineffective.     | Amber          | 0               | 2      |
| Risk 2 - The report is incomplete or inaccurate as services are unaware of the reporting requirements and importance of accurate information. | Red            | 1               | 0      |
| Risk 3 - Business intelligence and performance information is not used to improve services and delivery.                                      | Red            | 1               | 0      |
| Risk 4 - The reports are inaccurate due to a lack of governance and monitoring on content.  | Amber          | 0               | 1      |
| Risk 5 - There is a lack of scrutiny and challenge from members.  | Amber          | 0               | 0      |

**Key Messages**



**Key Messages**

We found that the format and readability of the report had improved and it clearly highlights good and poor performance measures. However after several years of developing the reports they are not in some areas, providing a comprehensive performance overview in terms of the measures set out in the scorecards.

This system has been used over the last four years covering service performance, corporate and commercial measures.

A proportion of the measures are not being completed or do not have targets so will not be included in the quarterly reporting system. The impact is that performance information on the reports is incomplete and managers and members might not be making decisions based on the full information.

This effects members and senior officers' ability to scrutinise and





challenge performance information and reduces the assurance that can be placed on the reports.

The system for compiling the report is based on using Minerva and word documents to copy and paste performance information into reports (there is no dedicated performance management system in operation). This requires managers to update performance measures on the Minerva system.

The issues around the missing data and targets could undermine the confidence that can be placed on the reports. We feel the Council should review whether the current system is focused on the right measures and is workable in its current form.

To address current issues with the process the Council should consider the following points,

### POLICY

- Ensure there is an agreed policy on P&D reporting and guidance on the process of collating and reporting information.
- Policy and guidance are appropriately communicated with the relevant staff to support engagement in the process.
- Consider getting the most effective use from the performance information. Review how P&D measures integrate and support Council performance management.
- Investigate the business case, costs and benefits for procurement or shared use of a performance management system if appropriate.

### PEOPLE

- Effectively communicate roles and responsibilities for the reporting process and ensure managers are clear and engaged on the process of compiling the reports.
- Ensure there is effective monitoring and management engagement with the process to provide assurance on accuracy, completeness and timeliness of the reports.
- Consider whether the current system provides the right level of information for both members and managers on performance. There are around 250 measures currently recorded internally and reported to members. Not all of these will provide member insight into performance and delivery.

## PROCESS

- The Council should review how to make the reporting process an integrated part of managers service performance reporting. In some service areas the current system works as a stand alone process and not as part of a wider performance management culture.
- Part of any review should consider how the Council uses the information provided. Systems should be developed to ensure a process of feeding back and learning is applied to performance reporting on measure above or below targets. This would support embedding the process and integrating it into everyday service delivery.
- All measures included for reporting should be SMART and fulfil the aims of providing assurance to members on key delivery areas and or provide useful internal service performance information to managers.
- Ensure that policy and guidance is clear on management responsibilities, including completion of the required information, time lines for recording data and for when reports are due.

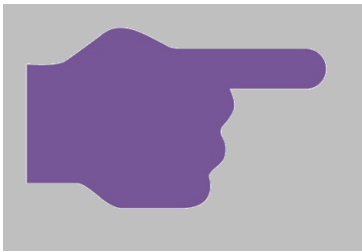
At the time of this audit review the Business Improvement Team Manager and the Chief Operating Officer are developing a report based on their internal review and observations on ways to improve the progress and delivery process. This report is highlighting similar issues to this audit review. We have worked closely with the manager and the Chief Operating Officer on developing the recommendations to strengthen the P&D process.

We would like to thank the Team Managers we spoke to about P&D reporting for their input and insight on this review. We would especially like to thank the Business Improvement Team Manager and the Chief Operating Officer for their time and input into developing this report and action plan.

## Areas of Good Practice

The report format is much improved with coloured symbols representing good or poor performance and directions of travel added for reported measures to give an indication of trends over time.

Management have engaged and worked with members to



develop the report and format for clarity on measures reported.

## Managing your risks

Good risk management, including maintaining risk registers, helps the Council to identify, understand and reduce the chance of risks having a negative impact on achievement of its objectives.

The overall risk that P&D reporting is not effective is a significant one and we feel should be included on the Council's Service Risk register for monitoring.

## Management Response



The Progress and Delivery system of monitoring and managing performance has been developed since 2012 (prior to that there was no systematic performance reporting at the Council). The process has been reviewed annually by officers and members between January and March and has developed every year based on these reviews.

It has always provided senior officers and members information on: progress on delivering the corporate plan and performance within services. In 2016 a section was added to the report to provide monitoring and performance information on the delivery of the Commercial Plan.

The report is quarterly, however some measures are only reported annually or biannually. The Corporate Plan and Commercial measures are only reported biannually.

This review will help mature the Progress and Delivery process into a performance management system.

The report members and senior officers receive is by exception, meaning that it only includes measures that are either performing above or below target and outside specific tolerances.

Whilst the audit review and recommendations represent an accurate assessment of the progress and delivery process at this time and the recommendations will significantly improve the process, it is important to remember that the system is subject to rigorous senior management oversight. This means that whilst there are gaps in data and some areas do not have targets set, the key areas that are significant to the delivery of the council's services have comprehensive data and the majority have SMART targets. Therefore the risk identified by the audit that decisions based on the report are not being made based on full information is miniscule.

The principal issue with the current progress and delivery process is that it lacks focus, in that it is trying to do two things at the same time: report to members on the current "health of the council" in terms of its performance in its key areas of operation, the delivery of the Corporate Plan and the Commercial Plan; it is at the same time and in the same report trying to provide team managers with performance information which they can use to manage their services. There will be some degree of overlap, however the combining of these two purposes does not help either the clarity of the report or the managers who have responsibility for reporting the performance of their teams.

As has been recognised by the audit team the purpose of the progress and delivery report for the 2017/18 municipal year is already under review. This is being combined with a review of what services include in their annual service plans.

The outcome of this review will mean that the measures which are reported to members through the progress and delivery process will be those measures which go to the heart of the delivery of the Council's services. This will give members a clear and regular review of performance of the council at a level appropriate to them. Meanwhile measures that are taken out of the current progress and delivery report will be considered for inclusion as "service measures" in the each services annual service plan.

This process will be in place for the first progress and delivery report in the 2017/18 municipal year.

The management would like to thank the audit team for a set of recommendations which will assist with making the progress and delivery reports better focused and more usable in the future.

## Appendix 2 – Audit Plan Schedule

| Area  | Indicative Scope  | Planned Start Date | Actual Start Date | Final Report Issued | Current Status / Assurance Opinion              |
|---|---|--------------------|-------------------|---------------------|---|
| Effective Decision Making                           | Consultancy - review to provide insight and support on the Councils decision making process by reviewing a sample of key decisions.   | May 17             | May 2017          |                     | Fieldwork                                       |
| Development Management Services Consultancy Phase 2 | Phase 2, provide assurance that improvement plans and changes have led to better outcomes and a sustainable Development Management Service.   | May 17             | May 2017          |                     | Fieldwork                                       |
| Commercial Plan Phase 2                             | Provide assurance on the management and delivery of the key Commercial Plan themes. Review how services and key projects are structured and align to the commercial plan deliverables and objectives. | April 17           | April 2017        |                     | Draft Report                                    |
| Housing Benefits Subsidy                            | Test a sample of benefit cases to on behalf of the external auditor KPMG to provide assurance on the subsidy claimed by the Council   | Q2 July            |                   |                     | Initial enquiries and sample selection started. |
| Bank Rec  | New system in place, audit requested by Finance manager to provide assurance that the new system is operating as intended and providing a robust bank rec process.                                    | Q2 Aug             |                   |                     | Opening Meeting booked for July                 |
| Procurement   | Provide assurance on the procurement process and rationale. Review whether  | Q2 Aug             |                   |                     | Opening meeting booked for June                 |

| Area                   | Indicative Scope   | Planned Start Date | Actual Start Date | Final Report Issued | Current Status / Assurance Opinion |
|------------------------|--|--------------------|-------------------|---------------------|------------------------------------|
|                        | alternatives are considered as part of the process including partnerships, shared services and commissioning.  |                    |                   |                     |                                    |
| ICT Patch Management   | Confirm that software updates and patches are effectively applied and monitored across the Councils key ICT applications.  | Q2 Aug             |                   |                     | Opening meeting agreed             |
| NK Partnership         | Provide assurance on the monitoring and management of this key partnership.  | Q2 July            |                   |                     | Opening Meeting booked for July Q2 |
| Sales and Invoicing    | To provide assurance That managers understand the commercial principals of traded services. To provide assurance that finance systems and invoicing are compatible with commercial aims. | Q2 Aug             |                   |                     | Opening Meeting booked for July Q2 |
| Good Governance Ethics | Consultancy - Review the Council governance arrangements against recommended CIPFA best practice and provide assurance on the systems, processes and outcomes.                           | Q3                 |                   |                     | Consultancy                        |
| EB / Programme Board   | Review the aims and effectiveness of the EB board. Provide assurance that the new board structure is providing an effective governance framework.  | Q3                 |                   |                     |                                    |
| Choice Based Letting's | To provide management with assurance that  | Q3                 |                   |                     |                                    |

| Area                             | Indicative Scope   | Planned Start Date | Actual Start Date | Final Report Issued | Current Status / Assurance Opinion |
|----------------------------------|--|--------------------|-------------------|---------------------|------------------------------------|
| Follow Up                        | actions from previous key audits have been implemented and this has led to improved outcomes.  |                    |                   |                     |                                    |
| Local land Charges Follow Up     | To provide management with assurance that actions from previous key audits have been implemented and this has led to improved outcomes.    | Q3                 |                   |                     |                                    |
| Combined Assurance Mapping       | Document the Councils critical areas to provide an assurance rating to inform the audit plan and report to management and members.         | Q4 - Oct 2017      |                   |                     |                                    |
| Contingency Days – P&D Follow Up | Follow up last years limited assurance review to ensure management actions have been implemented and have resulted in an improved process. | Q4                 |                   |                     |                                    |
| Growth                           | To follow up on 2016 growth audit work and provide assurance on project and programme work in delivery.                                    | Q4                 |                   |                     |                                    |
| Key Controls Finance             | Delivery of key control testing to enable the Head of Internal Audit to form an opinion on the Council's Financial control environment.    | Q4                 |                   |                     |                                    |
| PCI DSS Follow Up                | To provide management with assurance that actions from previous key audits have been implemented   | Q4                 |                   |                     |                                    |

| Area          | Indicative Scope   | Planned Start Date | Actual Start Date | Final Report Issued | Current Status / Assurance Opinion |
|---------------|--|--------------------|-------------------|---------------------|------------------------------------|
|               | and this has led to improved outcomes.   |                    |                   |                     |                                    |
| Licensing     | Review the performance of the section and consider recent legislative changes and Taxi safeguarding issues.  | Q4                 |                   |                     |                                    |
| ARCUS Project | Provide assurance that the new Development management ICT system is being effectively managed and installed. | Q4                 |                   |                     |                                    |

### Appendix 3 - Overdue Audit Recommendations at 30<sup>th</sup> June 2017

Data is for audits where recommendations were due to be implemented by 30<sup>th</sup> June 2017

| Activity                          | Issue Date  | Assurance   | Total Recs | Recs implemented | Priority of Recommendations o/s |        |             |
|-----------------------------------|-------------|-------------|------------|------------------|---------------------------------|--------|-------------|
|                                   |             |             |            |                  | High                            | Medium | Not yet due |
| PCI DSS 16/17                     | March 2017  | Limited     | 8          | 6                | 0                               | 0      | 2*          |
| ICT Incident Management 16/17     | Feb 2017    | Substantial | 6          | 6                | 0                               | 0      | 0           |
| Growth 16/17                      | March 2017  | Substantial | 8          | 4                | 0                               | 0      | 4**         |
| ICT Infrastructure 16/17          | August 2013 | Limited     | 15         | 14               | 0                               | 0      | 1***        |
| Key Policies and Procedures 16/17 | Sept 2016   | Substantial | 12         | 11               | 0                               | 0      | 1****       |
| Local Land Charges                | Nov 2015    | Low         | 11         | 10               | 0                               | 0      | 1*****      |



| Activity                      | Issue Date | Assurance   | Total Recs | Recs implemented | Priority of Recommendations o/s |        |             |
|-------------------------------|------------|-------------|------------|------------------|---------------------------------|--------|-------------|
|                               |            |             |            |                  | High                            | Medium | Not yet due |
| 15/16                         |            |             |            |                  |                                 |        |             |
| Land & Property service 15/16 | June 2016  | Substantial | 6          | 4                | 0                               | 0      | 2*****      |

\* Original date for completion May 2017, revised date September 2017.

\*\*Original date for completion June 2017, revised date August 2017.

\*\*\*Original date 2013, revised date December 2017.

\*\*\*\*Original date for completion March 2017, revised date August 2017

\*\*\*\*\*Original date for completion March 2017, revised date Sept 2017.

\*\*\*\*\*Original date for completion Nov 2016, revised date August 2017.

## Appendix 4- Assurance Definitions<sup>1</sup>

|                              |   |
|------------------------------|---|
| <b>High Assurance</b>        | <p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p> <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p>   |
| <b>Substantial Assurance</b> | <p>Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.</p>                              |
| <b>Limited Assurance</b>     | <p>Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.</p> |
| <b>Low Assurance</b>         | <p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high.</p>   |

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<sup>1</sup> These definitions are used as a means of measuring or judging the results and impact of matters identified in the audit. The assurance opinion is based on information and evidence which came to our attention during the audit. Our work cannot provide absolute assurance that material errors, loss or fraud do not exist.

## Appendix 6- Details on overdue audit recommendations 2017/18

| Name                           | Priority | Finding  | Agreed Management Response  | Date to be completed | Response Comments  | Revised Date for completion | Person responsible  |
|--------------------------------|----------|--|---|----------------------|--|-----------------------------|---------------------|
| WLDC_IC T_Infrastructure 12/13 | High     | Ensure that a comprehensive ICT strategy is produced, and in particular addresses the question of 'sharing' services and people across Local Authorities.  | Agreed - Gareth Kinton (ICT Manager) will progress the recommendation for a detailed IT strategy with the business. It is recognised that the IT strategy should 'align' with other strategies from partner Authorities to whom closer integration may be required in the future. | 31/12/2013           | The ICT strategy has been in development for some time and whilst a full strategy has not been agreed during that period the development and progression of the Corporate ICT has continued to be developed. An ICT Strategic Overview was agreed with Corporate Policy and Resources in June 2015 and in recent months we have had SOCITM undertaking work to review our current plans and carry out maturity surveys of IT and Digital provision. Whilst an IT strategy is still intended to be delivered this will now be aligned with the work on our Closer to the Customer (CTTC) programme which is currently being scoped. | 31/12/2017                  | James O'Shaughnessy |
| Local Land Charges 2015/16     | High     | The service is exposed to changes in volumes of work due to the manual intensive process used to complete searches. There has been an ongoing project to address this and introduce an automatic system since 2004 which to date is not complete.<br><br>There is a high risk of reputational damage and possible implications on future market share and income due to the delay in completing search | There is an ongoing process through the Councils decision making structure to solve the automatic system requirement for Land Charges. With several options being presented to management.  | 31/03/2017           | Procurement process underway and Arcus system purchased. Plan in place to implement across land Charges; Building Control and Planning. Two staff members recruited for data transfer.   | 30/09/2017                  | Phil Hinch          |

|  |        |   |  |            |  |            |                     |
|--|--------|---|--|------------|--|------------|---------------------|
|  |        | requests.   |  |            |  |            |                     |
| PCI DSS                                    | High   | <p>A requirement of the PCI DSS standard (v3.1) is that all staff are aware of the importance of card holder data security. The Council, in completing its compliance questionnaire, has indicated 'yes' but this is not strictly the case as there is no explicit reference to card holder data security in the Information Security training, provided by the Council, for its staff. The revised PCI DSS standard (v3.2) goes further in directing staff to card holder data security policy and procedures. The revised 3.2 standard is currently best practice but this will become a requirement as of February 2018. The Council does not currently have an approved PCI DSS security policy although we have made the Information Governance Officer aware and this is being developed.</p> | <p>5.A PCI DSS security policy will be produced and made available to relevant staff. Our Information Security Policy will incorporate reference to the PCI DSS security policy and card holder data security. Training arrangements for all staff will be provided via Learning Pool and processes to promote on-going awareness will be implemented.</p> | 31/05/2017 | <ol style="list-style-type: none"> <li>1. PCI-DSS Security Policy adopted by Corporate Policy and Resources Committee on 13/4/2017.</li> <li>2. PCI-DSS LearningPool module prepared for roll-out to staff. Implementation by mid May.</li> <li>3. LearningPool module tested by Customer Services ready to be rolled out to staff.</li> </ol> | 31/07/2017 | Steve Anderson      |
| Land, Property & Estate Management 2015/16 | Medium | <p>The Council has not implemented one of the key monitoring systems documented in the land and property strategy. This process is designed to support effective</p>  | <p>Decisions are now recorded on a simple spreadsheet in order that progression can be tracked. This will be reconsidered when the new service</p>   | 30/06/2016 | <p>Decisions are now recorded on a simple spreadsheet in order that there progression can be tracked. This will be reconsidered when the new service restructure is implemented.</p>   | 31/08/2017 | Eve Fawcett-Moralee |

|  |        |   |   |            |  |            |            |
|--|--------|---|---|------------|--|------------|------------|
|  |        | <p>working and progress on asset management.</p> <p>The strategy states that all asset decisions will be monitored through a table which records priority, timescales and resource. With the large amount of asset work ongoing, different groups being involved in asset decisions and the raised profile of the service it is important that the Council maintains an overview of progress.</p>   | restructure is implemented.   |            |  |            |            |
| Land, Property & Estate Management 2015/16 | Medium | <p>The Council has adopted a corporate landlord approach to asset management. Where the team are central to all asset decisions and provide a consistent lead on land and property matters.</p> <p>The Council should reassess its strategic corporate landlord approach to ensure the available resource can deliver this approach.</p> <p>Processes and systems should be strengthened to ensure the property section is involved in all projects and decisions in line with the corporate land lord approach.</p> <p>We found examples here this was not the case and while this is not in line with stated strategic aims it also risks duplicating work, increased costs</p> | Develop an internal comms and PR programme to highlight what the property section does and to reinforce the corporate landlord message. | 31/07/2016 | Vision of new service restructure combining Property Assets and Growth team at a strategic level will go some way to addressing this matter. Further comms relating to the new service acting as Client representative on all matters property will seek to embed this. A possible solution to this is a property reference which will be discussed at the next Land and Property forum. | 31/08/2017 | Gary Reeve |

|                        |        |  |  |            |  |            |               |
|------------------------|--------|--|--|------------|--|------------|---------------|
|                        |        | and possible poor outcomes for the Council due to this approach.   |  |            |  |            |               |
| PCI DSS                | Medium | The Council has confirmed in the self-assessment questionnaire that there is a current network diagram that documents all connections between the cardholder data environment and other networks, including any wireless networks. The diagrams provided to us to support this assertion do not provide a sufficient level of detail to clearly document the infrastructure used. The completion of sufficiently detailed network diagrams can go on to inform the response to further questions in the self-assessment questionnaire. | 6.A review of the detail of the supporting network diagram will be undertaken  | 01/04/2017 | Work is currently underway to produce a supporting diagram.  | 31/10/2017 | Cliff Dean    |
| Growth Programme Audit | Medium | Some staff members within the Projects and Growth Team with project management responsibility are not experienced in managing major projects and have not formally received Projects In Controlled Environments (PRINCE 2) project management training. The Council's project management approach is based on the PRINCE2 methodology. We acknowledge that on the job coaching, one to   | Further training requirements will be reviewed via staff appraisals in March 2017 and incorporated into the Training Needs Assessment for the team. It is considered that PRINCE 2 Methodology may be too complex for most team members but as the business case and project methodology documentation has | 30/04/2017 | Appraisals completed and reference made to need for PM training for relevant team members. Note that we now await approval of training budget from HR in order to implement this training. It should also be noted that we are awaiting guidance on in-house training options which I understand are being organised subject to roll-out of new project methodology. | 31/07/2017 | Joanna Walker |

|                             |        |  |   |            |  |            |                |
|-----------------------------|--------|--|---|------------|--|------------|----------------|
|                             |        | one staff supervisions and introductory training on the Council's internal project management system are given especially to new staff members.  | been revised, in-house training will be required for all team members.  |            |  |            |                |
| Key policies and procedures | Medium | There is a corporate retention and destruction schedule which is located on the Council's Minerva site. This was last updated in 2014. Although key policies are stated within the retention policy, they are not explicitly stated individually but it is clear how long they have to be retained for. There is currently an ongoing corporate project 'Implementation of the Records Management Policy'. This has been rolling since 2015. This will not only bring the retention and destruction schedule up to date but will help to address document control such as naming conventions and versioning. | Appropriate focus and scrutiny on the management of the project will be undertaken to realise the achievement of the objectives | 31/05/2017 | <ol style="list-style-type: none"> <li>1. Presentation of project progress and next steps given to SLT members on 2/5/2017.</li> <li>2. R&amp;D Schedule being updated as information is identified. Likely to be ready for issue end Aug 2017.</li> </ol> | 31/08/2017 | Steve Anderson |
|                             |        |  |   |            |  |            |                |

|                        |        |  |  |            |  |            |                |
|------------------------|--------|--|--|------------|--|------------|----------------|
|                        |        |  |  |            |  |            |                |
| Growth Programme Audit | Medium | <p>We found that risks for the growth programme are identified and recorded in the Projects and Growth Service Plan whilst specific project risks are recorded in the relevant Project Development &amp; Board Approval document which forms part of the stage 2 of the Council's project management methodology. Although highlight reports are produced for the Growth Board presenting key matters on the delivery progress, no evidence was provided to confirm that:-</p> <ul style="list-style-type: none"> <li>• The identified project risks are included in the Council's operational risk register</li> <li>• Project risk owners are clearly identified</li> <li>• Project risks are currently being monitored</li> </ul> | <p>Minerva Risk Register currently being adapted to capture project risks automatically from the project documentation. Project Risks to date will be uploaded manually into the Minerva Risk Register Service risks have been updated for the Project and Growth team</p> <p>Please see above, this will be captured within the Minerva Risk Register and reviewed as standard at each Entrepreneurial Board.</p> | 30/06/2017 | <p>Service risks updated and to be continually reviewed</p> <p>The Minerva risk register has not yet been updated either manually or automatically with the project risks due to workloads. Project risks continue to be recorded in the project paperwork. The new system is currently being developed.</p> | 31/08/2017 | Joanna Walker  |
| Growth Programme Audit | Medium | <p>Significant amount of staff time and effort is used in the preparation of documentation supporting the projects especially during the early stages of the project development. The amount of paperwork prepared and processes followed do not take into consideration the size</p>  | <p>The Project Board system has been reviewed and the new Entrepreneurial Board will now replace the Growth Board and Commercial Board. This should help to streamline the reporting mechanisms once the</p>   | 30/06/2017 | Implementation underway  | 31/07/2017 | Darren Mellors |



|  |  |  |                           |  |  |  |  |
|--|--|--|---------------------------|--|--|--|--|
|  |  | and complexity of the project activity. We acknowledge that lessons learnt from past experiences e.g. judicial reviews resulted into strengthening of the project management controls and processes. However, we feel that the current controls and processes are excessive and are not applied proportionally to the activity under review. | system has been embedded. |  |  |  |  |
|--|--|--|---------------------------|--|--|--|--|

**End of report**

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CIPFA Better Governance Forum

## Audit Committee Update

– helping audit committees to be effective

Issue 22

- Developing an Effective Annual Governance Statement
- Regular Briefing on Current Developments
- Audit committee training

March 2017

## Introduction

Dear Audit Committee Member,

Welcome to Issue 22 of our briefings for audit committee members in public sector bodies.

It has been produced by the CIPFA Better Governance Forum and is free to our subscribing organisations. Its aim is to provide members of audit committees with direct access to relevant and topical information that will support them in their role.

This issue takes a fresh look at the annual governance statement in the light of the changes to the governance framework for local government bodies. Producing a statement each year can become a stale process rather than something more valuable, and audit committees can play a very helpful role in supporting their organisation to publish a more meaningful statement.

As always, there are links to new developments and resources of interest for audit committee members.

I hope you will find this issue helpful. Do let me know of any suggestions for future topics or feedback on the briefing.

Best wishes

Diana Melville  
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CIPFA Better Governance Forum  
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## Previous Issues of Audit Committee Update

You can download all the previous issues from the CIPFA Better Governance Forum website. The earlier issues are on the archive site. Click on the links below to find what you need.

| Issue  | Principal Content   | Link                     |
|--|---|--------------------------|
| Issues from 2010 – subsequent issues have updated the content in these issues. |   |                          |
| Issues from 2011   |   |                          |
| 4  | Strategic Risk Management, Governance Risks in 2011, Role of the Head of Internal Audit   | <a href="#">Issue 4</a>  |
| 5  | Understanding the Impact of IFRS on the Accounts, Key Findings from CIPFA’s Survey of Audit Committees in Local Government  | <a href="#">Issue 5</a>  |
| 6  | Partnerships from the Audit Committee Perspective   | <a href="#">Issue 6</a>  |
| Issues from 2012   |   |                          |
| 7  | Assurance Planning, Risk Outlook for 2012, Government Response to the Future of Local Audit Consultation  | <a href="#">Issue 7</a>  |
| 8  | Commissioning, Procurement and Contracting Risks  | <a href="#">Issue 8</a>  |
| 9  | Reviewing Assurance over Value for Money  | <a href="#">Issue 9</a>  |
| Issues from 2013   |   |                          |
| 10   | Public Sector Internal Audit Standards and Updates to Guidance on Annual Governance Statements<br><a href="#">See Issues 21 and 22 for updated content.</a>                       | <a href="#">Issue 10</a> |
| 11   | Local Audit and Accountability Bill, the Implications for Audit Committees, Update of CIPFA’s Guidance on Audit Committees  | <a href="#">Issue 11</a> |
| 12   | Reviewing Internal Audit Quality, New CIPFA Publication, Audit Committees Practical Guidance for Local Authorities and Police, Regular Briefing on Current Issues                 | <a href="#">Issue 12</a> |
| Issues from 2014   |   |                          |
| 13   | Reviewing the Audit Plan, Update on the Local Audit and Accountability Act, Briefing on Topical Governance Issues   | <a href="#">Issue 13</a> |
| 14   | External Audit Quality and Independence, Government Consultation on Local Audit Regulations, CIPFA’s Consultation on a New Counter Fraud Code, Regular Briefing on Current Issues | <a href="#">Issue 14</a> |
| 15   | CIPFA Code of Practice on Managing the Risk of Fraud and Corruption, the Audit Committee Role in Countering Fraud, Regular Briefing on Current Developments                       | <a href="#">Issue 15</a> |

|   |                          |
|---|--------------------------|
| <a href="#">Issues from 2015</a>  |                          |
| What Makes a Good Audit Committee Chair? Governance Developments in 2015  | <a href="#">Issue 16</a> |
| The Audit Committee Role in Reviewing the Financial Statements, Regular Briefing on Current Developments                          | <a href="#">Issue 17</a> |
| Self-assessment and Improving Effectiveness, Appointment and Procurement of External Auditors, Regular Briefing on Current Issues | <a href="#">Issue 18</a> |
| <a href="#">Issues from 2016</a>  |                          |
| Good Governance in Local Government – 2016 Framework, Appointing Local Auditors, Regular Briefing on Current Issues               | <a href="#">Issue 19</a> |
| CIPFA Survey on Audit Committees 2016, Regular Briefing on Current Issues   | <a href="#">Issue 20</a> |
| The Audit Committee and Internal Audit Quality, Briefing on Topical Issues  | <a href="#">Issue 21</a> |

# Workshops and Training for Audit Committee Members in 2017

## **CIPFA Internal Audit Conference**

CIPFA's annual conference for internal auditors will cover professional developments and sharing of good practice.

- 11 May 2017, Oxford Spire Hotel, Oxford

## **Developments in police audit committees**

These events are suitable for members of those joint audit committees supporting police and crime commissioners (PCCs) and chief constables. These events are run in conjunction with CIPFA's Police Network.

- 20 September 2017, London
- 21 September 2017, York

## **Development day for local government audit committees**

This workshop is suitable for audit committee members or those working with the audit committee in local government. It will cover an update on new developments and legislation relevant to the audit committee role.

- December 2017 and January 2018, further details to be confirmed

Other CIPFA events information and dates are available on the [website](#).

## **In-house training and facilitation**

In-house audit committee training and guidance tailored to your needs is available. Options include:

- key roles and responsibilities of the committee
- effective chairing and support for the committee
- working with internal and external auditors
- public sector internal audit standards
- corporate governance
- strategic risk management
- value for money
- fraud risks and counter fraud arrangements
- reviewing the financial statements
- assurance arrangements
- improving impact and effectiveness.

For further details contact or email [diana.melville@cipfa.org](mailto:diana.melville@cipfa.org) or visit the [CIPFA website](#) where we have a brochure to download outlining the support we have available for audit committees.

# Developing an Effective Annual Governance Statement

CIPFA and Solace introduced a new governance framework, *Developing Good Governance in Local Government: Framework*, in April 2016, with seven new governance principles. By adopting the new Framework local authorities should be ensuring that their governance arrangements in practice are in accordance with the principles. The annual governance statement (AGS) is a mandatory requirement for local government bodies set out in statutory regulations<sup>1</sup>. In essence, it is an accountability statement from each local government body to stakeholders on how well it has delivered on governance over the course of the previous year. The benchmarks that are used to make that statement are the principles in the Framework.

## What does the guidance say?

The guidance for the AGS is included along with the Framework and it builds on the previous requirements<sup>2</sup>. In addition to the organisation acknowledging its responsibility for ensuring governance is effective, the AGS should:

- focus on outcomes and value for money
- evaluate against the local code and principles
- be in an open and readable style
- include an opinion on whether arrangements are fit for purpose
- include identification of significant governance issues and an action plan to address them
- be signed by the chief executive and leading member in a council. The PCC and chief constable should sign theirs.

There are also two new areas introduced for 2016/17. Some authorities already include a section that accounts for actions taken in the year to address the significant governance issues identified in the previous year's AGS. CIPFA felt that this was good practice and so has included it as a requirement for the AGS going forward. In addition, CIPFA has not established any 'set text' for authorities to use in acknowledging their responsibility for the governance framework. Many authorities have tended to use the original text from the 2007 guidance, but CIPFA has not included this in the latest guidance in order to encourage more flexibility.

## Who is the audience?

The AGS is prepared to account to your stakeholders and they are wide and varied. They include:

- local citizens
- local businesses
- partners
- Department for Communities and Local Government (DCLG)
- external auditors, inspectorates and regulators.

In addition, it should also be a statement that is of value internally – to other members of the governing body and to staff.

## What makes a meaningful statement?

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<sup>1</sup> In England the [Accounts and Audit Regulations 2015](#), in Scotland [The Local Authority Accounts \(Scotland\) Regulations 2014](#), in Wales [The Accounts and Audit \(Wales\) Regulations 2014](#), in Northern Ireland [The Local Government \(Accounts and Audit\) Regulations \(Northern Ireland\) 2015](#)

<sup>2</sup> [Delivering Good Governance in Local Government: Framework \(Addendum\)](#) CIPFA 2012



The most important way to make the statement meaningful is to ensure that it is an open and honest reflection of your governance and your current challenges. It has been known for the AGS to contain 'window dressing statements' to gloss over areas of poor performance or to fudge the effectiveness of interventions. Where that is the case, the AGS adds little value and doesn't build confidence in the leadership of the organisation. One of the key aspects of the AGS is the identification of areas for improvement and the associated action plan. Where these are done, well the AGS becomes a meaningful tool for improving governance.

The AGS should also provide a clear evaluation against the principles of good governance and an opinion of whether the arrangements are fit for purpose or not. If the opinion is vague or not included then again the AGS does not send a clear message about accountability.

### **What can be done to make the statement more effective?**

Effectiveness of an AGS will be improved if it more successfully communicates the key messages. There are a number of approaches that some authorities have taken to make their AGS more effective:

- keeping it short and focused – where an organisation has an up-to-date local code that sets out their arrangements, then the AGS can make reference to that rather than repeat the detail
- using diagrams to explain key elements
- using colour or pictures to engage the reader.

Regardless of how well the AGS is written, it will not be effective if it is not regarded as important by those charged with governance and the leadership team.

### **What shouldn't we do?**

There are a number of pitfalls in preparing an AGS. These are some of the common ones:

- not ensuring that a range of perspectives support the AGS
- making it too long and wordy
- including too much description rather than evaluation
- omitting the opinion on whether the arrangements are fit for purpose or not
- not being explicit about the actions that will be taken to address the governance issues identified.

### **How can the audit committee help?**

The audit committee can play a very valuable role in the development of the AGS and in the finished look of the statement. The committee should understand the process that has been undertaken to review governance and so should be able to see how the conclusions in the AGS have been arrived at. There should be no real surprises for the committee.

The committee can provide a valuable reality check for the draft document as well. Is it well written and clearly presented? Is the action plan adequate and realistic?

The committee can send an important message about the value and importance of the AGS, which will support those providing assurance to support its conclusions. Once the AGS has been approved, the committee can review progress in implementing the actions, so helping to ensure that the AGS is meaningful and is an effective tool for improvement in governance.

### **Other points to note**

For the 2017/18 AGS in England the deadline for approval and publication of the statement will be brought forward to 31 July instead of 30 September as at present. This is a requirement of the [Accounts and Audit Regulations 2015](#). Many authorities are planning to approve their AGS and accounts earlier for the 2016/17 year as a preparation for this. As a

result, committees may find that the AGS is appearing on their agendas earlier than in previous years.

The Better Governance Forum held workshops in February and March 2017 on the AGS and developing local codes. Copies of the presentations are available to download from the [CIPFA website](#).

Diana Melville

## Recent Developments You May Need to Know About

### Legislation, Regulations and Consultations

#### **Public Sector Internal Audit Standards**

The responsible internal audit standard setters for the public sector (which includes CIPFA in respect of local authorities) have been consulting on whether the PSIAS should be updated to reflect the changes made to the International Professional Practices Framework on which PSIAS is based. The consultation period ended in January and a decision is expected before the end of March.

Any changes to the PSIAS are expected to be implemented from April 2017 for 2017/18. The changes will need to be adopted by all public sector internal audit teams, supported by their audit committees.

Audit committees should ask for an update on the standards, particularly any that impact on the reporting relationship between internal audit and the audit committee. Audit committees should also be aware that conformance with the standards will be assessed through the external quality assessment, known as an EQA, if one has not yet taken place. An EQA has to be completed for all local authority bodies before April 2018, as they must take place at least once every five years.

#### **Emergency services collaboration**

The [Policing and Crime Act 2017](#) includes a duty for all relevant emergency services (defined as police forces, fire and rescue services and the emergency aspects of the ambulance service) in England to consider collaboration with each other in their local area. This could take a range of forms including collaboration across the different services. The audit committees of emergency services bodies should therefore be aware of this duty and local plans. Where collaborative arrangements are proposed, then consideration will need to be given to the governance, risk, control and audit implications.

The Act also provides for a police and crime commissioner to be the fire and rescue authority for the local area. Where this is the case it is likely to have consequences for police audit committees and fire authority audit committees. The details of how the audit committee arrangements might work are being considered as part of ongoing work on the finance and governance implications of the proposals.

#### **Audit committees in combined authorities**

Combined authorities are required to have audit committees under the [Cities and Local Government Devolution Act 2016](#), including a requirement to appoint at least one independent member. DCLG has now issued [the Combined Authorities \(Overview and Scrutiny Committees, Access to Information and Audit Committees\) Order 2017](#), concerning the definition of independence of such audit committee members. While the regulations only apply to audit committee members appointed to combined authorities, other authorities considering the appointment of an independent member may want to take them into account.

## Reports, Recommendations and Guidance

#### **Financial reporting**

There are changes to the 2016/17 financial statements which are designed to make them easier to understand. One principal change is that the income and expenditure account no longer has to follow a standard format, known as the Service Accounting Code of Practice

(SeRCOP). This means that authorities are free to set out their statements in a way that suits them, for example they can follow the structure of the budget monitoring reports that are used throughout the year to inform members on financial performance. CIPFA has produced a helpful guide, [Understanding Local Authority Financial Statements](#), which explains the key statements and features. It also includes a checklist designed to help the authority improve the presentation.

### **Local audit appointments**

English authorities have until 9 March to inform the nominated sector body, Public Sector Audit Appointments (PSAA), if they wish to join the collective procurement and appointment arrangement. The decision must be made by full council, fire authority or police and crime commissioner as appropriate.

PSAA have published an [updated timetable and procurement strategy](#) plus frequently asked questions. All appointments, whether made independently or through PSAA, must be completed by 31 December 2017.

### **Auditors' work 2015/16: local government and health bodies**

PSAA has published [annual reports](#) reviewing the results of auditors' work in local government and in health bodies in 2015/16. They cover the timeliness and quality of financial reporting, auditors' local value for money work, and the extent to which auditors utilised their statutory reporting powers. Half of NHS bodies and 6% of local government bodies received a qualified conclusion on their value for money arrangements.

### **National Audit Office good practice resource**

The National Audit Office (NAO) has published a good practice guide to commissioning, procurement and contract management drawing on their findings from recent value for money studies. [Commercial and Contract Management: Insights and Emerging Best Practice](#) highlights control and performance issues across the commercial lifecycle, providing a useful resource when evaluating local plans and contracts.

### **Financial sustainability of schools**

The NAO has published a report, [Financial Sustainability of Schools](#), that highlights the need for mainstream schools to make £3bn in efficiency savings by 2019/20 and highlights the risk that schools will make savings that impact on educational outcomes. The NAO calls for better oversight from the Education Funding Agency of financial management in schools.

### **The governance challenges posed by indirectly provided, publicly funded services in Wales**

The Wales Audit Office (WAO) has published a [discussion paper](#) exploring the governance issues created by the delivery of public services by a range of organisations that are at arms-length from the public body providing funding. It highlights some of the areas of governance risk and discusses how effective governance can be put in place.

### **Local authority funding of third sector services**

A [report](#) from WAO examines the effectiveness of local authorities' arrangements for funding third sector services. It finds that local authorities are neither making the best use of the third sector nor doing enough to ensure they are securing value for money. Authorities could do more to establish a strategic approach and evaluate the impact of their work.

## Charging for services and generating income by local authorities

The WAO has published a [report](#) examining income generation and the extent to which authorities have adopted a strategic approach. It has concluded that despite raising more money from charging, authorities are not pursuing all options to generate income because of weaknesses in their policies and in how they use data and information to support decision making. The report also includes a helpful checklist to support a review of an authority's approach to income generation.

## Look out for

CIPFA is currently updating its publication [Audit Committees Practical Guidance for Local Authorities and Police](#) (CIPFA 2013). The new edition will reflect the regulatory changes to governance, internal audit and the financial statements. It will also take into account the new external audit arrangements under which local authorities will be working, and the recommendations of the Financial Reporting Council over audit independence and ethical standards.

If you have any comments or suggestions for the improvement of the current edition please email [diana.melville@cipfa.org](mailto:diana.melville@cipfa.org)

It is anticipated that the new publication will be available in the autumn.

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## Governance and Audit Committee Work Plan

### Purpose:

This report provides a summary of reports that are due on the Forward Plan over the next 12 months for the Governance and Audit Committee.

### Recommendation:

1. That members note the schedule of reports.

| <b>Governance and Audit</b> |   |                     |   |
|-----------------------------|---|---------------------|---|
| Active/Closed               | Active  |                     |   |
|                             |   |                     |   |
| <b>Date</b>                 | <b>Title</b>                                  | <b>Lead Officer</b> | <b>Purpose of the report</b>  |
| 14/09/2017                  | Use of Consultants and Interims - 2016/17     | Tracey Bircumshaw   | To inform the Committee of the work undertaken by Consultants and the number of Interim/Agency staff, including costs for 2016/17 |
|                             | ISA 260 Report                                | Tracey Bircumshaw   | To present the ISA 260 Report   |
|                             | Audited Statement of Accounts 16/17           | Tracey Bircumshaw   | To present the Audited Statement of Accounts 16/17  |
|                             | Outcome of development management audit       | Matthew Waller      | To present the finding of the audit into development management   |
| 07/11/2017                  | Strategic Risks - 6 month Update              | James O'Shaughnessy | To present the 6 monthly Strategic Risks Update   |
|                             | Annual Audit Letter                           | Tracey Bircumshaw   | To present the Annual Audit Letter  |
|                             | Members Allowances                            | Alan Robinson       | To inform the work of the Remuneration Panel prior to them making recommendations to Full Council                                 |
|                             | Review of the Effectiveness of Internal Audit | James O'Shaughnessy | Report from the Statutory Officers relating to Review of the Effectiveness of Internal Audit                                      |

|            |  |                     |   |
|------------|--|---------------------|---|
|            | Quickline Business Plan/Payments                   | Ian Knowles         | To present the Quickline Business Plan/Payments - Monitoring Report for Period 2  |
|            | Internal Audit Plan - Period 2 Monitoring Report   | Tracey Bircumshaw   | To present the Internal Audit plan for Period 2 Monitoring Report   |
|            | AGS Monitoring Report - Period 1                   | James O'Shaughnessy | To present the AGS Monitoring Report for Period 1   |
| 16/01/2018 | Certification of Grants and Claims                 | Tracey Bircumshaw   | To present the Certification of Grants and Claims report  |
|            | Quickline Business Plan/Payments                   | Ian Knowles         | To present the Quickline Business Plan/Payments - Monitoring Report for Period 3  |
|            | Internal Audit Monitoring Report - Period 3        | James O'Shaughnessy | To present the Internal Audit Monitoring Report for Period 3  |
|            | Draft Annual Treasury Management Strategy          | Tracey Bircumshaw   | To present the Draft Annual Treasury Management Strategy Report   |
|            | AGS Monitoring Report - Period 2                   | James O'Shaughnessy | To present the AGS Monitoring Report for Period 2   |
| 13/03/2018 | Accounting Matters 2017/18 Closedown actuarial ass | Tracey Bircumshaw   | To present the Accounting Matters 2017/18 Closedown Report and actuarial assumptions  |
|            | Combined Assurance Report 2017/18                  | James O'Shaughnessy | To present the Combined Assurance Report  |
|            | Draft Internal Audit Plan 18/19                    | Tracey Bircumshaw   | To present the Draft Internal Audit Plan 18/19  |
|            | External Audit Plan 17/18                          | Tracey Bircumshaw   | To present the External Audit Plan 17/18  |
|            | Internal Audit Charter                             | Tracey Bircumshaw   | To provide independent and objective assurance on critical activities and key risks   |
| 17/04/2018 | Strategic Risks - 6 month Update                   | James O'Shaughnessy | To present the 6 monthly update   |
|            | Quickline Monitoring Q4                            | Tracey Bircumshaw   | Exempt monitoring report to assess progress against the agreed loan   |
|            | Constitution Annual Review                         | Alan Robinson       | To present the Annual Review of the Constitution  |
|            | AGS 15/16 Monitoring Report (Q3)                   | James O'Shaughnessy | To provide Members with an update on the progress made against actions relating to the significant issues identified within the AGS 2015/16 |



|             |                              |                   |  |
|-------------|------------------------------|-------------------|--|
|             | Internal Audit Q4 Monitoring | Tracey Bircumshaw | To present the final quarter monitoring report |
| GRAND TOTAL |                              |                   |  |

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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