

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the The Council Chamber - The Guildhall on 6 November 2018 commencing at 2.00 pm.

Present: Councillor Mrs Jackie Brockway (Chairman)

Councillor Mrs Sheila Bibb
Councillor David Bond
Councillor John McNeill
Councillor Mrs Anne Welburn
Councillor Mrs Angela White
Alison Adams
Andrew Morriss

In Attendance:

Ian Knowles	Executive Director of Resources and S151 Officer
Mark Sturgess	Executive Director of Operations and Head of Paid Service
Alan Robinson	Strategic Lead Governance and People/Monitoring Officer
Tracey Bircumshaw	Strategic Finance and Business Support Manager
Andy Gray	Housing and Enforcement Manager
Jeanette Arnold	Assurance Lincolnshire
Natalie Kostiuik	Customer Experience Officer
James O'Shaughnessy	Corporate Policy Manager & Deputy Monitoring Officer
Ele Durrant	Democratic and Civic Officer
Megan Rose	Assurance Lincolnshire
John Sketchley	Assurance Lincolnshire
James Welbourn	Democratic and Civic Officer

Apologies: Councillor Giles McNeill
Peter Walton

Membership: Councillor Giles McNeill was substituted by Councillor Mrs Anne Welburn

30 PUBLIC PARTICIPATION PERIOD

There was no public participation.

31 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 24 July 2018 were approved as a correct record.

32 MEMBERS DECLARATIONS OF INTEREST

There were no declarations of interests at this point in proceedings.

33 MATTERS ARISING SCHEDULE

The matters arising schedule was presented to Members, and was subsequently noted by them.

34 LOCAL GOVERNMENT OMBUDSMAN (LGO) ANNUAL REVIEW LETTER 2018

Members considered a report on the Local Government Ombudsman (LGO) annual review letter for the 2017-18 period; this report examined upheld complaints, benchmarking and trends.

The following points were highlighted:

- In future years it would be helpful to have more comparators, such as year on year figures to provide a fuller picture;
- Any changes to the reception area at the Guildhall would be considered as part of the wider building re-design;
- Actions were being taken to drive performance upwards.

RESOLVED to welcome the report from the Local Government Ombudsman and acknowledge the work which has been undertaken to incorporate the learning from the report's findings into how West Lindsey District Council works as an organisation.

35 MEMBER DEVELOPMENT – DRAFT PROGRAMME FOR INDUCTION 2019

Members considered a report on the draft programme for the 2019 Member Induction, which included discussions to date within the Member Development Group (MDG).

The following points were highlighted during discussions between the Democratic and Civic Officer, and Members:

- This was still a work in progress; the main aspect being looked at was the draft schedule;
- A Member had given feedback to the Democratic and Civic Officer from outside of the MDG; this feedback came from their induction as a new Member in 2015.

Prospective and current Councillors would have warning of the amount of time they would need to commit to immediately after the next District Council election should they be successful, via the Candidate's Pack;

Note: Both Councillor Welburn and Councillor John McNeill declared an interest as they both took part in the Member Development Group.

- Additional support would be provided by Democratic Services during the process, along with a 'buddy' system which would allow Members to lean on one particular officer during the induction period;
- There would be a secondary induction after 3-6 months for those Members that required it.

RESOLVED to approve the draft schedule for the 2019 Member Induction.

36 INTERNAL AUDIT QUARTER 2 PROGRESS REPORT 2018/19

Members considered the Internal Audit Quarter 2 Progress report. This detailed progress against the 2018/19 annual programmes agreed by the Governance and Audit committee in March 2018.

Assurance Lincolnshire and the Housing and Enforcement Manager highlighted the following points:

- The following work had been completed during Quarter 2; the levels of assurance are stated next to each piece of work:
 1. Key Control testing, Treasury Management, Council Tax and Corporate Fraud – High Assurance;
 2. Housing Benefit Subsidy Testing – High Assurance;
 3. Budget Management – High Assurance;
 4. Financial Strategy and Budget Preparation – High Assurance;
 5. Key Control Testing Property Plant and Equipment – Substantial Assurance;
 6. Food Safety and Environmental Protection – Limited Assurance.
- It had been hoped that the Leisure Contract consultancy would have been completed; however the report was still being finalised. The work had been positive; no assurance would be attached to that work, but if it had been, it would be good/high;
- A limited assurance had been given on the Payment Card Industry Data Security Standard (PCIDSS);
- Food Safety and Environmental Protection was an area of the service that hadn't gone through an audit before; some of the actions detailed in this section of the report had been completed;

Following this introduction, discussions with Members provided further comment;

- There were three outstanding actions in the report, which was a more positive position compared to previous years.

When a completion date for an outstanding action was given, it would be with the best of intentions; the aim would be to stick to these dates, and only extend a deadline when absolutely necessary. Completion dates should be realistic;

- The quantity of outstanding actions was low which was pleasing, but in some cases more detail on the progress of outstanding actions was desired;
- The finance team were commended for their high assurance levels; West Lindsey was one of the few authorities in the country to get an unqualified audit from the Department for Work and Pensions (DWP);
- Internal Audit were confident they had sufficient resources to deliver the remainder of the audit plan within the given timescales.

RESOLVED that Members note the content of the report.

37 ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

Prior to considering the item on the Effectiveness of Internal Audit, all Members present indicated that they were comfortable for the Auditors to remain within the meeting room to hear any discussion.

Members then considered a report on the effectiveness of the internal audit service provided by Assurance Lincolnshire. This year's review included:

- the adopted methodology for assessing effectiveness;
- questions that West Lindsey District Council (WLDC) had asked of Assurance Lincolnshire;
- how Assurance Lincolnshire had delivered the Internal Audit Plan;
- the Internal Audit Charter;
- benchmarking;
- the role of the Governance and Audit committee.

WLDC asked themselves a number of questions; when the answers to these questions were taken along with all of the above topics, WLDC believed that Assurance Lincolnshire were providing a good service. The consultancy arm of Assurance Lincolnshire was well valued, and the Governance and Audit committee use, and rely on the service provided.

Members of the committee added that a big concern had always been developing organisational complacency; there was no suggestion of complacency through this report. Also commented on was the ease of accessibility to the auditors.

Note: Councillor John McNeill declared an interest as he knew Jeanette Arnold of Assurance Lincolnshire from a previous employment.

RESOLVED to agree with the conclusion that the Council has effective internal audit arrangements in place.

38 EXPENDITURE ON AGENCY AND CONSULTANTS 2017/18

Members considered the annual report on the expenditure incurred during 2017/18 on the engagement of externally appointed temporary and agency staff and consultants.

The following points were highlighted:

- The value that consultants had added would be contained within the report in future years.

Examples from the last year were given of the expert ecologist that helped with the Marina/Green Corridor funding bid, and the procurement specialist on the Leisure management contract that contributed to the saving of £269k per annum;

- Almost half of the expenditure on interim/agency staff was on operational services, which ensured seasonal work, operational cover and service delivery were maintained;
- The recommendation could have been worded in such a way to capture that Members had been assured that the use of agency staff and consultants was reasonable;
- WLDC were trying to develop a more flexible workforce, by looking at more temporary contracts, and by using interim arrangements where they were appropriate.

Many of the staff employed seasonally had come through Surestaff;

- When third parties were commissioned to provide services, it was their expertise and professionalism that was being purchased, rather than them being an interim employee.

RESOLVED to accept the content of the report.

39 ANNUAL AUDIT LETTER 2017/18

Members received the Annual Audit Letter summarising the audit work for the financial year.

RESOLVED to approve the Annual Audit Letter.

40 ANNUAL FRAUD REPORT 2017/18

Members considered an overview of fraudulent activity identified and investigated during 2017/18. They also considered whether appropriate policies and procedures were in place to counter fraudulent activity.

The following points were highlighted:

- The instances of Council Tax fraud totalled £16,085.15;
- Schedules of low repayment had been put in place to attempt to claw back council tax overpayments. Corporate Policy and Resources committee would approve any write-offs;
- There was a medium risk of an IT/Data breach; there were times when individuals share data when this wouldn't be suitable;

- There had been no corporate fraud during 2017/18, and nothing had been pointed out by members of the public, or WLDC staff;
- The key risks for WLDC were as they had been for a number of years;
- National figures suggested fraud was a big issue, but WLDC were not finding fraud in significant areas other than benefits and council tax;
- Around £6 million was paid out per year in benefits; investigations have shown £16k of benefit fraud. £16k was a low number but work was ongoing to find the fraud. Most of the work going into this used credit reference agencies, and other methods to secure the benefits system around an area of high risk;
- Officers should continue to concentrate on staffing and procedures rather than the shorter-term needs of committees;

Members pointed out that a useful addition to the report for future years would be a 'case-study' appendix which would give reassurance that certain areas of fraud awareness were being looked at.

RESOLVED to endorse the content of the report and support the ongoing counter-fraud work protecting the Council's interests.

41 WORKPLAN

The workplan for the next 12 months was outlined by the Democratic and Civic Officer, and was noted by Members.

The meeting concluded at 3.07 pm.

Chairman