

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall on 18 June 2019 commencing at 2.00 pm.

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

Councillor Mrs Tracey Coulson
Councillor Christopher Darcel
Councillor David Dobbie (from item 5)
Councillor Mrs Caralyne Grimble
Councillor Mrs Angela White
Alison Adams
Andrew Morriss
Peter Walton

In Attendance:

Alan Robinson	Strategic Lead Governance and People/Monitoring Officer
Tracey Bircumshaw	Strategic Finance and Business Support Manager
Caroline Capon	Corporate Finance Team Leader
Andy Gray	Housing and Enforcement Manager
James O'Shaughnessy	Corporate Policy Manager & Deputy Monitoring Officer
Lucy Pledge	Internal Audit
James Welbourn	Democratic and Civic Officer

Apologies: None.

1 PUBLIC PARTICIPATION PERIOD

There was no public participation.

2 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 16 April 2019 were approved as a correct record.

3 MEMBERS DECLARATIONS OF INTEREST

There were no declarations of interest.

4 MATTERS ARISING SCHEDULE

The matters arising schedule was noted.

5 INTERNAL AUDIT ANNUAL REPORT - 2018/19

Members considered a report on the Head of Internal Audit's opinion on the adequacy of the

Authority's governance, risk and control environment and the delivery of the Internal Audit Plan for 2018/19.

The following points were highlighted:

- The Authority was performing well in relation to governance and financial control;
- There were no concerns around risk and financial control. There were some areas of improvement to be made on governance and internal control; these concerns had been raised with the leadership team at West Lindsey District Council (WLDC);
- Overall assurance levels had increased from the previous year, and there were no areas of low assurance;
- There were two areas of 'limited' assurance; these were food safety and environmental protection, and the planning enforcement follow up. Agreed management action plans were in place for these areas;
- In the end of year report on the implementation of recommendations from Internal Audit there were no overdue actions, although there were 45 actions with completion dates yet to be reached;
- Positive assurances had been given on the financial control of the Authority. Lessons could be learned from the position of Northamptonshire County Council;
- Assurance had been given that there had been no impairment on the work of officers from Assurance Lincolnshire;
- Internal Audit comply with public sector internal audit standards. In addition, there had been a number of recent Chartered Institute of Public Finance and Accounting (CIPFA) publications relevant to audit and the Council that had been utilised;
- 100% of the feedback received from officers rated the service provided by the team as good or excellent;
- There were 22 risks on good governance; the aim was to address these in the next 6-8 months. This had been included in the annual governance statement as an area of priority;
- The Housing and Enforcement Manager was present and informed Members that he hoped the follow up to the 2017 audit on planning enforcement would become 'substantial' at the earliest opportunity;
- Changing the performance measures within planning enforcement wasn't possible mid-year. A full report on this and other enforcement issues would come to the July meeting of the Governance and Audit committee.

RESOLVED to note the report.

6 DRAFT ANNUAL GOVERNANCE STATEMENT 2018/19

Members considered a report on the draft Annual Governance Statement for 2018/19.

The following points were highlighted:

- It was proposed that the following four items form part of the action plan for the 2018/19 Annual Governance Statement:
 - Risk management;
 - Peer Review
 - Governance Review
 - Member induction and training
- The draft statement had been shared with both internal and external audit;
- In previous years, the Authority had been advised by auditors of the areas that needed to be included in the Annual Governance Statement action plan. The Authority was now in the position whereby it could look for areas to improve;
- The content of the strategic risk register was changing; that work was underway with officers and Members. This work would be completed during the summer, helping to feed the strategy;
- The committee reviews strategic risks every 6 months;

RESOLVED to note the report.

7 UNAUDITED STATEMENT OF ACCOUNTS

The 2018/19 unaudited statement of accounts was presented for scrutiny, ahead of the final version that would be produced for the July meeting of the Governance and Audit Committee.

The following points were highlighted:

- The finance team were visited by auditors on 20 May, and no issues were raised as a result of this visit;
- External auditors were finalising the accounts, with no significant issues at this point. Final sign off would be 23 July;
- A healthy balance sheet had been achieved, with around £23 million available for investment;
- In the future, the Fairer Funding review, the financial settlement and changes to the business rates scheme were potential issues for the Authority. The Medium Term Financial Plan (MTFP) was prudent, in that there were adequate reserves to act as a buffer for a number of years. The General Fund balance stood at £2 million;

- The Fairer Funding scheme would look at resourcing need, by looking at factors such as deprivation and service need. It would not be dependent on the amount of reserves a Council had;
- The resilience indicators within the report reflected a generally worsening picture for the next four years; however this was still a strong overall position.

RESOLVED to note the report.

8 COST OF CONSULTANTS AND AGENCY WORKERS

Members considered a report on the expenditure incurred during 2018/19 on the engagement of externally appointed temporary/agency staff and consultants.

The following points were highlighted:

- £607,000 had been spent on agency staff and consultants in 2018/19. 72% of this funding was commissioned through West Lindsey's staffing agency. The actual cost of staffing services was 5.9% of the overall employee budget;
- Agency staff were used to cover vacancies, sickness leave and seasonal staff;
- £211,000 had been spent on consultancy by the Authority to utilise the advice of experts;
- Finance officers budget for a 'full establishment', i.e. a fully staffed Authority. Vacancy savings were achieved where posts were not filled, or where vacancies were being held for a specific purpose;
- The only department that relied on agency staff was Waste Services. £389,000 of funding was allocated to this department. In the previous year, Waste Services received a 'high assurance' rating;
- When WLDC undertakes large projects that were not classed as 'business as usual', it needed to ensure that there were specialist staff to help complete these projects;
- The cost of consultants would fluctuate from year to year, a bigger issue would be whether the Authority was getting value for money.

Members of the committee questioned officers on the reasoning behind the proposal for the paper to be circulated via the Members' Newsletter. All were reassured that the information would still be visible to all Elected and Independent Members through the Members' Newsletter, and if it was felt that the data warranted a committee report, this could be done with the approval of the Governance and Audit Chairman.

RESOLVED to:

- (1) Accept the content of the report;
- (2) Circulate this report via the West Lindsey Members' Newsletter in

future years.

9 WORKPLAN

The workplan was noted.

The meeting concluded at 3.02 pm.

Chairman