

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held virtually via Virtual - MS Teams on 21 July 2020 commencing at 2.00 pm.

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

Councillor Stephen Bunney
Councillor Mrs Tracey Coulson
Councillor David Dobbie
Councillor Mrs Caralyne Grimble
Councillor Mrs Angela White
Alison Adams
Andrew Morriss
Peter Walton

In Attendance:
Alan Robinson Director of Corporate Services and Monitoring Officer
James O'Shaughnessy Corporate Policy Manager & Deputy Monitoring Officer
Stacey Richardson Principal Auditor
Caroline Capon Corporate Finance Team Leader
Natalie Kostiuik Customer Experience Officer
James Welbourn Democratic and Civic Officer
Ele Snow Democratic and Civic Officer

14 REGISTER OF ATTENDANCE

The Chairman undertook the register of attendance for Members and each Councillor confirmed their attendance individually.

The Democratic Services Officer completed the register of attendance for Officers and, as with Members, each Officer confirmed their attendance individually.

15 PUBLIC PARTICIPATION PERIOD

There was no public participation.

16 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on Tuesday, 16 June 2020 were approved as a correct record.

17 MEMBERS DECLARATIONS OF INTEREST

There were no declarations of interest at this point in the meeting.

18 MATTERS ARISING SCHEDULE

The matters arising schedule setting out the current position of previously agreed actions as at 21 July 2020 was noted.

19 UNAUDITED STATEMENT OF ACCOUNTS 2019/20

The Corporate Finance Team Leader introduced the Unaudited Statement of Accounts for 2019/20 for scrutiny. She stated that, following the Accounts and Audit Regulations 2015, the Council's Statement of Accounts, subject to audit, must be certified by the Chief Finance Officer and published before the 31 May. Following completion of the external audit the Council must formally approve the accounts before 31 July. However, due to the global pandemic, these deadlines had been extended. The unaudited accounts must therefore be published on, or before 31 August 2020. Audited accounts must be published by 30 November 2020. She stated that the external audit was ongoing. Members were advised of potential material uncertainty regarding the pension fund, as detailed in section 4.1 of the report, and it was explained that this was not of immediate concern but could have an impact. It was also highlighted that the scale fee for 2020/21 remained unchanged.

The Chairman thanked the Corporate Finance Team Leader for a clear report and enquired about a £200k grant that had been agreed previously but not yet taken up. It was explained those funds were part of the capital programme and were still available as originally agreed.

There were discussions regarding the pension fund and the timescales involved with becoming a fully funded fund. Members heard that there was an actuarial review conducted every three years and that following the last review in 2019/20, there had been a 77% of being fully funded by 2039. This would continue to be reviewed every three years.

A Member of the Committee enquired about the impact of Covid 19 and the measures taken by the Council in terms of covering rental income or the risk of significantly devalued properties. It was explained that within the earmarked reserves were valuation volatility reserves which were maintained to cover any drop in value of a property. With regards to rental incomes, there was provision within the accounts for recovering lost monies over a longer term or extending rent payments to ensure affordability for tenants during these times.

Following an enquiry regarding the oil wells owned by the Council, it was agreed that the full asset register would be shared.

With no further discussion it was

RESOLVED that:

- a) Members had the opportunity to review the Unaudited Statement of

Accounts and any comments would be referred to the Section 151 Officer for subsequent discussion with the Council's External Auditors, Mazars; and

- b) Members accepted the uncertainty around the Pension Fund Valuations which may result in amendments to the Statement of Accounts; and
- c) the scale fee for the External Audit of the Statement of Accounts for 2020/21 be noted.

20 ANNUAL VOICE OF THE CUSTOMER REPORT 2019/20

The Customer Experience Officer introduced the Annual Voice of the Customer Report for 2019/20. She highlighted an increase in compliments, particularly for customer facing roles, and notably at the start of the global pandemic. There had also been an increase in complaints over a range of service areas however there was also an increase in overall customer satisfaction. She explained that the Local Government Ombudsman (LGO) had paused their work during the pandemic however prior to that, of the complaints referred to the LGO, only three had been investigated and there had been no fault found against the Council. Customer contact methods were summarised for Members to explain that most contacts were undertaken via the telephone or online and that online enquiries were increasing in comparison with telephone contact.

Members thanked the Customer Experience Officer for a clear and detailed report and there were discussions around which services were included and whether positive feedback was encouraged as much as making a complaint. It was confirmed that all feedback was encouraged and staff members were reminded to put forward any positive comments or thanks they received, as well as knowing when to direct people to the complaints process.

The Chairman enquired about the star rating and how each star was weighted to gain a percentage representation of customer satisfaction. The Customer Experience Officer confirmed she would clarify these ratings for future reference.

RESOLVED that the Annual Voice of the Customer Report be noted.

21 INTERNAL AUDIT QUARTER 1 PROGRESS REPORT 2020/2021

Members heard from the Principal Auditor regarding the Internal Audit Quarter 1 Progress Report for 2020/21, the purpose of which was to give Members an update of progress, by the Audit partner, against the 2020/2021 annual programmes agreed by the Audit Committee in March 2020, and amended in June 2020. She highlighted that, owing to the pandemic, it had been agreed that no new Internal Audit work would be completed during quarter 1 and as such, focus was on finalising the 2019/20 audit work which had not been completed as a result of Covid 19. During this time, three reports had been issued and four audits were at draft report stage. It was also highlighted that there were no overdue audit reports.

The Chairman enquired what confidence there was that the audit plan for 2020/21 could be completed given the changeable circumstances. The Principal Auditor stated that they were confident the plan would be met. They were monitoring resources on a monthly basis and, should there be any concerns, these would be raised as they arose.

There were questions as to why the Internal Audit report gave limited assurance to the 'Golden Thread' which was in contrast to the findings of the Peer Review. It was explained that there was a difference in timings and in who had been spoken to with regards the Golden Thread. It was acknowledged that there were services where the information was not cascaded down by Team Managers and also work areas where it was not immediately obvious to the staff where their work might fit in with the Corporate Plan. This was being addressed and would be seen in future progress reports.

It was noted that it was positive to see no outstanding actions and it was also confirmed that the audit plan for another area of ICT 'to be agreed' would have a clear indication by the October meeting.

RESOLVED that the content of the report be noted.

22 ANNUAL FRAUD REPORT 2019/20

The Monitoring Officer introduced the Annual Fraud Report for 2019/20 the purpose of which was to appraise Members with details of identified fraud and counter fraud activity during the year 2019/20 and to provide assurance that policies, procedures and mitigations were in place to counter fraud activity. Members heard that there had been no fraud identified in relation to Authority activities however in relation to Revenue and Benefits fraud, there had been cases regarding Council Tax and Housing Benefit fraud.

There was discussion regarding how such fraudulent claims could come about and whether there were any local concerns with having the DWP in charge of detecting fraud and conducting the investigations. It was explained that the DWP had the resources to investigate on a much larger scale and that the local knowledge aspect was not lost as often it was the local team who identified cases of potential fraud.

It was acknowledged that other areas included within the policy, such as theft or bribery, had not been included in the report as there had been no reported cases.

RESOLVED that Members be assured that policies, procedures and mitigations are in place to counter fraudulent activity.

23 FOURTH TIER GOVERNANCE REVIEW

The Committee was asked to give consideration to a report regarding a Fourth Tier Governance Review, giving the background and local context for such a review and setting out the option for such a review across West Lindsey. Members heard that over recent years it had become apparent that a number of common issues had begun to impact on Town and Parish Councils across the District, such as struggling to attract and retain new Councillors, a lack of appropriate skill sets among Councillors, feelings of loss of democracy and

effective local representation and lack of medium to long-term planning. The Corporate Governance and Policy Manager explained it was difficult to identify how widespread these problems were but it was important to consider what options may be needed. He highlighted that the initial plan was to conduct a survey of towns and parishes across the district in order to assess the full situation.

Members discussed the difficulties of ensuring a good response rate to such a survey and it was agreed that there would need to be proactive management from Officers, with the assistance of District Councillors if appropriate. The idea was to understand the scale of any issues across the district and for the survey to generate the aims and outcomes of any subsequent action.

There was further discussion regarding the practicalities of ensuring as many responses as possible and it was agreed that there would need to be alternative methods to run alongside the survey. The Chairman clarified that the purpose was not to conduct the review at this point, rather to ascertain whether a review was needed.

RESOLVED that

- a) the Governance and Audit Committee undertake to follow the guidance provided by (the then) Department for Communities and Local Government (DCLG) and the Local Government Boundary Commission (LGBC) for England and conduct a governance review every ten to fifteen years; and
- b) the proposal to undertake a survey of Parish/Town Councils and District Council Members to gauge the level of necessity for change be approved, and for Committee Members to receive a draft of the survey at a subsequent meeting of the Committee within this civic year; and
- c) authority be delegated to the Monitoring Officer in consultation with the Chairman of the Governance and Audit Committee to engage with the Boundary Commission should the need arise.

24 RESULTS OF GOVERNANCE & AUDIT COMMITTEE EFFECTIVENESS SURVEY

The Corporate Policy Manager introduced the report regarding the results of the survey, completed by Members, on the effectiveness of the Governance and Audit Committee. He summarised that the survey was based on advice offered by the Chartered Institute of Public Finance and Accountancy (CIPFA) (2018) suggesting that it was useful for audit committees to undertake a self-assessment of their effectiveness and the report gave details of the questions and responses. He stated that eight Members of the Committee completed the survey which was a response rate of 80%.

It was explained that to make progress against the issues raised, it was proposed that the Committee form a working group of at least three members to further review the findings and devise an improvement plan which the Committee would oversee. A draft terms of reference for the group was attached the report and it was highlighted that the Governance & Audit Committee was already committed to the inclusion of its improvement plan among the

issues detailed within the Annual Governance Statement Action Plan for 2019/20.

The Chairman invited Members to be included in the working group and it was agreed that the group be comprised of Councillors T. Coulson, S. Bunney, J. Brockway and Mr A. Morriss.

With this agreed it was

RESOLVED that:

- a) the appointment of a working group be approved to develop an improvement plan to address the identified issues and the terms of reference be agreed; and
- b) the progress of the improvement plan be monitored by the Committee and assurance be sought that measures put in place are proportionate and effective.

25 WORKPLAN

The Chairman suggested that the report on the six month review of strategic risks be moved to the meeting in October. With this amendment, the current workplan was noted.

The meeting concluded at 4.10 pm.

Chairman