

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall on 28 September 2021 commencing at 2.00 pm.

Present: Councillor John McNeill (Chairman)

Councillor Stephen Bunney
Councillor Mrs Tracey Coulson
Councillor Christopher Darcel
Councillor David Dobbie
Councillor Mrs Caralyne Grimble
Councillor Mrs Jessie Milne
Andrew Morriss

In Attendance:

Tracey Bircumshaw	Assistant Director of Finance and Property Services and Section 151 Officer
Emma Redwood	Assistant Director People and Democratic Services
Katie Storr	Democratic Services & Elections Team Manager (Interim)

Also in Attendance Councillor Trevor Young

Apologies: Councillor Mrs Jackie Brockway (Vice-Chairman)
Alison Adams
Peter Walton

Membership: Councillor Jessie Milne substituting for Councillor Jackie Brockway

20 CHAIRMAN'S WELCOME

The Chairman welcomed all Members to the Meeting and highlighted the Covid secure measures which would be in place throughout the meeting.

21 PUBLIC PARTICIPATION PERIOD

There was no public participation.

22 MINUTES OF PREVIOUS MEETING

RESOLVED that the Minutes of the previous Meeting of the Governance and Audit Committee held on 20 July 2021 be approved and signed as a correct record.

23 MEMBERS DECLARATIONS OF INTEREST

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

24 MATTERS ARISING SCHEDULE

With no comment, the Matters Arising Schedule was duly **NOTED**.

25 UPDATE ON STATEMENT OF ACCOUNTS 2020/21 AND EXTERNAL AUDIT

Consideration was given to a report which informed Members that the approval of the Statement of Accounts would be delayed, the reasons for this and the implications arising.

There were three reasons why the Authority would be unable to meet the Statutory deadline on this occasion, namely: -

- material changes to the Accounts as a result of changed guidance in how Additional Restrictions Grants monies needed to be accounted for within accounts.
- a late change in the Pensions liability; and
- a pending issue involving an appeal to the HMRC,

Full details of each were included in Sections 2, 3 and 4 of the report respectively and brought to Members' attention.

Members were advised that as a consequence of these changes and the need to update the Statements, the statutory deadline would not be met.

It was noted that the change in pension liability and the changed guidance relating to Additional Restrictions Grants monies, would affect many councils throughout the country. West Lindsey District Council along with all those Councils would be listed publically, as not having met the statutory deadline.

The Statement of Accounts 2020/21 and External Auditors reports would be presented to the next meeting of the Committee on 9 November 2021, the planned mandatory training would be re-scheduled.

In response to questions, the S151 Officer confirmed the Authority would put out a notice advising of the position, although this was not a statutory requirement. It was also confirmed the Authority had never previously failed to meet the statutory deadline. There were no further implications from being included on the Auditors notice, and the number of authorities

expected to not meet the deadline, given the national issues and resulting pressures on external auditors, was expected to run into hundreds this year. Officers were hopeful of a positive outcome with regards to the HMRC appeal having taken appropriate and sound advice throughout the capital project.

The typographical error in paragraph 2.1 of the report was verbally corrected and should have read £0.992m for the avoidance of doubt.

Concluding the debate, the Chairman placed on record his satisfaction that the delays being experienced were not as result of either West Lindsey District Council or its Officers.

RESOLVED that the reasons for the delay of the approval of the Statement of Accounts be noted.

26 ANNUAL GOVERNANCE STATEMENT 2020-21 AND CLOSURE OF ACTION PLAN 19-20

The Committee gave consideration a report which presented to Members the Annual Governance Statement for 2020-21 and Action Plan, having considered the draft report at their meeting in June 2021. No amendments had been requested at that time.

The 2020/21 Action Plan contained 5 issues to be addressed and these were set out at Section 5 of the report and summarised to the Committee.

The report also sought closure of the Annual Governance Statement 2019-20 Action Plan.

Debate ensued and reference the action “produce a Cultural Strategy”, within the Action Plan 2021, a Member suggested it was important that “Culture” was clearly defined. The current actions suggested it focussed on the Arts whereas culture should look at wider matters of sports and leisure.

Officers undertook to ensure the action owners were made aware of the Committee’s comments, and that the matter would be addressed, however for the avoidance of doubt, the Chairman’s preference was that a formal amendment be made.

The following amendment was therefore moved and seconded,

“8. The Cultural Strategy to include a definition relating to sports and leisure activities”

There was further discussion regarding the appropriateness of the amendment, with the Committee being made aware that the Health and Well-Being Strategy considered matters relating to sport and leisure, rather than the Cultural Strategy within the AGS context.

Following further consideration, being mindful of the role of the Committee, comments from Committee Members and given the response provided by Officers earlier in the meeting, the Chairman withdrew his proposal.

Ensuring the Cultural Strategy included reference to sports and leisure was a matter that

would need to be pursued through Policy Committee routes, and Officers were asked to note the comments made and action appropriately in Policy reports.

On that basis it was

RESOLVED

- (a) the Annual Governance Statement for 2020-21 and associated Action Plan be approved; and
- (b) the Action Plan for 2019-20 be signed off as completed.

27 STRATEGIC RISK REVIEW

The Committee gave consideration to a report which reviewed the strategic risks facing the Council as at September 2021.

The report identified 12 strategic risks to the Council, and Members were reminded of the definition of a Strategic Risk, as detailed at Section 1.1 of the report, a risk that if materialised would adversely impact the delivery of corporate priorities.

Members had last considered the Strategic Risks in January 2021. The Risks and associated actions were due to be reviewed again with Risks owners over the coming months and were reported to the Committee on a six monthly basis.

Members were asked to identify any additional risks and to be assured that the current controls and proposed actions were sufficiently robust.

A Member questioned whether the Climate Strategy and Action Plan should be added as a control to the risk relating to the local housing market – page 49 of the report referred. In response, Officers undertook to raise the matter with the risk owner at the pending review meeting and add to the controls as necessary.

Some Members of the committee were of the belief that the Committee's role was to safeguard the Council finances, raise concerns where they existed and undertake actions to seek assurance. Given the current circumstances surrounding a former Leader of the Council, Opposition Members were of the belief this could lead to suggestions that the Council's accounts had been compromised and/or that decision making had been flawed. Assurance was requested that both the accounts and decision making, governance of the Council had been undertaken satisfactorily. Opposition Members considered that this was a risk to the Council and that an independent person should be appointed to investigate such matters and report back to the Committee for assurance purposes.

In response Officers advised the Annual Governance Statement was prepared in consultation with the internal audit function and as such received outside validation of its accuracy.

In respect of the Accounts, again these were audited by an external body and as such received external validation of their accuracy. In undertaking the audit, samples of

transactions were scrutinised. The segregation of duties, sign off levels and authorised Officers offered further assurance.

Having heard the responses from internal Officers, Opposition Members hoped that when they received the next internal audit report such matters were addressed and responded to.

Noting the Internal Audit Plan was a set document agreed by the Committee, it may not be feasible to include an additional report of that nature. However the Internal Audit quarter report was due for consideration at the next meeting and both internal and external auditors would be present, it was suggested that those points and requests could be made at that meeting, if Members felt it necessary.

Members questioned whether current controls and commentary in respect of ICT were satisfactory given that it had been identified as the greatest risk. In response, Officers confirmed an Internal Audit of ICT and Cyber security was being undertaken given the level of risk it posed, the results of which would be reported back to the Committee and the Risk updated appropriately with any arising recommendations from that Audit

RESOLVED that, having reviewed the Strategic Risk register, noting the comments made, no additional strategic risks be included; and current controls and proposed actions are sufficiently robust.

Note: Councillor T Young left the meeting at this point.

28 RECOMMENDATION FROM THE STANDARDS COMMITTEE - ADOPTION OF A NEW CODE OF CONDUCT FOR MEMBERS

Members gave consideration to a report, recommended by the Standards Sub-Committee relating to the adoption of a new Model Code of Conduct.

The report asked the Governance and Audit Committee to support the recommendation and refer the matter to Full Council for adoption and implementation.

In presenting the report Members' attention was particularly drawn to Section 4 of the report, the requirements of the Code, the reasons for recommending its adoption, but also the lack of sanctions and the limitations this brought.

In response to Members, comments and concerns particularly around interests and examples of behaviour they have witnessed Officers again re-iterated adopting a new Code, provided an opportunity to retrain, reframe, share best practice. The interests and situations referred to through the comments were recognised in the new Code but Members were reminded that it would always remain a Members personal responsibility to determine their level of involvement. Caution was also expressed that a Code was only part of the tools required by an MO and it would never solve all issues within parishes.

Members welcomed the training and asked that it include real life examples, lots of best practices and scenarios that could be applied to their day to day experiences

In responding to further comments, it was noted that a single national code had been abolished with the introduction of the 2011 Localism Act. Since 2017 West Lindsey had adopted a fuller code, very similar to the new LGA Code. 49 of the parishes across the District had adopted the West Lindsey current Code. NALC would be withdrawing their model code in favour of the new LGA version and as such it was hoped a single code across the District was achievable.

Members indicated their support for one standard for all.

On that basis it was **RESOLVED** that: -

- (a) The recommendation from the Standards Sub-Committee be accepted and as such it be recommended to Full Council that: -
 - (i) West Lindsey District Council adopts the LGA's model code of Conduct and associated Guidance Notes as the Authority's Code of Conduct with immediate effect.
 - (ii) all Parish Council's across the District be encouraged to adopt West Lindsey's new Code of Conduct by May 2022; and
 - iii) the roll-out process detailed in Section 5 of the report be approved and implemented.
- (b) The Committee supports the Standards Sub-Committee's recommendation that "Officers be requested to continue lobbying Government Ministers for a change in legislation to allow for the decriminalisation of "interests", and the re-introduction of proper meaningful sanctions" and as such it be further **RECOMMENDED** to Full Council that: -
 - (i) Council offer similar support and request the Leader writes to the relevant Ministers to further highlight this important point.
- (c) prior to the Full Council Meeting in November 2021, training on the requirements of the new Code be provided to all District Councillors.

29 WORKPLAN

The Workplan as set out in the report was **NOTED**

The meeting concluded at 2.52 pm.

Chairman