

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall on 14 March 2023 commencing at 10.00 am.

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

Councillor Stephen Bunney
Councillor Mrs Tracey Coulson
Councillor Mrs Caralyne Grimble
Councillor Mrs Angela White
Alison Adams
Andrew Morriss

In Attendance:
Emma Foy
Peter Davy
Jeanette McGarry
Katie Storr

Director of Corporate Services and Section 151
Financial Services Manager (Deputy Section 151 Officer)
Assistant Director People & Democratic Services
Democratic Services & Elections Team Manager

47 PUBLIC PARTICIPATION PERIOD

There was no public participation.

48 MINUTES OF PREVIOUS MEETING

RESOLVED that the Minutes of the previous Meeting of the Governance and Audit Committee held on 24 January 2023 be approved and signed as a correct record.

49 MEMBERS DECLARATIONS OF INTEREST

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

50 MATTERS ARISING SCHEDULE

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

51 YEAR END 31ST MARCH 2023: ACCOUNTING MATTERS

The Committee considered the report reviewing and seeking approval of the accounting policies, actuarial assumptions and materiality levels that would be used for the preparation of the 2022/23 accounts.

The Financial Services Manager introduced the report setting out the accounting policies which would be used when preparing the 2022/23 accounts, the actuary assumptions which had been supplied by the pension actuary Barnett Waddingham and then the materiality levels applied when compiling the Accounts.

The Committee was advised that the timetable to complete the accounts had changed slightly from previous years and now required authorities to publish their draft accounts by 31st May 2023 and their audited accounts by 30th September. The CIPFA code of practice guidance notes for 2022/23 had recently been released and there were no major changes, as the expected change in lease accounting had been moved to 2023/24. The accounting policies had been reviewed and were the same as last year.

Materiality levels had been supplied by the external auditors and were similar to previous years. The actuarial assumptions supplied by Barnett Waddingham were based on market conditions at 31st January 2023. There were still unknowns about the McCloud and Sargeant judgements for which regulations were expected to be produced later in 2023. An assessment of the risks associated with closing the Councils accounts and producing the Financial Statements had been undertaken.

A member highlighted the recent collapse of the Silicon Valley Bank and sought clarification that the Council could be responsive if necessary as the review was only made tri annually. The concern was acknowledged, and confirmation was given that end of year reports provided updates between reviews. Fluctuations in the market were emphasised and would feed in to the accounts accordingly. The Chairman reminded members that a letter had been sent to the Council representative on the Pension Board outlining the concerns of the committee.

A member asked about the transfer of leases and their reporting in the accounts. It was confirmed that these were constantly assessed, whilst final regulations were still awaited, the Council had no significant leases which would be impacted. The difference between commercial properties and investments were outlined including funding. In response to a question the Committee was informed that advice on these matters were received from CIPFA and independent audit advisors.

A member asked about the implications of the McCloud/Sargeant judgements relating to age discrimination against the age-based transitional provisions. It was confirmed that regulations would not be available until later in year so there was no adjustment from previous year's estimate made in funds. In next year's accounts it would be included.

Confirmation was given that Auditors were confident they could meet deadlines and audit reports would be received at the next meeting.

Having been moved and seconded on being put to the vote it was unanimously

RESOLVED that:

- a) the proposed Accounting Policies, included at Appendix 1 to the report, be approved;
- b) the pension assumptions (Appendix 2) had been considered and commented on;
- c) the risk assessment (Appendix 3) had been considered and commented on;
- d) the proposed materiality levels, as included in section 5 to the report, be approved;
- e) the key closedown dates at Section 7 had been considered and commented on; and
- f) the main accounting changes for 2022/23 and onwards as shown at section 2 be accepted.

52 ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE

Consideration was given to the report outlining progress with the Annual Governance Statement 2021/22 Action Plan.

The Interim Assistant Director & Monitoring Officer introduced the report and explained that the annual document set out the quality of governance arrangements in place. It was highlighted that areas for improvement were identified together with an action plan. The Committee was advised that there were six key actions and all were on track. A programme of work for the remainder of the year was set out and the report sought members assurance about improvements.

A member referred to the limited use of procurement through Lincolnshire County Council and whether the district council would receive a refund. In response it was confirmed that a credit note had been issued. In addition it was noted that additional risks would continue to be monitored.

In respect of the elections service it was questioned as to what improvements were needed as the current service was very good. In response it was explained that there were challenges around voter identification and how that would be met.

A member referred to the change to hybrid working and the implications on staff retention and behaviour change. It was confirmed that no contract changes were proposed and it was acknowledged that home working was dependent on organisational and personal needs. The need to develop a team environment in an office setting for meetings/training was important. A work from home culture was established and changes may have an impact on recruitment and this would be reflected in monitoring reports to members.

The Chairman summarised the discussion and members thanked officers for the report and identified improvements. It was suggested that services were robust but it was important to look at ways to improve.

Having been moved and seconded on being put to the vote it was unanimously.

RESOLVED That members are assured that the current position of the AGS Action Plan for 2021/22 will bring improvements to the identified areas.

53 WORKPLAN

The Chairman advised that there was a busy agenda for the April meeting but no mandatory training was needed.

With no further comment, the Workplan as set out in the report was **NOTED**.

The meeting concluded at 10.28 am.

Chairman