

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 21 October 2022 commencing at 10.00 am.

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

Councillor Stephen Bunney
Councillor Christopher Darcel
Councillor Mrs Caralyne Grimble
Councillor Mrs Angela White
Alison Adams
Andrew Morriss

In Attendance:
Emma Foy Director of Corporate Services and Section 151
Emma Bee Audit Manager – Lincolnshire Audit
Tony Maycock Auditor – Lincolnshire Audit
Natalie Kostiuik Customer Experience Officer
Katie Storr Democratic Services & Elections Team Manager

Apologies: Councillor Mrs Tracey Coulson

19 CHAIRMAN'S WELCOME AND TO VARY THE ORDER OF THE AGENDA

The Chairman welcomed all Members to the reconvened meeting of the Governance and Audit Committee, adjourned from 11 October 2022.

Due to the rescheduling, Lincolnshire Audit, were due at another Authority later that morning, and as such it was proposed and seconded that agenda item 7 (b) - Internal Audit Quarter 2 Report 2022/23, be the first public report considered as opposed to Strategic Risks. On being put to the vote it was: -

RESOLVED that the order of the agenda be varied as detailed above.

20 PUBLIC PARTICIPATION PERIOD

There was no public participation.

Note: Councillor C Grimble arrived at this point in the meeting.

21 MINUTES OF PREVIOUS MEETING

RESOLVED that the Minutes of the previous Meeting of the Governance and Audit Committee held on 19 July 2022 be approved and signed as a correct record.

22 MEMBERS' DECLARATIONS OF INTEREST

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

23 MATTERS ARISING SCHEDULE

Reference the green action entitled, "Member Training for Statement of Accounts" it was confirmed that training was to be held via MS Teams on 25 November. Officers would ensure invitations were in all Members' diaries, including Independent Members of the Committee.

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

24 COMMITTEE UPDATE ON THE DELAY IN ISSUING THE AUDITOR'S ANNUAL REPORT 2021/22

The Director of Corporate Services and Section 151 Officer provided context to the update item. The target date for the audited statement of accounts had been moved to the 30th of November, but statute had not been amended to reflect such an allowance. Therefore, Auditors had provided a letter for display on local authorities' websites, if the Audit would not be completed by the 30th of September, in order to clarify the position. West Lindsey District Council's Audit would not be completed, having only commenced mid-September, and this was the formal notification of such, which would be displayed on the website.

The accounts were expected at the Committee's next meeting on 29 November.

The Chairman took the opportunity to highlight to Members that West Lindsey had received notification that from 2023/24 its newly appointed auditors – through the Public Sector appointments process, would be KPMG. Consultation was currently underway on the fees for financial audits, a major reset was expected, and from Autumn 2023 it could see costs / fees payable at least double, noting that the actual fees applied would be dependent on the amount of work required. The S151 Officer confirmed this to be the case indicating a doubling in fees was to be expected.

With no further comments the update was **NOTED**.

25 INTERNAL AUDIT QUARTER 2 REPORT 2022/23

Members considered a report which provided an update of progress, by the Audit partner, as at 30 September 2022, against the 2022/2023 annual programme, which had been agreed by the Audit Committee in April 2022. During the period, six assurance audits had been completed and four audits were currently in progress.

The completed audits being:-

Value For Money - High Assurance
Flood Management - High Assurance
Key Control and ERP - Substantial Assurance
ICT Disaster Recovery - Substantial Assurance
ICT Helpdesk follow up - Substantial Assurance
ICT Cloud Services - Substantial Assurance

Audits in progress/draft stage were -

Contract Management- draft report
Staff Resilience – fieldwork
Levelling Up Fund part 1 (part 2 due to commence in Q4) – fieldwork
Housing Subsidy - draft report

Information on each was included within the body of the report.

Other work undertaken during the period was highlighted to the Committee, including work on the Combined Assurance Process due to be presented to Committee in March 2023 and grant work related to Covid Funding. Again, further information on each was set out in the report.

Members noted there were 12 actions due for completion by the 31st August 2022; 1 High Priority action and 11 Medium Priority actions. The High Priority action had now been completed and 5 of the 11 Medium Priority actions had been completed (45%). Appendix 3 provided details of those actions and indicated where extended implementation dates had been agreed.

The Full Audit Plan was set out within the report and the matters of interest included within the report were also highlighted to the Committee.

Finally, Members were advised of staffing changes at Lincolnshire Audit seeing both Emma Bee, Audit Team Leader, and the Head of Internal Audit, Lucy Pledge leaving their positions. Assurance was offered that a successful recruitment drive had been undertaken along with a “grow your own” mentality.

The Chairman, echoed by Members of the Committee expressed sorrow at the departure of the two Officers, thanking them for their work over the years, but wished them well for their future endeavours.

Debate ensued and in respect of the Flood Management Audit, Members were pleased to see the positive result, however reference was made to the link between partners, which had

previously been of concern, and sought indication as to whether this had been within the scope of the Audit.

The Audit Team Leader confirmed that inter-partnership working and communication between agencies was not within the scope of the audit. However similar audits had been planned across all Lincolnshire Councils to coincide with each other, so that all aspects of flood management and response could be audited. District Council Audits had been completed however the County Council had postponed their Audit. The Committee were encouraged to continue to influence and raise the message with the County Council.

Having heard the response from the Auditor, it was suggested that the Chairman of the Committee write to the Chairman of Lincolnshire County Council's Audit Committee stressing the need for the Flood Management Audit to be undertaken. With general consensus from Members the Chairman undertook to write as requested.

In seeking a general understanding and to avoid the risk of complacency, with this being her final meeting, the Auditor was asked what was the greatest area of concern or risk for West Lindsey. Absolute assurance was provided, given the quality of the relationship with West Lindsey, which had previously been praised, and due to senior leaders of the organisation, being very open, very transparent and very collaborative there was nothing of concern.

In the context of the planned audit, in respect of staff resilience, Members sought indication as to whether "quiet quitting" was affecting the organisation, something which was very topical in media outlets. In responding, Members were advised that the Audit would provide assurance around such matters and until such time it was difficult to assess. However, through the combined assurance work, referred to earlier, time was spent assessing such factors as succession planning, recruitment, and retention. These were key risks for all for all councils, and all organisations, acknowledging that the current recruitment industry was challenging. The planned Audit and the Combined Assurance Report would provide a full picture in due course.

Referring back to the Flood Management Audit, and in response to a Member questioning how a high assurance rating could be given, when the Authority had no control nor responsibility over flooding, Officers again clarified the scope of the audit. Whilst acknowledging WLDC was not the flooding authority it did have its own emergency response actions, communications, clean up and recovery responsibilities etc. The Audit scope had been limited to what was in West Lindsey's control and that's what had received high assurance. The Audit did not give assurance on the county's arrangements for flooding or how West Lindsey works with the county for flooding.

With Members having generally discussed their experiences both historic and present it was suggested that it would be useful to include information, in a future Members' Newsletter, regarding what were WLDC's responsibilities in respect of flooding and what support can be expected from West Lindsey, regardless of whether the situation was classified as an emergency by the County Council.

RESOLVED that having considered the content of the report, further actions as identified during the debate and detailed above be undertaken; namely

- (a) Chairman to write to the Chairman of Lincolnshire County Council's Audit

Committee regarding the need for the Flood Management Audit to be completed; and

- (b) Information be included in a future Members' Newsletter regarding West Lindsey's role, responsibilities and direct support offered in respect of Flooding.

Note : Officers from Lincolnshire Audit left the meeting at this point

26 REVIEW OF STRATEGIC RISKS

The Committee gave consideration to a report which reviewed the strategic risks facing the Council as at September 2022.

The report identified 13 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 April 2022. The Risks and associated actions were due to be reviewed again, with Risk owners, over the coming months, and were reported to the Committee on a six-monthly basis. No additional risks had been added to the register since Members had last considered it.

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

Debate ensued with the Chairman recollecting that Committee had previously requested consideration be given to the inclusion of a climate related strategic risk and sought indication as to whether it had.

Whilst initial consideration had been given this would be addressed in the full review of strategic risks aligned to the new 2023-27 Corporate Plan. For a matter to be a considered a strategic risk it had to be an explicit key objective within the Corporate Plan.

Referencing partnership working, Members sought an understanding as to what extent WLDC were responsible for ensuring partners followed the same standards as the Council in respect of such matters as environmental credentials, and living wage commitments and whether partnerships / contracts could and would be terminated if similar standards were not maintained.

In responding Members were advised such matters were dealt with by Contract and Procurement Procedure Rules. Each contract would have both a price scope and quality scope, the quality scope primarily dealing with such matters.

Members were next due to consider such Procedure rules in March/April 2022, it was also noted that an Audit in respect of Contract Management was within the Audit Plan, with field work having commenced in July 2022.

Referring to the Risk “ICT Security and Information Governance arrangements are ineffective” and its current score of 12 and red RAG rating, Members sought assurance as to whether the target score of 8 was likely to be achieved by the next review. In responding Officers concurred that an IT failure as described on the register could be one of the most harmful to Council, and it was a matter the Council took very seriously.

A raft of new IT Security policies were due to be approved by the Corporate Policy and Resources Committee, internal audit colleagues were carrying out a range of IT controls audits over the next few months, expected to be reported to Members in January 2023, cybersecurity monies had been received from Central Government to enable the Council to invest in penetration testing, and Officers were regularly attending Cybersecurity Training and Conferences.

The risk would always remain a high “impact” but work would always be undertaken to reduce the likelihood. The Council were fully aware of the challenges Cybersecurity threats posed and given the nature of the work could not always fully publish what measures were in place.

In response to comments around Committee oversight and the report having previously been delayed, Members were reminded that quarterly reviews were undertaken by Management Team, the next being December, with Members seeing the register every six months, next due in April.

Assurance was sought and given that the Authority had plans in place, for matters it could directly affect, to deal with any escalation of war in the East, given its implications to fuel supplies and the economy.

Officers advised a bigger concern was the change in tone from the newly appointed Chancellor. The previous Chancellor had made a declaration that there would be no spending cuts this had now changed to “foresee eye-watering spending cuts”. The Authority would have to await the announcement to know for certain what its 23/24 settlement would be and what impacts that would have.

Members were also reminded that decision making had received a high assurance rating.

In responding to concluding comments regarding climate modelling and longer-term risks, but not of a Strategic nature, Members were reminded that a position statement on the Authority’s work in respect of sustainability and climate change was being submitted to the Prosperous Communities Committee and such questions would be pertinent for that arena.

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.

27 LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN (LGSCO) ANNUAL REVIEW LETTER REPORT 2021/22

Members considered a report on the Local Government and Social Care Ombudsman (LGSCO) Annual Review letter 2021/22. This report examined the Annual Review Letter

which covered complaints that were either received or decided by the LGSCO during the 2021/22 period.

Section 2 of the report included the annual review figures, these were summarised to the Committee and highlighted in the Executive Summary, noting the number of complaints referred to the Ombudsman had decreased compared to previous years, with 12 complaints referred, 8 were investigated and 2 were upheld.

Section 3 of the report provided further information of those complaints upheld, two in total, with sections 4 and 5 setting out how the authority had complied with any recommendations from the LGSCO and any learning it had implemented as a result.

Finally, the report compared how West Lindsey District Council had performed overall nationally and in comparison to 20 other similar local authorities in terms of the number of complaints referred, investigated and upheld by the LGSCO.

The Chairman, in advance of the meeting, had requested a statement of assurance in regards to the issues identified in the two upheld complaints and the Committee received a submission from Enforcement Team Manager as follows: -

“During the pandemic the planning enforcement service experienced unprecedented demand, which meant that the number of cases open for investigations doubled within a three month period. This in turn had a significant impact upon our ability to progress cases at a formal stage. Within this specific case there were delays in getting the case to the formal notice phase and subsequently in determining how to proceed with formal enforcement. The complainant was kept up-to-date with the Council’s position, just not to an extent that the LGO felt satisfied with and the delays did not affect the overall outcome. The LGO felt that the delays were not acceptable and a formal apology was offered.

During the period of delay the Council took steps to bring an additional temporary resource into the work area to ease the burden and this resource is due to come to an end at the end of December 2022. The overall performance within the service area since then, as per progress and delivery reporting, should give Councillors confidence that these delays are no longer being experienced. The demand within the work area has reduced, however it is still generally at a level that is higher than pre-covid. These demand levels are monitored regularly and a policy review is due at Prosperous Communities Committee in early 2023.

Officer error: (Community Safety Complaint)

The issues relating to Officer error within this report have been addresses through the revised procedure for Community Protection Notices. Each Officer utilising this power will ensure that it is checked by the Senior Officer within the work area and that legal advice is sought to ensure that wording is appropriate and that the overall intention of the notice is realistically enforceable. Legal advice is not sought in all cases, but where there may be a requirement for it due to the nature of the notice.

Each work area now has a Senior Officer and this has resulted in a greater

level of communication and joint working to ensure that cases that could fall within multiple work areas or which may require multiple powers to be used, are discussed at an early stage to determine who the Lead Officer will be.

Given the volume of the work undertaken across the Regulatory work areas, there will be occasions where we do not get it 100% right. The intention is to learn from examples such as this and ensure that processes are improved so they do not occur again.”

Debate ensued and the Chairman welcomed the assurance statement, and hoped such information could be included in future reports, where necessary, commenting on the ever-improving format of this annual report.

It was questioned in respect of some enforcement whether the Council appeared to be “soft” and the reputational impact this could have. There was lengthy debate with some specific examples. Members were reminded of the statutory process that must be applied and of how formal action did not necessarily produce results any quicker and was at considerable cost to the Council which had to be a consideration. Enforcement was taken in accordance with the Council’s approved Policy, which was being reviewed shortly.

In relation specifically to planning condition breaches, assurance was offered that there was much greater liaison between Planning Officers and Enforcement Officers to ensure any conditions imposed were recorded in an enforceable manner. Reference was made to the previous question to Council regarding this subject.

Officers confirmed initial trends for the 2022/23 year were looking positive and referred Members to Section 6 which set out how WLDC compared to others.

RESOLVED that the Local Government and Social Care Ombudsman Annual Review letter 2021/22 and report be welcomed, and having scrutinised its content the Committee have assurance that the current complaint handling procedures are functioning adequately.

28 MEMBER DEVELOPMENT ANNUAL REPORT 2021/2022

Members gave consideration to the Member Development Annual Report 2021/22 which reviewed Member Development activity for the past 12 months and set out relevant actions for the remainder of the year and into the Civic Year 2023/24, with the primary focus being the all Member Induction.

Key points highlighted to the Committee included, the continued trend of increased attendance at development sessions, with attendance being consistently over 30%, with some sessions as high as 55% attendance, attributed to the prevalence of virtual sessions, with Members content to travel to in-person sessions when necessary. Members also noted the wide variety of sessions offered over the 12 month period, with a combination of external training providers and Officer-led sessions.

The use of external providers would be a focus for the arrangements for the Full Induction Programme following the success of those sessions both at the 2019 Induction and in the

intervening years.

The Learning Pool roll-out continued to be an ongoing action, with Officers having recognised areas of improvement for how to manage this following the 2023 elections. It was still intended to launch the system during the current election cycle with communications anticipated in coming weeks and offers of individual support, if required.

Finally, Members were advised preparation for the Member Induction Programme, following all-out elections in May 2023 had begun. The programme in 2019 was a success, with positive feedback from Councillors and Officers alike. Where there had been suggested improvements, or requests over intervening years for additional sessions, these had been incorporated into the proposals for 2023. A table detailing the suggested improvements was detailed at section 3.2 of the report.

In the ensuing debate numerous suggestions were made regarding the need to balance virtual learning, with face to face learning, to accommodate different learning styles and to consider alternative venues, whilst also acknowledging the need to reduce emissions and travelling.

In responding, assurance was offered that the organisation had recognised that relationship building and setting the right environment for learning was really important, over the course of the next four years there would be virtual sessions, but those first induction sessions, those first times Members met Officers that would primarily be held in person due to the importance of relationship building at the outset. Different formats were considered for each session, and a one size fits all approach was not being adopted, if appropriate alternative venues could be considered, but this did have additional cost and available equipment implications.

The Committee felt it important that seasoned Councillors attended the induction sessions noting the invaluable information they held. The notion of buddying was championed and had been in place for the 2019 in-take and Members suggested it should be again.

A process by which to assess the quality of on-line training, going forward was suggested as a future topic for the Member Development Group.

In response to comments regarding attendance levels and Councillors' commitment to training, Members were reminded that there was no statutory power to mandate Councillors to training, training records were not currently published and the rationale for this was outlined, attendance was a matter for Group Leaders and it relied upon those Groups dealing with the attendance of their Members, or not, as they saw fit.

Officers also confirmed that the outline timetable was available from February and included in candidates' packs, in order that expectations and commitments were raised early on. The information was also sent to Political Agents.

In responding to further comments, Officers indicated that they could not force a Councillor to attend, they would make the programme as open as possible, as inviting as possible, repeating sessions at different times of the day, responding to feedback from previous years, all of which was being built into this year's plan, but ultimately there was a reliance on Group Leaders to set the tone and for Members to challenge one another in a professional manner

on their commitment. Members needed to meet Officers half way, they needed to feedback whether a session was helpful or not but ultimately, they needed to take personal responsibility to commit to a Training Plan that had been developed to cater for a variety of needs based on comments made by Members throughout the previous four years.

It was stressed however that attendance levels were comparable, and whilst there was always room for improvement, it would never be feasible for all Councillors to engage in all training, for a variety of reasons and it also needed to be recognised that people sought public office for a variety of reasons. Officers were confident they were doing all they could to ensure Councillors appropriate opportunity.

Having heard the response, Members felt from a governance perspective appropriately trained Members was of vital importance to decision making and it was suggested that the Chairman of the Committee write to current Group Leaders to try and establish an upfront commitment for their Members to attend induction sessions.

Some Members commented on the supporting Induction Pack created in 2019 and its usefulness and sought and received indication that a similar but improved pack would be provided. Responding to comments regarding over-training and a suggestion that everyone was expected to have the same view, it was stressed that was not the purpose and the Council was legally required to provide training in some areas particularly on statutory matters such as data protection and safeguarding for example.

Following lengthy debate and an acknowledgement that every effort was made to accommodate Members' desires and differences, it was: -

RESOLVED that: -

- (a) the report be accepted as an accurate reflection of Member Development activity for the period October 2021 to September 2022;
- (b) the outline proposals for the 2023 Full Member Induction Programme be supported; and
- (c) a further report be submitted to the Committee, in January 2023, to consider, and approve, the 2023 Full Member Induction Programme

29 WORKPLAN

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

The meeting concluded at 11.27 am.

Chairman