

## 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 28 November 2023 commencing at 2.00 pm.

**Present:** Councillor Stephen Bunney (Chairman)  
Councillor David Dobbie (Vice-Chairman)

Councillor Mrs Jackie Brockway  
Councillor Christopher Darcel  
Councillor Sabastian Hague  
Councillor Mrs Angela Lawrence  
Councillor Roger Pilgrim  
Andrew Morriss

**In Attendance:**

Emma Foy	Director of Corporate Services and Section 151 Officer
Peter Davy	Financial Services Manager (Deputy Section 151 Officer)
Claire Goodenough	Head of Internal Audit & Risk Management, Lincolnshire County Council
Katy Allen	Corporate Governance Officer
Katie Storr	Democratic and Elections Team Manager
Andrew Warnes	Democratic and Civic Officer

**Also Present** Councillor Paul Key

**Apologies:** Councillor Baptiste Velan  
Councillor Jeanette McGhee  
Alison Adams

### 33 CHAIRMAN ANNOUNCEMENT OF INTENTION TO TAKE URGENT ITEM

The Chairman welcomed all Members to the Meeting, before advising Committee of his intention to take an urgent of business, relating to “the Delivery of Internal Audit Services 2024-25”. The reason for its urgency was stated as a the need to begin a procurement process almost immediately.

The matter would be heard immediately following the workplan, on the printed agenda, and Chairman indicated he would be seeking resolution from Members to discuss the issue in closed session due to commercially sensitive contract matters.

### **34 PUBLIC PARTICIPATION PERIOD**

There was no public participation.

### **35 MINUTES OF PREVIOUS MEETING**

**RESOLVED** that the Minutes of the previous Meeting of the Governance and Audit Committee held on 26 September 2023, up to the point of the adjournment, be approved and signed as a correct record.

### **36 MEMBERS DECLARATIONS OF INTEREST**

Councillor S. Hague declared a non-pecuniary personal interest that he had worked with Mazars on an entirely separate project not related to the Authority's work with the organisation.

### **37 MATTERS ARISING SCHEDULE**

The Democratic and Civic Officer provided updated information to the Matter Arising Schedule. He noted the black marked completed actions, and explained the green marked action entitled "Update on actions and governance related to Water stress issues in Lincolnshire" within the report had been recently completed, and would be distributed separately. With no further comment, the Matters Arising Schedule was duly **NOTED**.

### **38 INTERNAL AUDIT QUARTER 2 REPORT 2023/24**

Members considered a report which provided an update of progress by the Internal Audit Partner, as at 17 November 2023, against the 2023/24 annual programme, which had been agreed by the Governance and Audit Committee at its meeting in April 2023. As of the Committee meeting, one assurance audits had been delivered and three audits were currently in progress.

The completed audits during Quarter 2 being:-

Key Project – Refurbishment of Saxilby Footbridge – Adequate Assurance

The in progress audits included:-

ICT – Cyber security

ICT- Incident Management

Procurement

Information on each was included within the body of the report provided by Lincolnshire Audit. The Head of Internal Audit clarified the position of the incident management audit, with its work to be carried out in Quarter 4. The Officer also highlighted the challenging recruitment position and emphasised the team's focus on longer term achievements. She

concluded her report by explaining the Authority performed well at closing and delivering recommended actions arising from audits.

In response to a query about key control testing, Members learned it was the testing of core financial base functions, such as payments to creditors and debtors.

**RESOLVED** that having considered the content of the report, no further actions be identified.

### **39 REVIEW OF WHISTLEBLOWING ACTIVITY**

Members considered a report which provided a review of whistleblowing activity by the Monitoring Officer for the 2022/23 year.

The policy was reviewed by the Governance and Audit Committee in 2021 with recommendations made for the Joint Staff Consultative Committee to consider. The policy was last reviewed by the Corporate Policy and Resources Committee in April 2022 and was agreed for adoption.

There were no referrals made to the Whistleblowing helpline in the period from April 2022 to March 2023. These figures were in line with similar-sized district-level local authorities.

Debate ensued, and Members questioned about grievances, a related tool for officers to utilise in raising issues within their work. The Director of Corporate Services explained one grievance case arose in the same period, with the outcome not being upheld.

Members also questioned the usage of the term 'Whistleblowing' and whether a negative perception affected the possibility of cases going unreported. The Director clarified, that related public sector bodies had instituted similar protected policies that advocated, for staff's freedom to speak up alongside whistleblowing policies. She further suggested that a more comprehensive review of that option was possible and indicated that the Joint Staff Consultative Committee would be a suitable avenue for discussion.

Members sought and received indication it was feasible to make such a recommendation to the Joint Staff Consultative Committee and with the general consent of the Committee to include an additional recommendation, having been proposed and seconded, on being put to the vote it was unanimously

**RESOLVED** that: -

- (a) the contents of the report be noted;
- (b) the Governance and Audit Committee continue to receive annual reports in relation to the Whistle Blowing policy implementation and incidents; and
- (c) the Joint Staff Consultative Committee, as part of the next annual review of the Whistleblowing Policy be requested to consider adopting more positive terminology for the Whistleblowing Policy.

#### 40 ANNUAL GOVERNANCE STATEMENT UPDATE

Members considered a report which provided a review on the work implemented to-date in connection with the Annual Governance Statement 2022/23 Action Plan.

Those areas identified for improvement were highlighted to Members along with corresponding action Plan. Further verbal updates in respect of each was also provided to Committee. Members noted that the delay in the financial settlement left some uncertainty, but Members of the Corporate Policy and Resources Committee would be meeting in early 2024 to consider implications.

Debate ensued, and in responding to questions about succession planning and training the Director of Corporate Services explained there was an established corporate training project with a maintained budget.

Public sector recruitment continued to be challenging. Local Authorities could not compete with pay rates often offered in the private sector. This remained a risk on the corporate risk register, Officers continued to mitigate where possible, looking at flexible working benefits, using automation of process where necessary and appropriate, and aiming to ensure staff were as multi skilled as possible.

In response to a query about the impact on the recently announced mayoral county combined authority, the Director clarified that discussions were ongoing, with a consultation about to commence, subject to the constituent councils' agreement. Members were reminded an item on this matter would be reported to Full Council, where Members would be able to submit consultation responses.

On that basis it was **RESOLVED** that the ongoing work to implement the Annual Governance Statement Action Plan arising from the production of the 2022/23 Annual Governance Statement be **NOTED**.

#### 41 WORKPLAN

In response to Members repeated concerns regarding cyber security, Members were advised that the internal audit was nearing conclusion and as such would likely appear in the Quarter three Audit report, allowing Members to deep dive into the matter. Dependent on the outcome of that Audit, Members may also consider it appropriate to invite the Team Manager for the Service to answer questions. Officers indicated the fuller report could be shared with Members if required.

The Chairman also highlighted the change in external auditor to KPMG and explained a future meeting was likely to be scheduled between the External Auditors and Members of the Committee prior to the formal commencement of the Committee's meeting in January 2024.

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

#### 42 EXCLUSION OF PUBLIC AND PRESS

**RESOLVED** that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

**Note:** The meeting adjourned at 2.46pm Reconvening in closed session at 2.49 pm. The internal Auditor left prior to consideration of the following item.

### **43 THE DELIVERY OF INTERNAL AUDIT SERVICES 2024/25**

Members gave consideration to an urgent item on the delivery of the Internal Audit Services for 2024/25, this being a verbal report from the Director of Corporate Services. Following correspondence over changes to the fee rates, the level of service provided, and the audit provider's situation, the Director of Corporate Services detailed the necessary actions which would need to be undertaken to commence procurement allowing for the service to continue post 31 March 2024.

The Officer clarified that the procurement of internal audit was within the scope of her powers, however given the developments, she wished to make Members aware of the changed circumstances, the challenges Officers were working through. The necessity to demonstrate good value for money in service delivery, within the broader context of local government budget challenges was emphasised. Members were assured that an alternative providers could be sourced, and what their terms would likely be in comparison.

In the ensuing discussion Members appreciated the update and indicated they were fully supportive of the course of action outlined by the Director of Corporate Services. The Director emphasised the critical importance of an internal audit opinion at the end of each Council year.

And having heard from the Section 151 Officer, Members suggested there should further contact with the Chief Executive and the Leader of Lincolnshire County Council to highlight the Authority's concerns.

Whilst no vote was needed, as the scope to procure an internal audit, was a responsibility of the Section 151 Officer, Members were keen to show support for the Section 151 Officer's decision, and as such moved a motion to endorse the future planned work.

Having been proposed and seconded, it was unanimously

**RESOLVED** that the work of the Section 151 Officer in managing the procurement process of the internal audit service be fully endorsed and supported.

The meeting concluded at 3.05 pm.

Chairman