

AGENDA

This meeting will be webcast live and the video archive published on our website

Governance and Audit Committee
Tuesday, 24th September, 2024 at 2.00 pm
Council Chamber - The Guildhall

Members: Councillor Stephen Bunney (Chairman)
Councillor David Dobbie (Vice-Chairman)
Councillor Baptiste Velan (Vice-Chairman)
Councillor John Barrett
Councillor Mrs Jackie Brockway
Councillor Christopher Darcel
Councillor Sabastian Hague
Councillor Mrs Angela Lawrence
Alison Adams
Andrew Morriss

1. **Apologies for Absence**
2. **Public Participation Period**
Up to 15 minutes are allowed for public participation.
Participants are restricted to 3 minutes each.
3. **Minutes of Previous Meeting** (PAGES 3 - 6)
To confirm and sign as a correct record the Minutes of the Meeting of the Governance and Audit Committee held on 16 July 2024
4. **Members Declarations of Interest**
Members may make any declarations of interest at this point but may also make them at any point during the meeting.
5. **Matters Arising Schedule** (PAGE 7)
Matters Arising schedule setting out current position of previously agreed actions as at 16 September 2024.

6. **Public Reports for Consideration**

- i) Local Government and Social Care Ombudsman (LGSCO) Annual Review Letter Report 2023/24 (PAGES 8 - 26)
- ii) Annual Governance Statement (PAGES 27 - 38)
- iii) Value for Money (VFM) Risk Assessment 2023/24 (PAGES 39 - 54)
- iv) Internal Audit Update Report (PAGES 55 - 99)
- v) Revised Counter Fraud Corruption and Bribery Policy (PAGES 100 - 113)
- vi) Committee Work Plan (PAGES 114 - 115)

7. **Exclusion of Public and Press**

To resolve 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 involves the likely disclosure of exempt information as defined in paragraph 7 of Part 1 of Schedule 12A of the Act.

8. **Exempt Reports for Consideration**

- i) Implementation of Fraud Risk Assessment Recommendations (PAGES 116 - 122)

Ian Knowles
Head of Paid Service
The Guildhall
Gainsborough

Monday, 16 September 2024

Governance and Audit Committee- 16 July 2024
Subject to Call-in. Call-in will expire at 5pm on

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall on 16 July 2024 commencing at 2.00 pm.

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

Councillor John Barrett
Councillor Mrs Jackie Brockway
Councillor Paul Key
Andrew Morriss

In Attendance:
Emma Foy Director of Corporate Services and Section 151
Lisa Langdon Assistant Director People and Democratic (Monitoring Officer)
Katy Allen Corporate Governance Officer
Badar Abbas KPMG
Natalie Kostiuik Customer Experience Officer
Maisie McInnes Democratic and Civic Officer
Aaron Macdonald Client Manager RSM

Apologies: Councillor Baptiste Velan
Councillor Christopher Darcel
Councillor Sabastian Hague
Councillor Mrs Angela Lawrence
Alison Adams

74 PUBLIC PARTICIPATION PERIOD

There were no public speakers.

75 MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the previous meeting held on 11 June 2024 be approved and signed as a true and accurate record of the meetings.

76 MEMBERS DECLARATIONS OF INTEREST

There were no declarations of interest.

77 MATTERS ARISING SCHEDULE

Members considered the Matters Arising Schedule which had been updated to contain actions following the previous Committee meeting.

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

77a INTERNAL AUDIT PROGRESS REPORT - QUARTER ONE

Members heard from Internal Audit that the report detailed the current progress made against the Internal Audit plan. RSM had been newly appointed in April 2024 and were expecting to bring a report to the next Committee meeting in September. Internal Audit gave assurance to Members that they were on track to deliver on the audit plan and invited Members to ask any questions.

Members asked if there were any communication or engagement issues with Officers and the Internal Audit confirmed there were no issues, and if there were any issues Internal Audit could approach Members.

RESOLVED That Members considered the content of the report and identified any actions required.

77b QUARTER ONE REVIEW OF STRATEGIC RISKS 2024/25

The Monitoring Officer presented the Quarter One Review of Strategic Risks 2024/25 report which considered risks categorised into the four Corporate themes of Our Council, Our People, Our Place and overarching risks. The Management Team reviewed strategic risks regularly in their meetings. Since the last update presented at Committee, the commentary, controls and actions had been updated in the report and a new risk had been added in relation to a cyber security threat surrounding the General Election and democratic processes. Members were requested to consider the report and determine if there were any other risks.

Members discussed the report and thanked Officers for the useful detail. Members asked a question surrounding meeting customer expectations and how this could be improved. The Section 151 Officer responded that customer service were front of house for resident contact and it was important to continually review improvements to customer service and engaging with residents.

Members expressed concern relating to the collection rate of council tax and extreme weather events. The Section 151 assured Members that actions were in place to improve the collection rate and suggested monthly reporting on the collection rate to be shared with Members. In terms of extreme weather events, Officers were considering what controls could be in place and monitoring of the extreme weather periods.

RESOLVED that the Governance and Audit Committee reviewed the register and considered if there were any additional risks of a strategic nature and if the current controls and proposed actions were sufficiently robust.

77c RISK MANAGEMENT STRATEGY QUESTIONNAIRE

Members heard from the Section 151 Officer that the Risk Management Strategy Questionnaire had been drafted to enable the authority to understand it's position on risk appetite and tolerance in advance of drafting the Risk Management Strategy, which would be brought to Committee in September 2024. The questionnaire contained a range of statements for Members and Officers to complete and would show the organisation's

aversity to risk. Some of the questions were commercial in nature and Officers were looking to decommercialize some of the questions. The results of the questionnaire would inform and shape the Risk Management Strategy and reflect the views of the Council.

Members considered the questionnaire and requested more background information to the questions and financial background to risk. Members suggested different methods to collecting questionnaire responses and if sliders could be used for individuals to provide their risk opinion on a scale. The Section 151 responded that a summary on the financial backdrop and Medium-Term financial position could be provided on the first page and Officers would include explanations on each of the questions.

RESOLVED that Members considered the content of the questionnaire at Appendix One and approved the questionnaire for dissemination to Management Team, Corporate Policy and Resources Committee, Prosperous Communities Committee, and Governance and Audit Committee.

77d ANNUAL VOICE OF THE CUSTOMER REPORT 2023/24

The Customer Service Manager presented the Annual Voice of the Customer Report 2023/24 and highlighted the following salient points:

- The previous year 2023/24 had saw a decrease in customer feedback and customer demand. There had been an increase in compliments and decrease in comments.
- Customer satisfaction had increased following improvements including the implementation of the CRM system which helped to keep customers more informed and up to date.
- In terms of customer demand data, demand had decreased overall, and number of calls received had decreased. Face to face contact had increased and there were more visits through the door for tenant services and face to face appointments.
- The website usage had increased, and it was reported that over 95% of customers made contact with the Council online or via telephone.

The Chairman praised the thorough report and thanked the Customer Service Manager on behalf of Members for the level of detail and data in the report. Members discussed the report and praised the customer service team for the high satisfaction rates. Members asked what a comment was defined as, and the Customer Service Manager responded that a comment was a suggestion on how the Council could improve or how processes or similar could be carried out differently.

RESOLVED: That Members welcomed the contents of the Annual Voice of the Customer Report for 2023/24 and noted the progress that had been made by the Council in improving the customer experience over the last 12 months.

78 COMMITTEE WORKPLAN

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

79 EXCLUSION OF PUBLIC AND PRESS

The Chairman moved that the remainder of the meeting be held in private:

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 involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

RESOLVED that Members agreed that the public and press were excluded from the remainder of the meeting and the Governance and Audit Committee moved into private session.

80 FRAUD RISK ASSESSMENT

The Section 151 Officer presented the Fraud Risk Assessment and robust action plan to mitigate counter fraud.

Members discussed the report and asked questions of the Section 151 Officer.

RESOLVED that Members considered the contents of the Fraud Risk Assessment and the Committee receives quarterly progress updates on implementation of the recommendations.

The meeting concluded at 3.30 pm.

Chairman

Governance & Audit Committee Matters Arising Schedule

Purpose:

To consider progress on the matters arising from previous Governance & Audit Committee meetings.

Recommendation: That Members note progress on the matters arising and request corrective action if necessary.

Status	Title	Action Required	Comments	Due Date	Allocated To
Green	Regular reporting on the performance of the Joint Committee for Devolution	Progress reports to be brought to the Governance and Audit Committee for oversight.		Ongoing	Lisa Langdon
Green	Assurance on the Council's Procurement Process	The Director of Operational and Commercial Services be invited to a future meeting to provide assurance to Members.	To be presented at the November meeting	26/11/24	Emma Foy
Green	Combined Assurance Report Accessibility	Members requested at the previous Committee meeting that the green text be changed on the Combined Assurance report to make it easier to read. It was agreed at the meeting that the team would revise the formatting.	Format of the report to be updated before the next report comes to Committee in January.	21/01/25	Emma Foy
Green	Review of RAF Scampton	Members requested at the previous Committee meeting that an update report to review RAF Scampton and a reflection on learning be brought to a future meeting of the Governance and Audit Committee		Ongoing	Emma Foy
Black	Member Attendance at Training Sessions	More data and information on Member attendance and a list of external courses, conferences attended, and other training provided to Members to be reported in the next Member Development Annual Report.	Email sent 13/09/24 re external courses. Requirements for next Annual Report have been recorded.	06/25	Ele Snow
Black	Internal Audit Reporting of Actions	Internal Audit to provide commentary on audit actions as context for Members in the report.	To be presented at September meeting	24/09/24	Emma Foy/RSM

Agenda Item 6a



**GOVERNANCE & AUDIT
COMMITTEE**

**Tuesday 24th September
2024**

**Local Government and Social Care Ombudsman (LGSCO)
Annual Review Letter Report 2023/24**

Report by:

Director of Commercial & Operational Services

Contact Officer:

Natalie Kostiuk
Customer Experience Officer
natalie.kostiuk@west-lindsey.gov.uk

Purpose / Summary:

Report on the Local Government and Social Care Ombudsman (LGSCO) Annual Review Letter 2024 covering complaints referred to and decided by them between April 2023 and March 2024. Examining the types and outcomes of complaints referred and benchmarking with other similar local authorities.

RECOMMENDATION(S):

That committee members welcome this report, and after considering its contents are assured that the current complaint handling procedures are functioning adequately.

IMPLICATIONS

Legal:

There are no legal implications arising from this report.

Financial: FIN/52/25/GA/SL

There are no financial implications arising from this report.

Staffing:

There are no staffing implications arising from this report.

Equality and Diversity including Human Rights:

The LGSCO have not identified any issues with how complaints are handled in terms of Equality and Diversity or Human Rights.

Data Protection Implications:

There are no data protection implications arising from this report, appropriate redactions have been made where required.

Climate Related Risks and Opportunities:

Not applicable.

Section 17 Crime and Disorder Considerations:

Not applicable.

Health Implications:

There are no health implications arising from this report.

Title and Location of any Background Papers used in the preparation of this report :

Annual Review Letters for West Lindsey District Council

<https://www.lgo.org.uk/your-councils-performance/west-lindsey-district-council/annualletters/>

LGSCO complaint decisions for West Lindsey District Council

<https://www.lgo.org.uk/Decisions/SearchResults?t=0&fd=0001-01-01&td=2024-07-18&dc=c%2Bnu%2Bu%2B&aname=West%20Lindsey%20District%20Council&sortOrder=descending>

West Lindsey District Council Performance 2023/24

<https://www.lgo.org.uk/your-councils-performance/west-lindsey-district-council/statistics>

Risk Assessment :

Not applicable.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

X

Contents

Executive Summary	5
1. Introduction	6
2. Annual Review Letter 2023-24 Figures	8
3. Complaints Investigated but Not Upheld	12
4. Upheld Complaints and Learning and Improvement Actions	13
5. Compliance with Ombudsman Recommendations	13
6. Comparison with other Local Authorities Nationally	14
7. Comparison with other similar Local Authorities	14
Appendix 1 – LGSCO Annual Review Letter 2023-24	15
Annual Review letter 2023-24	15
Appendix 2 - Comparison with 20 similar Local Authorities – Complaints Received	18
Appendix 2 continued - Comparison with 20 similar Local Authorities – Complaints Decided (by outcome)	19

Executive Summary

This report examines the Local Government and Social Care Ombudsman (LGSCO) Annual Review Letter 2023-24 which covers complaints that were either referred to or decided by them during the period from April 2023 to March 2024.

Historical data on complaints handled by the LGSCO is included within this report along with comparison to previous year's figures and findings.

Finally, the report compares how West Lindsey District Council (WLDC) has performed overall nationally and in comparison, with 20 other similar authorities in terms of the number of complaints referred, investigated and upheld by the LGSCO.

During the 2023/24 period a total of 10 new complaints were referred to the LGSCO.

WLDC Service		LGSCO Categorisation
Planning	3	Planning & Development
Planning Enforcement	2	Planning & Development
Environmental Protection	2	Environmental Services & Public Protection & Regulation
Community Safety	1	Environmental Services & Public Protection & Regulation
Housing Enforcement	1	Environmental Services & Public Protection & Regulation
Planning and Planning Enforcement	1	Planning & Development

Along with the new complaints referred to them the LGSCO also reached a decision on 1 complaint that was outstanding from the previous year. This complaint was referred to them in 2022/23 but not completed until 2023/24 and was in relation to Housing Enforcement. The LGSCO carried out an investigation, no fault was identified so the complaint was not upheld, more details are included later in this report.

In total the LGSCO made 9 decisions during 2023/24. 7 complaints were closed after initial enquiries, 1 complaint was investigated and not upheld, and 1 outstanding complaint being investigated from the previous year was not upheld.

At the end of the 2023/24 period there was 1 outstanding complaint that was still with the LGSCO, an investigation is ongoing, and a decision will be received in 2024/25. The complaint is in regard to Environmental Protection services and is related to a noise complaint investigation that has been carried out.

The LGSCO did not uphold any complaints in 2023/24 resulting in an overall upheld percentage of 0% for West Lindsey District Council (WLDC), this compares to an average of 63% in similar sized Council's.

1. Introduction

- 1.1 If a customer has followed and completed the Council's formal complaints process and remains dissatisfied with the outcome of their complaint or the way it has been handled by WLDC they are able to refer their complaint to the LGSCO for review.
- 1.2 The LGSCO will only consider a complaint once it has been dealt with in full via the WLDC Customer Feedback Policy and only if it meets their criteria for investigation - <https://www.lgo.org.uk/make-a-complaint/what-we-can-and-cannot-look-at>
- 1.3 Issues that have another formal route of appeal or tribunal will not be considered by the LGSCO, for example, planning appeals, council tax valuation issues and appeals regarding the suitability of housing etc.
- 1.4 There is no cost to the authority for the work carried out by the LGSCO. A cost is only involved if an upheld complaint recommendation suggests a financial remedy.
- 1.5 The LGSCO do not necessarily investigate all complaints that are referred to them, Although the LGSCO is a free service they have to decide how to best use their publicly funded resources therefore they cannot investigate all complaints they receive.

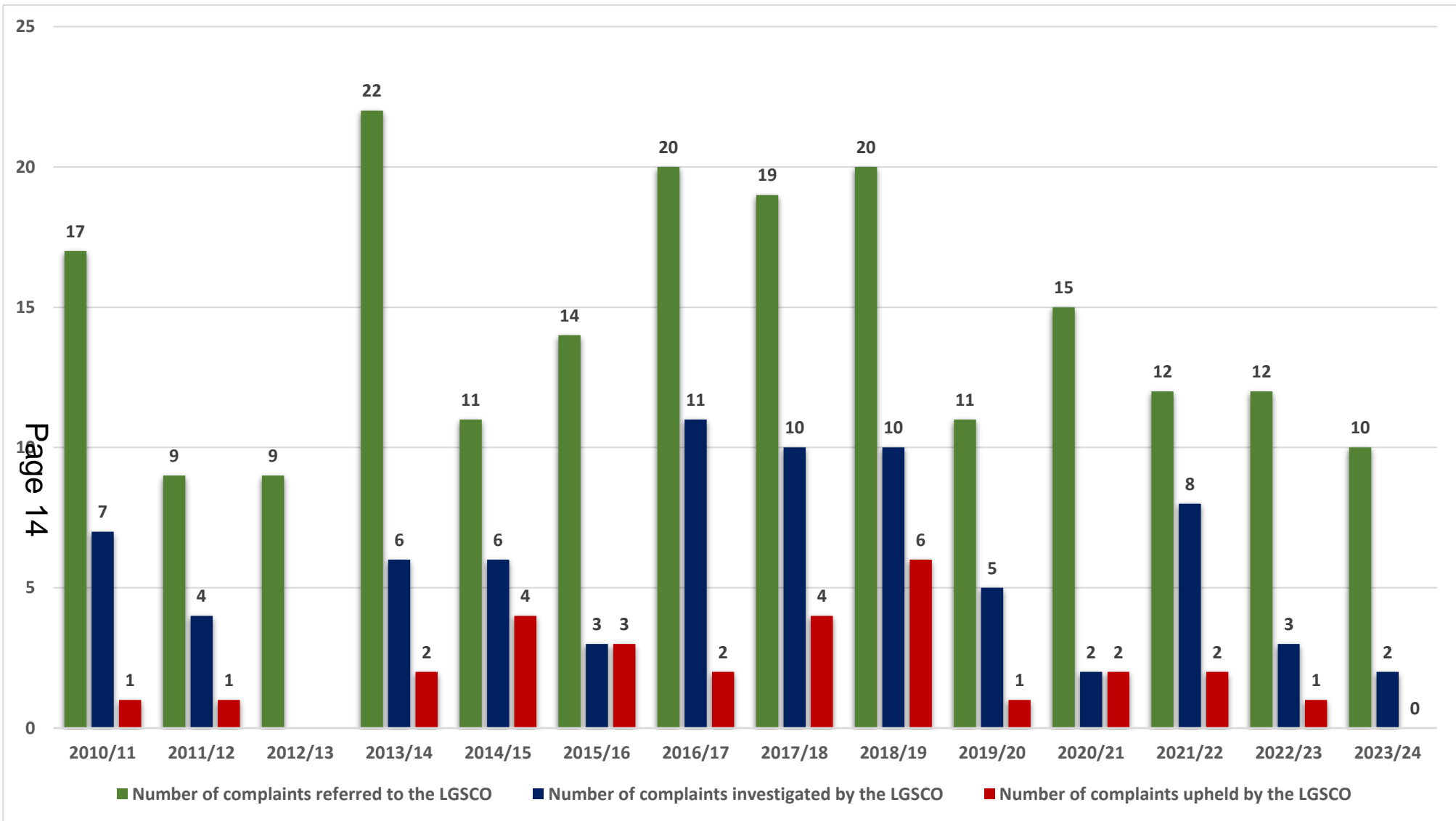
They are more likely to investigate complaints where the issues:

- have had a serious or long-term impact on people's lives
- affect many other people

They are less likely to investigate complaints where:

- the issues have caused minor irritation or upset
- they cannot ask the Council to do what the complainant wants them to

- 1.6 An Annual Review Letter is published by the LGSCO for each authority every year which details the number of complaints referred to them, investigated by them and includes information on complaints upheld by them. Information regarding compliance with LGSCO recommendations is also included. The full WLDC Annual Review Letter for 2023/24 can be found in [Appendix 1](#) of this report.
- 1.7 The information published by the LGSCO allows us to examine our performance for the year and look at how we compare to other similar authorities.
- 1.8 The investigations carried out and decisions made by the LGSCO allow us to learn and make improvements to the way we deliver our services and deal with our customers daily. Complaints investigated that are not upheld by the LGSCO provide assurance that we are operating correctly. We can also learn from LGSCO complaints and decisions made for other authorities, when weekly decision lists are published, they are shared with relevant team managers.
- 1.9 The graph on the next page shows how many WLDC complaints have been referred to, investigated and upheld by the LGSCO each year since 2010, the last 4 years has seen a decrease in the number of WLDC complaints processed by the LGSCO:



- The number of complaints investigated and upheld in 2012/2013 is unknown due to change in LGSCO procedures

2. Annual Review Letter 2023-24 Figures

- 2.1 In total 10 new complaints were referred to the LGSCO in 2023/24, this is lower than the historical average. The table below shows which services the complaints related to compared with previous years.
- 2.2 As you can see, over the years many of the complaints referred to the LGSCO were in relation to Planning and Development services. The last 2 years have seen a decrease in the number complaints regarding this group of services being referred to the LGSCO.

	Benefits and Tax	Corporate and Other Services	Environmental Services (including Community Safety and Housing Enforcement)	Highways and Transport	Housing	Planning and Development (and Planning Enforcement)	Other	Total
2023/24	0	0	4	0	0	6	0	10
2022/23	1	1	3	0	3	4	0	12
2021/22	1	0	1	0	1	9	0	12
2020/21	0	0	3	0	1	10	1	15
2019/20	4	1	1	0	1	4	0	11
2018/19	4	1	3	0	1	11	0	20
2017/18	3	2	2	0	0	12	0	19
2016/17	3	1	4	1	2	9	0	20

- 2.3 The service categories for complaints that the LGSCO use include various WLDC service areas, for instance their Planning and Development category includes Planning Enforcement and their Environmental Services and Public Protection and Regulation includes Environmental Health services and Housing Enforcement.
- 2.4 The table below, that is also included in the introduction section of this report shows the breakdown of WLDC services compared to the LGSCO categorisation and the number of complaints referred to them relating to each WLDC service in 2032/24:

WLDC Service		LGSCO Categorisation
Planning	3	Planning & Development
Planning Enforcement	2	Planning & Development
Environmental Protection	2	Environmental Services & Public Protection & Regulation
Community Safety	1	Environmental Services & Public Protection & Regulation
Housing Enforcement	1	Environmental Services & Public Protection & Regulation
Planning and Planning Enforcement	1	Planning & Development

2.5 A complaint that was referred to the LGSCO in March 2024 is still outstanding, the LGSCO informed us of their intention to investigate this complaint in May 2024, this complaint is in relation to Environmental Protection. More details on this complaint will be included in the decided section of next year's 2024/25 report. The complaint investigation is still ongoing at the time of writing this report.

2.6 In 2023/24 the LGSCO also reached a decision on 1 complaint that was outstanding from the previous year. This complaint was referred to them in 2022/23 but not completed until 2023/24 and was in relation to Housing Enforcement. The LGSCO carried out an investigation, no fault was identified so the complaint was not upheld, more details are included later in this report.

2.7 In total 9 decisions were made by the LGSCO during the 2023/24 period. The table below provides information on the complaints that were decided including the dates they were received and decided by the LGSCO, the service they related to, the decision made, and any recommendations made regarding the decision reached.

- **The Category and Reference titles below are live links to the full complaint report on the LGSCO website**

LGSCO Category and Reference Number	WLDC Service	Received by the LGSCO	Decided by the LGSCO	Days Taken	Decision	Decision Reason	Remedy
22014849 Housing	Housing Enforcement	02/02/2023	29/06/2023	179	Not Upheld	No fault identified	N/A
23001945 Planning and Development	Planning and Development	15/05/2023	05/06/2023	21	Closed after initial enquiries	Not warranted by alleged fault	N/A
23005422 Planning and Development	Planning Enforcement	03/08/2023	10/09/2023	38	Closed after initial enquiries	Not warranted by alleged fault	N/A
23008474 Environmental Services & Public Protection & Regulation	Environmental Protection	04/09/2023	10/10/2023	36	Closed after initial enquiries	Not warranted by alleged fault	N/A

LGSCO Category and Reference Number	WLDC Service	Received	Decided	Days Taken	Decision	Decision Reason	Remedy
23010112 Planning and Development	Planning Enforcement	09/10/2023	28/03/2024	171	Not Upheld	No fault identified	N/A
23013188 Environmental Services & Public Protection & Regulation	Community Protection	21/11/2023	09/01/2024	49	Closed after initial enquiries	26(6)(b) appeal to Minister	N/A
23014355 Environmental Services & Public Protection & Regulation	Housing Enforcement - Licensing	08/12/2023	26/01/2024	49	Closed after initial enquiries	26B(2) not made in 12 months	N/A
23014637 Planning and Development	Planning and Development	12/12/2023	29/01/2024	48	Closed after initial enquiries	Not warranted by alleged injustice	N/A
23018413 Planning and Development	Planning and Development and Planning Enforcement	21/02/2024	28/03/2024	36	Closed after initial enquiries	Not warranted by alleged fault	N/A

2.8 During 2023/24 no complaints were referred back to WLDC for a local resolution. This occurs when a customer has not initially made their complaint known to us or have not given us the chance to investigate and resolve their complaint internally. The LGSCO will only consider a complaint once it has been investigated via the authority under the Council's formal complaint process.

2.9 In total 7 complaints were closed after initial enquiries were made. This occurs when the LGSCO receive a complaint and consider the initial information including details of the complaint and the response we have given them. If the LGSCO decide that it is unlikely that any fault or maladministration will be found or that any harm or injustice has been caused they will not investigate the matter further. The LGSCO will also take this approach to complaints where an appeal or tribunal route is available to the complainant or where the complaint has been made out of time. The reasons why the LGSCO closed these 7 complaints are listed below:

Planning and Development x 2

- *We will not investigate Miss Y's complaint because there is insufficient evidence of fault in the way the Council considered the planning application before deciding to grant permission.*

- *We will not investigate Mrs X's complaint about the Council's handling of her neighbour's planning application. This is because there is not enough evidence to show any fault wrongly affected the Council's decision to grant planning permission or caused Mrs X significant injustice.*

Planning Enforcement x 1

- *We will not investigate Ms X's complaint because there is no evidence of fault by the Council. There is no evidence of administrative fault by the Council in this matter. Ms X's complaints relate to land ownership and tree damage which are private matters and not for the Council.*

Planning and Development and Planning Enforcement x 1

- *We will not investigate this complaint about the Council's approval of a planning application and its enforcement of the approved plans. There is insufficient evidence of fault which would warrant an investigation.*

Environmental Protection x 1

- *We will not investigate Ms X's complaint because there is insufficient evidence of fault. I understand Ms X is disappointed with the Council's decision, but the Ombudsman is not an appeal body. We cannot question decisions taken by councils if they have followed the right steps and considered the relevant evidence and information. The Council satisfied itself it was able to make a decision on Ms X's complaint following an investigation and evidence from noise recording equipment. There is no evidence to suggest fault affected its decision.*

Community Protection x 1

- *Mr X appealed to the Planning Inspectorate against high hedge notices issued to him by the Council. We cannot therefore investigate as these matters are now outside our legal remit.*

Housing Enforcement x 1

- *We will not exercise discretion investigate this complaint about the Council issuing civil penalties under the Housing Act 2004 for breaches of legal notices served on a landlord. This complaint was received outside the normal 12-month period for investigating complaints. There is no evidence to suggest that Mr X could not have complained to us sooner. Housing Act notices carry a right of appeal to the First-Tier Tribunal Property chamber and it was reasonable for Mr X to use this remedy in 2019.*

2.10 The LGSCO carried out detailed investigations into 2 complaints during 2023/24, one was the outstanding complaint from the previous year which was in relation to Housing Enforcement and the other one was in relation to Planning Enforcement.

2.11 Following the LGSCO's investigations into the 2 complaints, they were not upheld as no fault was identified on behalf of the council.

2.12 As the LGSCO did not uphold either of the 2 complaints investigated in 2023/24 the upheld rate for WLDC is 0%, this compares to an average of 63% in similar sized Council's.

2.13 The table below shows how many complaints have been referred to, investigated and upheld by the LGSCO compared to previous years.

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Complaints and enquiries received by the LGSCO	10	12	12	15	11	20	19	20
Number of detailed investigations carried out by the LGSCO	2	3	8	2	5	10	10	11
Number of complaints upheld by the LGSCO	0	1	2	2	1	6	4	2
Upheld complaint percentage %	0%	33%	25%	100%	20%	60%	40%	18%

2.14 As you can see the upheld rate has fluctuated over the years depending on how many complaints were investigated by the LGSCO. The actual number of upheld complaints is minimal, this has decreased across the last 5 years.

2.15 The decrease in the number of complaints referred to the LGSCO overall and the reduction in the number of complaints that the LGSCO felt were justified could be attributed to the work of the Customer Experience Manager and the centralised approach taken to handling complaints that was implemented in 2018.

2.16 It is acknowledged that cases referred to the LGSCO have been more complex in nature, and we welcome a fresh pair of eyes on these matters to assist us in identifying how we can do things differently in the future.

3. Complaints Investigated but Not Upheld

3.1 During 2023/24 the LGSCO carried out detailed investigations into 2 of the 10 complaints referred to them, this is a decrease compared to the number of investigations historically carried out by them

3.2 The LGSCO did not uphold any of the complaints they investigated in these complaints were in relation to the Planning Enforcement and Housing Enforcement services.

- 3.4 These are the details of the 2 complaints that were not upheld, to view the full report from the LGSCO please follow the title links included below:

[22 014 849 – Housing Enforcement – Not Upheld](#)

Summary

“Ms X complains the Council did not properly investigate her reports about the condition of her property, which put her health at risk.”

Decision

“I have completed my investigation and found the Council was not at fault for how it handled Ms X’s reports about the condition of her property.”

[23 010 112 – Planning Enforcement – Not Upheld](#)

Summary

“Mr L complains the Council failed to take sufficient action over breaches of planning approval on a neighbouring development. Our view is the Council did respond as the law expects it to. In the absence of any administrative fault, the merits of the decisions the Council made about enforcement are not something we can criticise”

Decision

“My decision is there was no fault by the Council.”

4. Upheld Complaints and Learning and Improvement Actions

- 4.1 The LGSCO did not uphold any complaints in 2023/24 therefore no learning or improvements actions were identified, and no recommendations were made.

5. Compliance with Ombudsman Recommendations

- 5.1 The LGSCO produce and report statistics on compliance with the recommendations they make in relation to upheld complaints. The LGSCO’s recommendations are specific and will include a timeframe for completion, allowing them to follow up with authorities and seek evidence that the recommendations have been implemented.
- 5.2 During 2023/24 no recommendations were made as the LGSCO did not uphold any complaints for WLDC.

6. Comparison with other Local Authorities Nationally

- 6.1 The LGSCO deals with complaints for 357 local authority areas in total.
- 6.2 West Lindsey District Council is number **268/357** overall in terms of the number of complaints referred to the LGSCO for each authority, the highest number of complaints being 490 for Birmingham City Council. The previous year West Lindsey District Council was number 235/356 overall.
- 6.3 In terms of the number of upheld complaints West Lindsey District Council is number **354/357** overall. Surrey County Council had the highest number of upheld complaints with 141 of their complaints being upheld by the LGSCO. The previous year West Lindsey District Council was number 235/356 overall.
- 6.4 Compared to the previous period (2023/24) West Lindsey District Council has moved to a lower position on the chart for the number of complaints referred to the LGSCO and a lower position for the number of complaints upheld by the LGSCO, this is a positive move.
- 6.5 The tables that show the results for all authorities can be accessed here: <https://www.lgo.org.uk/information-centre/reports/annual-review-reports/local-government-complaint-reviews>

7. Comparison with other similar Local Authorities

- 7.1 A list of 20 local authorities that are similar to West Lindsey District Council in terms of size, population and services provided has been compiled so that some meaningful comparison and benchmarking can take place.
- 7.2 The tables in [Appendix 2](#) of this report show how West Lindsey District Council compares with the other 20 similar authorities.
- 7.3 In terms of the number of complaints referred to the LGSCO, West Lindsey District Council is number joint 12/21 compared to similar local authorities. The previous year (2022/23) West Lindsey District Council was joint number 6/21 overall.
- 7.4 West Lindsey District Council is joint number 15/21 in terms of the number of upheld complaints when compared to similar local authorities, during 2023/24 there were no upheld complaints.

Appendix 1 –

LGSCO Annual Review Letter 2023-24

17 July 2024

By email

Mr Knowles
Executive Director of Resources
West Lindsey District Council



Dear Mr Knowles

Annual Review letter 2023-24

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2024. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to ensure effective ownership and oversight of complaint outcomes, which offer valuable opportunities to learn and improve. In addition, this year, we have encouraged Monitoring Officers to register to receive the letter directly, supporting their role to report the decisions we uphold to their council.

For most of the reporting year, Paul Najsarek steered the organisation during his tenure as interim Ombudsman, and I was delighted to take up the role of Ombudsman in February 2024. I look forward to working with you and colleagues across the local government sector to ensure we continue to harness the value of individual complaints and drive and promote systemic change and improvement across the local government landscape.

While I know this ambition will align with your own, I am aware of the difficult financial circumstances and service demands that make continuous improvement a challenging focus for the sector. However, we will continue to hold organisations to account through our investigations and recommend proportionate actions to remedy injustice. Despite the challenges, I have great confidence that you recognise the valuable contribution and insight complaints, and their swift resolution, offer to improve services for the public.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic. This year, we also provide the number of upheld complaints per 100,000 population.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and give credit to organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 24 July 2024. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

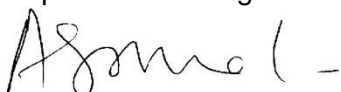
In February, following a period of consultation, we launched the [Complaint Handling Code](#) for councils, setting out a clear process for responding to complaints effectively and fairly. It is aligned with the Code issued to housing authorities and landlords by the Housing Ombudsman Service and we encourage you to adopt the Code without undue delay. Twenty councils have volunteered to take part in an implementation pilot over the next two years that will develop further guidance and best practice.

The Code is issued to councils under our powers to provide guidance about good administrative practice. We expect councils to carefully consider the Code when developing policies and procedures and will begin considering it as part of our processes from April 2026 at the earliest.

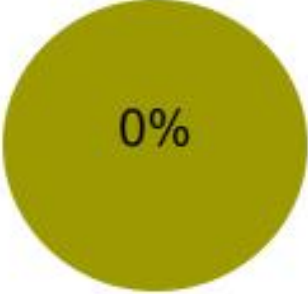
The Code is considered good practice for all organisations we investigate (except where there are statutory complaint handling processes in place), and we may decide to issue it as guidance to other organisations in future.

Our successful complaint handling training programme continues to develop with new modules in Adult Social Care and Children's Services complaint handling available soon. All our courses include practical interactive workshops that help participants develop their complaint handling skills. We delivered 126 online workshops during the year, reaching more than 1,700 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

Returning to the theme of continuous improvement, we recognise the importance of reflecting on our own performance. With that in mind I encourage you to share your view of our organisation via this survey: <https://www.smartsurvey.co.uk/s/ombudsman/>. Your responses will help us to assess our impact and improve our offer to you. We want to gather a range of views and welcome multiple responses from organisations, so please do share the link with relevant colleagues. Yours sincerely,



Amerdeep Somal
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld	
	<p>0% of complaints we investigated were upheld.</p> <p>This compares to an average of 63% in similar organisations.*</p> <p>0 upheld decisions</p> <p>This is 0 upheld decisions per 100,000 residents.</p> <p>The average for authorities of this type is 1.2 upheld decisions per 100,000 residents.</p> <p>Statistics are based on a total of 2 investigations for the period between 1 April 2023 to 31 March 2024</p>
Compliance with Ombudsman recommendations	
No recommendations were due for compliance in this period	
Satisfactory remedies provided by the authority	
The Ombudsman did not uphold any complaints in this period	

Appendix 2 – Comparison with 20 similar Local Authorities – Complaints Received

Local Government & Social Care OMBUDSMAN	Complaints and Enquiries Received (by Category) 2023-24									
Authority Name	Adult Social Care	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environmental Services, Public Protection and Regulation	Highways and Transport	Housing	Planning and Development	Other	Total
Babergh District Council	0	3	3	0	2	1	6	7	0	22
Arun District Council	0	1	3	0	3	2	6	2	1	18
South Hams District Council	0	0	4	0	3	0	1	9	0	17
North Devon District Council	0	0	3	0	8	3	0	2	0	16
King's Lynn & West Norfolk Council	0	0	3	0	3	1	1	6	0	14
Breckland District Council	0	1	1	0	4	0	2	5	0	13
East Lindsey District Council	0	0	3	0	2	0	4	4	0	13
Adur District Council	0	1	0	0	0	0	8	2	1	12
North Kesteven District Council	0	0	1	0	6	0	3	1	0	11
Gorridge District Council	0	0	2	0	1	0	0	8	0	11
South Holland District Council	0	0	0	0	2	0	2	6	0	10
West Lindsey District Council	0	0	0	0	4	0	0	6	0	10
Cotswold District Council	0	2	2	0	1	0	1	3	0	9
Mid Devon District Council	0	2	0	0	0	0	3	4	0	9
Mid Suffolk District Council	0	0	0	0	1	0	0	5	0	6
Stratford-on-Avon District Council	0	2	1	0	0	0	1	2	0	6
Selby District Council	0	0	0	0	1	0	0	0	0	1
Allerdale Borough Council	0	0	0	0	0	0	0	0	0	0
Copeland Borough Council	0	0	0	0	0	0	0	0	0	0
Hambleton District Council	0	0	0	0	0	0	0	0	0	0
South Somerset District Council	0	0	0	0	0	0	0	0	0	0

Appendix 2 continued – Comparison with 20 similar Local Authorities – Complaints Decided (by outcome)

Local Government & Social Care OMBUDSMAN	Complaints and Enquiries Decided (by Outcome) 2023-24										
	Not for us / not ready for us			Assessed and closed	Investigations						
Authority Name	Invalid or Incomplete	Advice Given	Referred Back for Local Resolution	Closed after Initial Enquiries	Not Upheld	Upheld	Total	Upheld decisions per 100,000 residents	Average no of upheld decisions per 100,000 residents of similar authorities	Uphold rate (%)	Average uphold rate (%) of similar authorities
North Devon District Council	0	0	4	6	0	5	15	5.0	1.2	100%	63%
East Lindsey District Council	1	0	1	8	1	4	15	2.8	1.2	80%	63%
Stratford-on-Avon District Council	0	0	2	3	0	3	8	2.2	1.2	100%	63%
North Kesteven District Council	1	0	1	8	0	2	12	1.7	1.2	100%	63%
Adur District Council	1	2	5	3	1	1	13	1.5	1.2	50%	63%
Wardale Borough Council	0	1	0	1	0	1	3			100%	
Arun District Council	1	0	5	9	1	1	17	0.6	1.2	50%	63%
Cotswold District Council	0	0	3	6	0	1	10	1.1	1.2	100%	63%
Mid Devon District Council	0	2	2	5	1	1	11	1.2	1.2	50%	63%
Mid Suffolk District Council	0	0	1	4	1	1	7	0.9	1.2	50%	63%
South Hams District Council	1	1	4	8	2	1	17	1.1	1.2	33%	63%
South Holland District Council	0	1	1	5	3	1	11	1.0	1.2	25%	63%
South Somerset District Council	0	0	0	1	0	1	2			100%	
Torridge District Council	0	0	4	3	3	1	11	1.5	1.2	25%	63%
Babergh District Council	2	3	5	8	0	0	18	0.0	1.2		63%
Breckland District Council	1	0	1	7	5	0	14	0.0	1.2	0%	63%
Copeland Borough Council	0	0	0	0	2	0	2			0%	
Hambleton District Council	0	0	0	0	1	0	1			0%	
King's Lynn & West Norfolk Council	0	0	3	8	1	0	12	0.0	1.2	0%	63%
Selby District Council	0	0	1	0	0	0	1				
West Lindsey District Council	0	0	0	7	2	0	9	0.0	1.2	0%	63%



**Governance and Audit
Committee**

Tuesday, 24 September 2024

Subject: Annual Governance Statement 2023-2024

Report by:

Monitoring Officer – Lisa Langdon

Contact Officer:

Emma Foy
Director of Corporate Services and Section 151
Officer
Emma.foy@west-lindsey.gov.uk

Purpose / Summary:

To present to Members the Annual Governance Statement for 2023-24 for approval.

RECOMMENDATION

That Members review the updated Annual Governance Statement 2023-24 and provide approval for its inclusion within the 2023-24 Financial Statements.

IMPLICATIONS

Legal: The Annual Governance Statement complies with the Accounts and Audit (England) Regulations 2015. The draft annual governance statement must be published with the statement of accounts as part of the period of Audit and Inspection, this requirement has been complied with.

Financial: FIN/27/24/PD

There are no financial implications arising from this report. However, the Annual Governance Statement does make reference to the sufficiency of the Annual Finance Settlement received from Government.

Staffing: There are no staffing implications arising from this report. However, the report does make reference to the Corporate Risk Register which notes the risk of the loss of key staff.

Equality and Diversity including Human Rights:

There are no implications arising from this report.

Data Protection Implications:

There are no implications arising from this report.

Climate Related Risks and Opportunities:

No specific or direct climate related risks and opportunities.

Section 17 Crime and Disorder Considerations:

There are no implications arising from this report.

Health Implications:

There are no implications arising from this report.

Title and Location of any Background Papers used in the preparation of this report :

The Draft Annual Governance Statement Report was considered by the Governance and Audit Committee on 13 June 2023.

Risk Assessment:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1. Background

- 1.1 The Accounts and Audit (England) Regulations 2015 require every council to agree and publish an Annual Governance Statement (AGS).
- 1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that the Council is compliant with legislation and directives, that officers and Members demonstrate good behaviours, and the Council makes sound and compliant decisions.
- 1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are, '...doing the right things, in the right way, for the right people in an open, honest, inclusive and timely manner'. (CIPFA 2007)
- 1.4 The AGS includes a summary of the governance framework and identifies those areas where further action is required to achieve greater assurance.

2. Developing The Annual Governance Statement 2023-24

- 2.1 Sources of information used to develop the AGS include:
 - The Combined Assurance Report 2022-23
 - Internal Audit Annual Report
 - Internal Audit reports
 - The management of Strategic and Service risks
 - External Audit Annual Audit Letter
 - Review of Comments, Compliments and Complaints
 - Consultation results
 - Ombudsman investigations
 - Review of Whistleblowing
 - Annual review of fraud
 - Comments made by the external Auditors.
- 2.2 The draft AGS was considered by the 11 June 2024 Governance and Audit Committee and Members of the Committee were encouraged to both provide comments in the meeting and by correspondence to the Director of Corporate Services. No comments further to the meeting have been received.
- 2.3 The draft AGS was also considered by the Council's Management Team prior to Governance Audit Committee.
- 2.4 Following approval of the Annual Governance Statement by the Governance and Audit Committee both the Leader and Chief Executive will sign the statement prior to publication.

3 The Framework

- 3.1 The Governance Framework follows the seven principles of good governance as set out in CIPFA's "Delivering Good Governance in Local Government Framework" (2016 edition) and is formed by the systems and processes, standards, policies and activities through which it accounts to, engages with and leads the community.

4. Annual Governance Statement 2023-24

- 4.1 The Annual Governance Statement 2023-24 accompanies this report. Members are asked to consider it and approve it for signature and inclusion within the financial statements.
- 4.2 A report will be brought to each Governance and Audit Committee following approval; providing details of actions taken and progress made in addressing risks included in the statement.

5. Recommendation

- 5.1 That Members:

Review the updated Annual Governance Statement 2023-24 and provide approval for its inclusion within the 2023-24 Financial Statements

Annual Governance Statement 2023/24

Executive Summary:

Governance is about how local government bodies ensure that they are doing the right things in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. This includes complying with legislation, making evidence-based decisions within a clear framework, displaying a healthy culture, behaviour and values, whilst ensuring transparency, equity and accountability, engaging with and where appropriate, leading their communities.

The Annual Governance Statement (AGS) is a public report by the Council on the extent to which it complies with its governance code, legislation, directives and regulations and its performance and effectiveness of its governance arrangements during the year, and any planned changes in the coming period following assessment by external bodies including auditors, other regulators and peers.

The Council expects all members, officers, partners and contractors to adhere to the highest standards of public service with particular reference to the Officer and Member Code of Conduct, Constitution, Corporate Vision and Values, and Corporate Priorities as well as applicable statutory requirements.

This document describes our governance arrangements and their effectiveness. This document is drawn from a number of assurance mechanisms which includes external audits of accounts and funding arrangements, our overall governance and decision-making framework, the Scrutiny function, the work of advisors and regulators, the Governance and Audit Committee and the Internal Audit Function.

The External Audit function is undertaken by KPMG LLP, this provides an opinion of the Financial Statements and the Value for Money Opinion. Any weaknesses identified by the external auditor are highlighted in the Annual Audit and Inspection Letter. The Council received an unqualified audit opinion on its 2023/24 accounts and Value for Money opinion and no significant recommendations.

1. Scope of Responsibility

West Lindsey District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It is responsible for ensuring that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, incorporating the system of internal control. This includes arrangements for the management of risk. The Council has a Local Code of Governance which details these arrangements and is structured around the seven Principles of Good Governance, which are as follows:

1. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

The Accounts and Audit (England) Regulations 2015 require every council to agree and publish an Annual Governance Statement. Further, we have followed the CIPFA (Chartered Institute of Public Finance and Accountancy)/ SOLACE guidance entitled: Delivering Good Governance in Local Government Framework (2016), in producing this AGS.

2. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. It also comprises the activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and consider whether those objectives have led to the delivery of appropriate services that represent value for money.

The system of internal control is an important part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, priorities, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise risks to the achievements of the Council's policies, priorities, aims and objectives. It also evaluates the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. Strategic risks are reported to the Governance and Audit Committee bi-annually.

The governance framework has been in place at the Council for the year ended 31st March 2024, and up to the date of approval of this Statement.

3. Financial Management Code

Strong financial management is an essential part of ensuring public sector finances are sustainable. The CIPFA Financial Management Code (FM Code) provides guidance for good and sustainable financial management in local authorities and assurance that authorities are managing resources effectively. The FM Code identifies risks to financial sustainability and introduced a framework of assurance.

Complying with the standards set out in the FM Code is the collective responsibility of elected members, the chief finance officer and their professional colleagues in the management team. Complying with the FM Code will help strengthen the framework that surrounds financial decision making.

The council has undertaken an assessment of compliance with the principles of the FM Code. This assessment has confirmed the council's compliance.

4. The Governance Framework and Annual Review of Effectiveness

A permanent Monitoring Officer was appointed on 6th November 2023

The Council consists of 36 seats and their allocation is broken down below. Currently no single political party holds a majority.

Group	Number of Members
Liberal Democrat Administration	18
The Opposition Group	15
Lincolnshire Independents	2
Unaligned Independent	1

West Lindsey District Council operates a committee model of Governance under the Localism Act 2011. This has ensured that there is a more democratic approach to decision making with no elected member having any individual executive power to make decisions and requiring committees to be politically proportionate. The Council's Constitution sets out how the Council operates.

The Council uses its Constitution as a basis from which decision making, delegations and matters relating to the ability to meet legislative and statutory requirements are considered.

The Council is working to its Corporate Plan covering the period 2023-2027. It sets out the Council's vision for the District and sets out key strategic objectives which will deliver desired outcomes for communities. The Corporate Plan is explicitly aligned to the Medium-Term Financial Plan (MTFP) and Executive Business Plan which details key corporate activity which will support the achievement of the Council's aims and objectives. This ensures that the aspirations in the Corporate Plan are realistic within the context of the funding constraints placed on the Council.

In June 2023, the Council adopted "Moving Forward Together: Our Vision for West Lindsey" a new Corporate Plan which sets out priorities for Our People, Our Place and Our Council over the next four years. The Vision is supported by an ambitious Executive Business Plan, which includes delivery of major projects, programmes and initiatives that support delivery of strategic priorities. Over the past year, we have:

Our People

- Adopted a Cultural Strategy, which will deliver a co-ordinated programme of cultural activity across the district.
- Adopted and embedded a District Health and Wellbeing Strategy, aligned to the county wide strategy and delivering improvements through five strategic levers.
- Increased the provision of temporary accommodation across the district to support people back into long-term housing.
- Delivered the Employment and Skills Partnership Action Plan, including commissioning a comprehensive skills study to understand and support the skills needs of people across the district.
- Provided funding to support delivery of 11 innovative community wellbeing projects across the district.

Our Place

- Continued to deliver projects within the Levelling Up Fund 'Thriving Gainsborough Programme' including a full refurbishment of the bus station and commencing work on the flagship cinema site in the town centre.
- Delivered a programme of activity and community events supported by UKSPF funding, such as the hugely successful Revive Festival in Gainsborough and WordFest in Market Rasen.
- Used UKSPF funding to continue offering a fully funded 121 business support which has supported over 40 local businesses across West Lindsey.
- Launched a weekly Antiques Market to enhance the market offering in Gainsborough town centre.
- Completed renovation work to preserve the historic character of 9-11 Market Place, a flagship building in Market Rasen town centre.
- Maintained delivery of projects outlined in the Council's Growth Programme
- Developed and delivered the Open and Green Space Strategy
- Constructive challenge and negotiation regarding the RAF Scampton and the realisation of the £300 million investment and development opportunity

Our Council:

- Progressed the Council's transformational Together 24 Programme, incorporating people led change and technology enabled service reviews. This has led to delivery of a new Development Management system, enhancing the service for both customers and staff.
- Development of the agile working policy and workforce development strategy
- Completion of training and induction programme for elected members
- Secured £400k of grant funding to install solar panels at West Lindsey Leisure Centre to support our efforts to reduce carbon emissions.

The Constitution of the Council establishes the roles and responsibilities of the Full Council, Policy Committees, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements.

The Constitution is reviewed annually to ensure it continues to be fit for purpose. Notwithstanding that the Constitution provides a solid basis for good governance, this year the Council has agreed that, in light of the appointment of a permanent Monitoring Officer and following the legal challenges that have arisen as a result of RAF Scampton, it is timely that a comprehensive review of the Constitution is undertaken, and this is due to be completed Autumn 2024.

The Constitution also contains rules of procedures (standing orders and financial regulations) that define clearly how decisions are taken and where authority lies for decisions. The statutory roles of Head of Paid Service, Chief Financial Officer and Monitoring Officer are described, together with their contributions to provide robust assurance on governance and to ensure that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by the post-holders' membership of the Council's Management Team.

The council has developed, communicated and embedded codes of conduct, defining the standards of behaviour for both Members and staff. Officer training needs have been identified through development appraisals and reviews, enabling individuals to undertake their present roles effectively and have the opportunity to develop to meet their own and the Council's current and future needs.

West Lindsey's next full peer challenge is scheduled to take place in January 2025 and officers are working to prepare for this in collaboration with key stakeholders and decision makers. The peer challenge will consider the following five areas, local priorities and outcomes, organisational and place leadership, governance and culture, financial planning and management, and capacity for improvement.

The Internal Audit Plan 2023/24 was agreed by the Governance and Audit Committee.

The Annual Internal Report for 2024-25 will be presented to the Governance and Audit Committee in July 2024. The report stated that for the twelve months ending 31 March 2024 there was a sound control environment in place across the majority of review areas included in the 2023/24 audit plan that worked effectively to ensure the delivery of corporate objectives.

The substantial assurance awards in high-risk areas including key controls and cyber demonstrated the strength of commitment to deliver effective internal control and the appropriateness of risk-based resource allocation. The Council received an overall internal audit opinion of substantial assurance noting that there was one internal audit where the Council received a limited assurance opinion. The action plan arising from the procurement audit has been included in Section 6 of this statement accordingly.

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework and including the system of internal control.

The review is informed by:

1. The Combined Assurance report – made up from:
 - a. Feedback from senior managers within the authority who have responsibility for the development and maintenance of the governance environment and its effectiveness within their areas.
 - b. The findings from the Annual Internal Audit work plan
 - c. Third Party assessment e.g., peer review, external consultancy
2. The Annual Review of Comments, Compliments and Complaints
3. The Annual Monitoring Officer Report and Review of the Constitution
4. The Annual Review of the Effectiveness of Internal Audit
5. Reviews of Whistleblowing
6. Independent Fraud Risk Assessment.
7. The Head of Internal Audit's Annual Report
8. Review of Strategic Risks
9. Comments made by external auditors and other review agencies.

These reviews have been considered by the Governance and Audit Committee as well as a draft version of this AGS. As a result, the arrangements are deemed as being fit for purpose.

5. Significant Governance Issues

The Council received one limited assurance internal audit review in 2024-25, the action plan arising from this audit has been included in the areas for improvement in Section 6.

6. Governance Risks - Areas for Improvement during 2024-25 (year ahead)

Whilst we are satisfied with the effectiveness of the corporate governance arrangements and systems of internal control, as part of our continued efforts to improve governance, the following issues have been identified as risks or areas for improvement as part of the 2023-24 Annual Governance Statement process.

An action plan will be implemented to ensure activity takes place to monitor the following risks and monitor improvements required:

- Loss of key staff – ensure that processes are fully documented, succession plans are in place where appropriate, identify activities which are overly reliant on one individual. The Council will produce a workforce development strategy in 2024-25.
- Financial settlement – continue to update the MTFs as we gain greater certainty on the level of funding for future years.
- Continue the review of procurement procedures. The Council received a limited assurance internal audit review in 2023-24. An action plan is in place and will be monitored by the Governance and Assurance Committee.
- A detailed external review of the constitution will take place in October 2024 with findings reported back to Governance and Audit Committee.
- An independent fraud risk assessment was carried out in 2023-24; a fraud risk action plan will be reported to Governance and Audit Committee in Quarter

Two 2024-25 and implementation will be monitored by the Governance and Audit Committee.

7. Approval of the Annual Governance Statement 2023-24

The council is satisfied that appropriate and effective governance arrangements have been in place for 2023-24.

Signed by:

Ian Knowles
Chief Executive, West Lindsey District Council
Xx/xx/2024

Councillor Trevor Young
Leader, West Lindsey District Council
Xx/xx/2024



Governance and Audit
Committee

Tuesday, 24 September
2024

Subject: Value for Money Risk Assessment 2023/24

Report by:

KPMG LLP (UK)

Contact Officer:

Emma Foy, Director of Corporate Services and
Section 151 Officer

Emma.foy@west-lindsey.gov.uk

Purpose / Summary:

To provide Members with the Value for Money
(VFM) Risk Assessment

RECOMMENDATION(S):

That Members consider the content of the report and identify any actions required.

IMPLICATIONS

Legal: None.

Financial: There are no financial implications arising from this report.

Staffing: None.

Equality and Diversity including Human Rights: None.

Data Protection Implications: None.

Climate Related Risks and Opportunities:

None directly arising from this report.

Section 17 Crime and Disorder Considerations: None.

Health Implications: None.

Title and Location of any Background Papers used in the preparation of this report :

None.

Risk Assessment :

None.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

X

West Lindsey District Council

Report to the Governance and Audit Committee

VFM risk assessment for the year ending 31 March
2024

September 2024

Introduction

To the Governance and Audit Committee of West Lindsey District Council

We are pleased to have the opportunity to meet with you on 24 September 2024 to discuss our audit of the financial statements of West Lindsey District Council for the year ending 31 March 2024.

We have been appointed as your auditors by Public Sector Audit Appointments Ltd. The audit is governed by the provisions of the Local Audit and Accountability Act 2014 and in compliance with the NAO Code of Audit Practice. The NAO is consulting on a new Code of Audit Practice for 2023/24, therefore this risk assessment will remain draft until the finalisation of that Code.

This report outlines our risk assessment for our VFM responsibilities. We provide this report to you in advance of the meeting to allow you sufficient time to consider the key matters and formulate your questions.

Page 42

Contents	Page
Value for money	3
Summary of risk assessment	5
VFM arrangements	6

The engagement team

Rashpal Khangura (CPFA) is the engagement director on the audit. He has over 20 years of public sector audit experience.

Rashpal shall lead the engagement and is responsible for the audit opinion.

Other key members of the engagement team include Badar Abbas (Senior Manager) and Alex Greenwood (In-charge) with 13 years and 3 years of experience respectively.

Yours sincerely,

RS Khangura

Rashpal Khangura

Director - KPMG LLP

11 September 2024

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- Executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We depend on well planned timing of our audit work to avoid compromising the quality of the audit. This is also heavily dependent on receiving information from management and those charged with governance in a timely manner. We aim to complete all audit work no later than 2 days before audit signing. As you are aware, we will not issue our audit opinion until we have completed all relevant procedures, including audit documentation.

Restrictions on distribution

This report is intended solely for the information of those charged with governance of West Lindsey District Council and the report is provided on the basis that it should not be distributed to other parties; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

Value for money

For 2023/24 our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.

Our responsibility to conclude on significant weaknesses in value for money arrangements is unchanged.

The main output remains a narrative on each of the three domains, summarising the work performed, any significant weaknesses and any recommendations for improvement.

We have set out the key methodology and reporting requirements on this slide and provided an overview of the process and reporting on the following page.

Risk assessment processes

Our responsibility remains to assess whether there are any significant weaknesses in the Council's arrangements to secure value for money. Our risk assessment will continue to consider whether there are any significant risks that the Council does not have appropriate arrangements in place.

In undertaking our risk assessment we will be required to obtain an understanding of the key processes the Council has in place to ensure this, including financial management, risk management and partnership working arrangements. We will complete this through review of the Council's documentation in these areas and performing inquiries of management as well as reviewing reports, such as internal audit assessments.

Reporting

As with the prior year our approach to value for money reporting aligns to the NAO guidance and includes:

- A summary of our commentary on the arrangements in place against each of the three value for money criteria, setting out our view of the arrangements in place compared to industry standards;
- A summary of any further work undertaken against identified significant risks and the findings from this work; and
- Recommendations raised as a result of any significant weaknesses identified and follow up of previous recommendations.

The Council will be required to publish the commentary on its website at the same time as publishing its annual report online.

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

Governance

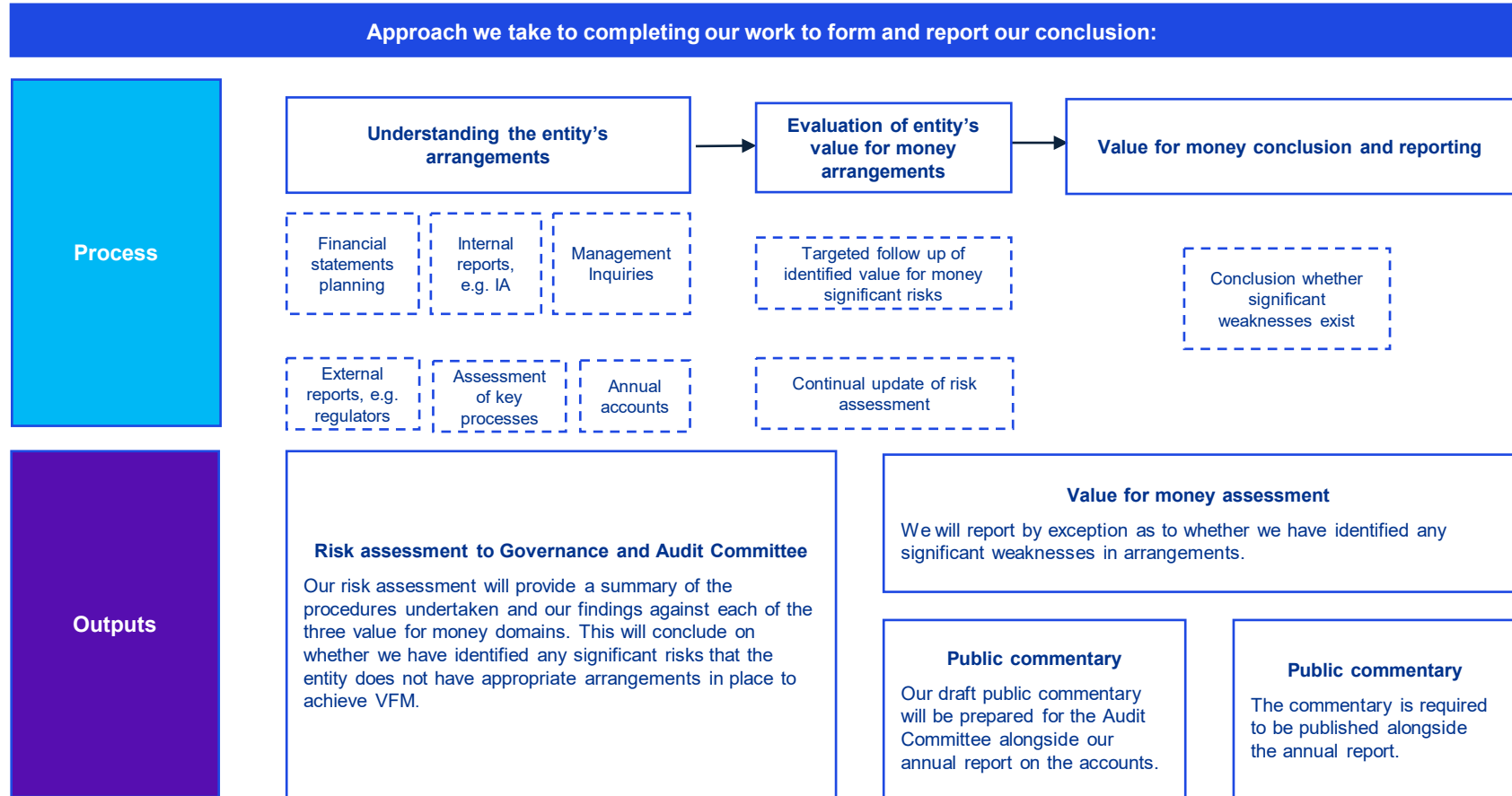
How the body ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

Value for money

Page 44



Summary of risk assessment

Summary of risk assessment

As set out in our methodology we have evaluated the design of controls in place for a number of the Council's systems, reviewed reports from external organisations and internal audit and performed inquiries of management.

Based on these procedures the table below summarises our assessment of whether there is a significant risk that appropriate arrangements are not in place to achieve value for money at the Trust for each of the relevant domains:

Page 45

Domain	Significant risk identified?
Financial sustainability	No significant risks identified
Governance	No significant risks identified
Improving economy, efficiency and effectiveness	No significant risks identified

As a result of our risk assessment, we have not identified any significant risks at this stage. We note, that on pages 8 and 11 we have identified some improvement opportunities, however as noted on those pages these do not represent a significant weaknesses.

Value for money arrangements

Financial sustainability

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2023/24 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2023/24 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2023/24 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment

Budget setting

The Council's budgeting process starts in June when Business Support Team Leader (BSTL) hold budget setting process meeting with Finance Business Partners (FBPs) of service directorates. This meeting covers budget setting timetable, individual responsibilities and a reminder of the process and specific actions.

FBPs review the controllable budgets within their service areas. They look at the previous 3 years activity and seek to identify areas of savings or increased income and build their own working paper for expected budget requirements prior to meeting with the Budget Managers (BMs). Key assumptions including inflation are agreed through the process.

Capital budgets are reviewed by BM and FBP and uncontrollable budgets like depreciation, insurance, business rates etc. are reviewed centrally by an allocated FBP and entered onto the budget model. The allocation basis for Central Support Services is confirmed with BMs and the calculation of allocations completed once budgets are complete. Further, Parish Councils are invited to submit their estimates of parish precept requirements, followed later in the year by a final agreed precept figure for the budget. The final entries to the Medium Term Financial Plan (MTFP) are usually the funding items – final council tax and government settlement grant.

Ahead of budget finalisation, the Council hold several budget consultation events with the public and businesses to compile feedback. The Council's annual budget is a rolling process as part of the MTFP and effective from 2023/24, budget model is built within the 'One Council' application.

Once all budgets are completed, FBPs and BMs are required to complete a final review of their service areas before the end of December. The MTFP is then prepared ready for inclusion in the Financial Strategy and MTFP report for the Council in March. The final 2023/24 budget was approved by the Council on 6th of March 2023 as part of 'Executive Business Plan 2023/24 to 2025/26'.

Value for money arrangements

Financial sustainability (Cont.)

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2023/24 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2023/24 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2023/24 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Summary of risk assessment (cont.)

Budget monitoring

The Council operate a quarterly Budget Monitoring cycle. The process starts with meeting between BM and FBP to discuss capital or revenue outturn position of respective service directorate. Key budget variances including plans to recover the position are discussed during this meeting. Following the meeting, BM finalise forecast outturn pack (FOP) which is then reviewed by the FBP. At this point, BSTL analyses the data and produces the forecast outturn report which is then incorporated into the monitoring summary reports for Budget Managers / Directors. These budget summary reports are compiled to produce quarterly 'Budget and Treasury Monitoring' for presentation to Corporate Policy and Resource (CPR) Committee.

As part of the review, we have reviewed Q4 'Budget and Treasury Monitoring Report 2023/24', presented in CPR Committee meeting. The report highlights the actual and revised budget forecast position for revenue, capital, treasury and staffing budgets. The Executive Summary provided highlights of the budget position and also key budget risks. Significant movements are explained with reference to cluster / service departments, also highlighting the direction of travel for the year-end (positive, negative, stable). Finally, commentary is provided for the status of significant budget items.

We noted that the Council consider the impact of budget variances for MTFP where impact on financial plan is discussed and considered for revision as part of budgeting for following year.

Budget outturn

For 2023/24, the Council set total net revenue expenditure budget of £16.9m initially, later revised to £17.5m. The Council's actual outturn position was positive at £16.7m i.e. underspent of £0.8m. After taking into account carry forwards to future years, the Council's net contribution to reserves for the year amounted to £0.115m.

Efficiency plan

The Council has developed 'Together 24' (T24) Savings and Efficiency Plan with total target of £300k. However, this programme has not been incorporated into 2023/24 financial plan given sufficient fiscal headroom and low budget pressure.

Value for money arrangements

Financial sustainability (Cont.)

In assessing whether there was a significant risk of financial sustainability we reviewed:

- The processes for setting the 2023/24 financial plan to ensure that it is achievable and based on realistic assumptions;
- How the 2023/24 efficiency plan was developed and monitoring of delivery against the requirements;
- Processes for ensuring consistency between the financial plan set for 2023/24 and the workforce and operational plans;
- The process for assessing risks to financial sustainability;
- Processes in place for managing identified financial sustainability risks; and;
- Performance for the year to date against the financial plan.

Medium term financial plan

The latest Medium Term Financial Plan agreed on 04 March 2024 by the Council shows funding gaps of £0.7m, £1.1m, £1.3m and £1.3m in the periods 2025/26 to 2028/29 respectively. We note currently the Council do not have a formal process (as part of its governance process) regarding identification and development of savings plans, monitoring of progress on savings initiatives and taking corrective action where appropriate. Whilst the Council has a track record of meeting their financial plan, these do present a greater challenge going forward. We do not believe this is a significant weaknesses at this stage, however, if funding gaps and spending pressures become larger alternative arrangements will need to be considered.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with financial sustainability.

Below we have identified an improvement opportunity, which we will formally report in our year-end report for the audit. We note this does not represent a significant weaknesses.

Improvement observations:

- The Council should consider the appropriateness of its arrangements regarding the identification and development of savings plans and monitoring of progress on savings initiatives in the context of the level of future savings.

Value for money arrangements

Governance

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2023/24 financial plan by the Authority, including how financial risks were communicated;
- Processes for monitoring performance against budgets and taking actions in response to adverse variances;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Authority ensures decisions receive appropriate scrutiny.

Summary of risk assessment

Risk management

The Council has a comprehensive 'Risk Management Strategy' in place to identify, monitor and manage business risks. Different types of risks i.e. strategic, operational, programme etc. are defined based on level of risk impact. A process of identification of emerging risks is defined where adverse factors impacting the objectives of the Council's Plans and Policies are identified as risks. Once identified, risks are recorded in the risk register and an owner of the risk is allocated for accountability and effective risk management. Each risk is assigned an 'inherent' risk level score from the range of 1 (Lowest) - 16 (Highest) based on impact and likelihood.

While the Council has ultimate responsibility of risk management, monitoring and reporting of risk is carried out at different levels. Strategic risks are managed and reviewed by the Management Team and are also presented for the review to the Governance & Audit Committee (G&AC) on a six-monthly basis. Service Risks are reviewed regularly via monthly service team meetings and are managed at an operational level.

Anti-fraud controls

The Council undertake a number of measures to prevent and detect fraud. There is an 'Anti-fraud and corruption policy'. This sets out key actions for the Council to ensure compliance in terms of anti-fraud arrangements in place. Roles and responsibilities of executives, staff and auditors to promote a prevention of financial crime culture are defined in the policy.

An Annual Counter Fraud Report is prepared by the Director of Corporate Services and presented to the G&AC. Findings of the report are reported to members of the committee and follow-up actions /recommendations are assigned to management. The Council also receive assurance on anti-fraud controls through the work of internal audit.

Value for money arrangements

Governance (Cont.)

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2023/24 financial plan by the Authority, including how financial risks were communicated;
- Processes for monitoring performance against budgets and taking actions in response to adverse variances;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Authority ensures decisions receive appropriate scrutiny.

Summary of risk assessment

Financial plan 2023/24 and budget monitoring

The Council's financial plan for 2023-24, as part of the MTFP, went through several levels of review prior to approval by the Council in March 2023. Financial performance, against the budget is regularly monitored as outlined in the Financial Sustainability section. As part of quarterly 'Budget and Treasury Monitoring Report' to CPR Committee, significant variances against budget are clearly identified and explained with reference to change in position i.e. improved, no change or worsened. Any mitigating actions are also identified. The Council's final 2023/24 outturn was a net contribution to reserves of £0.1m as compared to breakeven position set in the initial budget.

Compliance with laws & regulations

The Council's Monitoring Officer is responsible for monitoring compliance with all relevant/applicable legal requirements. As per Constitution, the Monitoring Officer, after consultation with the S151 Officer, will report to the Council if she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given, or would give rise, to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered. Management inquiries have confirmed there have been no breaches of legislation or regulatory standards that has led to an investigation by any legal or regulatory body during the year.

Standards of behaviour

The 'Officer Code of Conduct' defines standard behaviour of the members of staff including anti fraud, anti corruption, gifts and hospitality policy. It also requires staff to disclose and register in the Register of Interest if they have relationship with contractor or supplier. It also covers the safeguard of respective staff member against harassment or victimisation, confidentiality and allegations. The Council also has separate 'Prevention of Financial Crime Policy, Anti-Fraud and Corruption Policy and Anti-Bribery Policy' to ensure safeguard of the Council's interests.

Value for money arrangements

Governance (Cont.)

In assessing whether there was a significant risk relating to governance we reviewed:

- Processes for the identification, monitoring and management of risk;
- Controls in place to prevent and detect fraud;
- The review and approval of the 2023/24 financial plan by the Authority, including how financial risks were communicated;
- Processes for monitoring performance against budgets and taking actions in response to adverse variances;
- How compliance with laws and regulations is monitored;
- Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and
- How the Authority ensures decisions receive appropriate scrutiny.

Summary of risk assessment

Decision making process

Our risk assessment procedures and management inquiries confirm the Council has appropriate arrangements in place to ensure scrutiny, challenge and transparency of decision making. The Council's 'Financial Procedure Rules' and 'Contract & Procurement Procedure Rules' form part of the Constitution and set business rules for key decisions to ensure transparency and proportionality. Key decision making is subject to discussion and scrutiny at executive team level and relevant sub-committees such as CPR Committee, followed by formal approval by the Council.

Risk assessment conclusion

Based on the risk assessment procedures performed to date, we have not identified a significant risk associated with governance.

Below we have identified some improvement opportunities, which we will formally report in our year-end report for the audit. We note these do not represent a significant weaknesses.

Improvement observations:

- During our review, we have noticed that the Council's Risk Management Strategy has not been updated for latest period. The Council's previous strategy was for the period 2019-23 and it has not been revised after the end of five year period. We would recommend that the Council should update its Risk Management Strategy.
- During our review, we have noticed that the Council's record of contract exceptions is not a robust document which records the value of the contract, reason for exception and the approval process followed. We would recommend that the Council should formalise documentation of contract exceptions to ensure greater transparency and compliance with the procurement rules.

Value for money arrangements

Improving economy, efficiency and effectiveness

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with other stakeholder and wider partners in development of the organisation;
- How the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment

Performance of services

We have found appropriate arrangements and processes in place to support the Council in using information about costs and performance to improve the way services are managed and delivered, with a focus on the level of value for money being achieved. As per the Council's 'Performance Management Policy', while CPR Committee is responsible for the overall performance framework, 'Prosperous Communities Committee' (PCC) has wider visibility and transparency of the Council's performance.

The Council's 'Progress and Delivery Performance Measures and Targets 2023/24' were approved by the CPR Committee identifying 53 KPIs across 6 different portfolios. Monitoring of these targets is carried out through quarterly 'Progress and Delivery Report' presented to PCC. As per Q4 report, the Council exceeded target for 42 KPIs, 2 KPIs remained within tolerance while 9 KPIs are assessed as below target. The Council has also 'Performance Improvement Plans' (PIPs) in place for measures which report below target for two or more consecutive periods.

Benchmarking

The Council is affiliated with APSE (Association of Public Service Excellence) to collaborate and benchmark its service delivery efficiency with other public bodies. APSE is a not for profit unincorporated association working with councils throughout the UK to assess the performance across service delivery and energy efficiency. At year-end, the Council submit its service delivery data to APSE and then benchmarking reports are issued by APSE giving the Council an opportunity to reflect and improve its service delivery.

Value for money arrangements

Improving economy, efficiency and effectiveness (Cont.)

In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:

- The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;
- How the performance of services is monitored and actions identified in response to areas of poor performance;
- How the Council has engaged with other stakeholder and wider partners in development of the organisation;
- How the performance of those partnerships is monitored and reported; and
- The monitoring of outsourced services to verify that they are delivering expected standards.

Summary of risk assessment

Partnerships

The Council has partnered with other local organisations to support economic, efficient and effective delivery of public services. The Council is a member of the Central Lincolnshire Joint Strategic Planning Committee to set out a more strategic vision for western Lincolnshire and to take a unified approach to the promotion and growth of the wider Lincoln region. The Council is also a key partner in 'Greater Lincolnshire Local Enterprise Partnership' that aims to increase productivity by supporting local businesses to create jobs.

The Council also appointed Scampton Holdings Limited as its development partner for the RAF Scampton site. The Council partnered with the Lincolnshire Waste Partnership to provide sustainable waste management services for the whole of Lincolnshire and is a key partner of 'Wellbeing Lincs' with other Lincolnshire District Councils to deliver the wellbeing service across the county.

Risk assessment conclusion

Based on the risk assessment procedures performed we have not identified a significant risk associated with improving economy, efficiency and effectiveness.



kpmg.com/uk

Some or all of the services described herein may not be permissible for KPMG audited entities and their affiliates or related entities.

© 2024 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.



Governance and Audit
Committee

Tuesday, 24 September
2024

Subject: Internal Audit Update Report

Report by:

RSM UK Risk Assurance Services LLP

Contact Officer:

Emma Foy, Director of Corporate Services and
Section 151 Officer

Emma.foy@west-lindsey.gov.uk

Purpose / Summary:

The report gives Members an update of progress
by the Audit partner.

RECOMMENDATION(S):

That Members consider the content of the report and identify any actions
required.

IMPLICATIONS

Legal: None.

Financial: There are no financial implications arising from this report.

Staffing: None.

Equality and Diversity including Human Rights: None.

Data Protection Implications: None.

Climate Related Risks and Opportunities:

None directly arising from this report.

Section 17 Crime and Disorder Considerations: None.

Health Implications: None.

Title and Location of any Background Papers used in the preparation of this report :

None.

Risk Assessment :

None.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

X



Page 57

WEST LINDSEY DISTRICT COUNCIL

Internal Audit Progress Report

24 September 2024

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

CONTENTS

Key messages..... 3

Appendices

Appendix A: Progress against the internal audit plan 2024/25..... 5

Appendix B: Other matters 6

Appendix C: Key performance indicators 7

KEY MESSAGES

The internal audit plan for 2024/25 was approved by the Governance and Audit Committee at the 16 April 2024 meeting. This report provides an update on progress against the plan and summarises the results of our work to date.



We have issued two final reports as part of the internal audit plan since the Governance and Audit Committee meeting in July 2024. These are ICT Operations (1.24/25) and Follow Up (2.24/25).

- Details of the progress made against the internal audit plan are included at Appendix A. **[To note]**
- Fieldwork dates have been agreed with management for all of the internal audits scheduled for 2024/25 to ensure that all fieldwork will be completed by the end of the year, and our Head of Internal Audit Opinion can be provided at the first meeting of the 2025/26 financial year. **[To note]**
- There have been no amendments to the internal audit plan since the last meeting. **[To note]**

Appendices

Page 60

02



APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2024/25

Assignment and Executive Lead	Status / Opinion issued	Actions agreed				Target Governance and Audit Committee meeting	Actual Governance and Audit Committee meeting
		A	L	M	H		
IT Operations	Final Report Issued / Reasonable Assurance	0	2	3	0	September 2024	September 2024
Follow Up 1	Final Report Issued / Reasonable Progress	0	8	0	0	September 2024	September 2024
Risk Management	Audit Fieldwork Underway					November 2024	-
Staff Appraisal Process	Audit Commencing 9 September 2024 – Audit Scope Agreed					November 2024	-
Purchasing and Creditors	Audit Commencing 14 October 2024 – Audit Scope Agreed					November 2024	-
Procurement	Audit Commencing 28 October 2024					January 2025	-
Combined Assurance	Audit Commencing 18 November 2024					January 2025	-
Complaints Handling	Audit Commencing 25 November 2024					January 2025	-
Project and Programme Management	Audit Commencing 27 November 2024					January 2025	-
Customer Experience Strategy	Audit Commencing 27 January 2025					March 2025	-
Emergency Planning / BCP	Audit Commencing 24 February 2025					April 2025	-
Follow Up 2	Audit Commencing 17 March 2025					April 2025	-

APPENDIX B: OTHER MATTERS

Note	Activity	Overview of output
1	Public Authorities VAT Webinar	We have issued an invite to our next VAT webinar for local authorities and emergency services is taking place on Tuesday 8 October 2024. Our webinars aim to help officers gain up-to-date and bite-size insights on VAT and tax issues affecting their organisations.
2	Emerging Risk Radar – Summer 2024	We issued our latest Emerging Risk Radar which is a summary of survey responses from over 200 board members across all industries and sectors. The document outlines the key risks emerging and steps for the Council to follow to react to emerging risks.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2024/25. From the results of the reviews undertaken across our client base, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Following the completion of each product, we include a link to a brief survey in each report we issue.

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you.

Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

APPENDIX C: KEY PERFORMANCE INDICATORS

	Delivery			Quality		
	Target	Actual	Notes*	Target	Actual	Notes*
Audits commenced in line with original timescales*	Yes	Yes	Conformance with PSIAS	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	10 working days	8 working days (average)	Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 10 days of draft report	10 working days	9 working days (average)	Response time for all general enquiries for assistance	2 working days	2 working days	
Final report issued within 3 days of management response	3 working days	5 working days (average) ¹	Response for emergencies and potential fraud	1 working day	N/A	

Page 63

Notes

This takes into account changes agreed by management and the Governance and Audit Committee during the year. Through employing an agile or a flexible approach to our service delivery we are able to respond to your assurance needs.

¹ One report required a discussion between management and the auditors to finalise. However, the Audit Manager was absent with sickness which equated to the delay, along with the ICT Manager being on annual leave.

FOR FURTHER INFORMATION CONTACT

Rob Barnett, Head of Internal Audit

Aaron Macdonald, Manager

Email: Robert.Barnett@rsmuk.com

Email: Aaron.Macdonald@rsmuk.com

Page 64

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of West Lindsey District Council, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.



Page 65

WEST LINDSEY DISTRICT COUNCIL

IT Operations

Final Internal Audit Report: 1.24/25

5 September 2024

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

CONTENTS

Audit outcome overview 3

Summary of management actions 5

Appendices

Detailed findings and actions 7

Appendix A: Categorisation of findings 13

Appendix B: Scope 14

AUDIT OUTCOME OVERVIEW

In line with our scope, included at Appendix B, the overview of our findings is detailed below.

Conclusion: Our audit has found that, overall, the Council has adequate controls in place with regards to the infrastructure estate that is spread across two data centres in Gainsborough and Sleaford. The Council utilises a variety of different monitoring tools across the server estate and employ a high availability connection between servers of the two data centres such that servers in one data centre could failover to the other.

However, whilst it was noted that Business Impact Assessments (BIA) are presently being undertaken throughout the Council, we noted that the present Business Continuity Plan was out of date and not originally designed with the necessary Recovery Point Objectives (RPO) and Recovery Time Objectives (RTO). In addition, scheduled backup restore testing, is not undertaken.

Internal audit opinion:



Minimal Assurance



Partial Assurance



Reasonable Assurance



Substantial Assurance

Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).

Audit themes: Policies and / or procedures

- The Business Continuity Plan (BCP) was last reviewed in 2022 and therefore the review of this document was overdue. We also noted that the BCP did not include recovery point objectives (RPO) or recovery time objectives (RTO). **(Medium)**
- Through review of the Backup Management section of the ICT Disaster Recovery Policy, we identified areas for improvement to enhance the detail and quality of the policy, including provisions for encrypting all backups to ensure data security and conducting periodic backup data restore testing. **(Medium)**

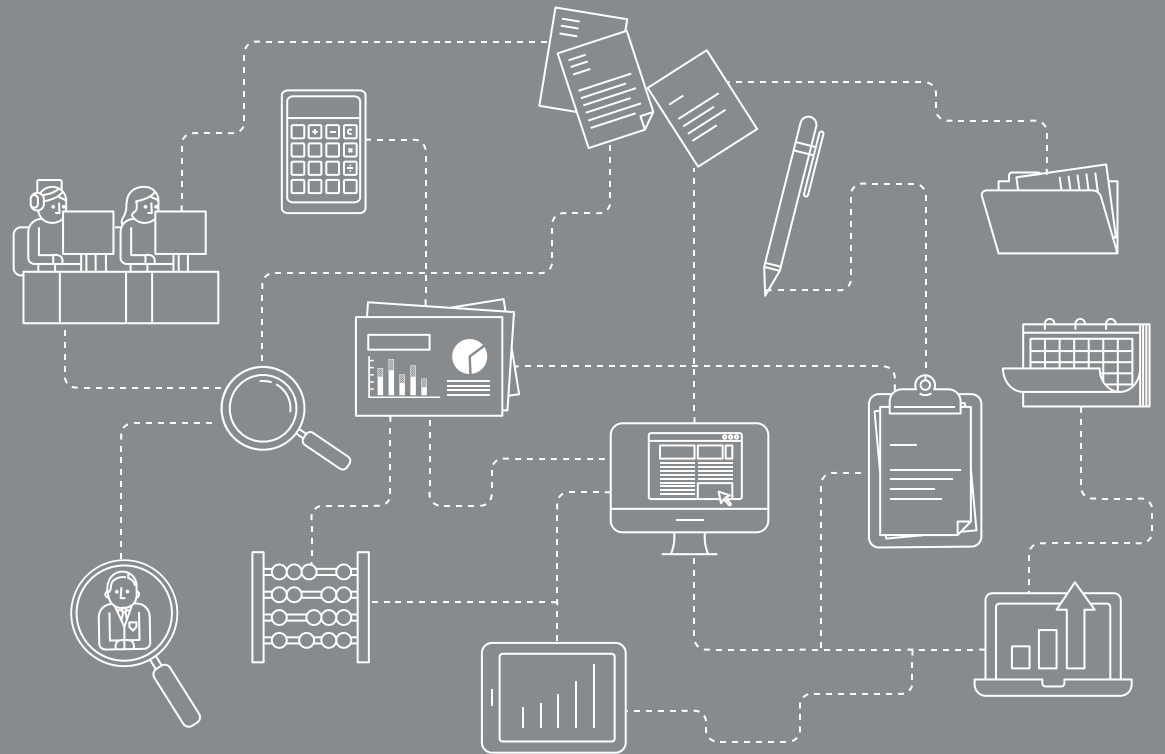
Planning

- At the time of the audit, Council departments were still in the process of completing their Business Impact Analysis (BIA) and therefore at present these have not informed the Business Continuity Plan. **(Medium)**

Summary of Actions for Management

Page 68

01



SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as*:

High

Immediate management attention is necessary.

Medium

Timely management attention is necessary.

Low

There is scope for enhancing control or improving efficiency.

Ref	Action	Priority	Responsible Owner	Date
1	The hardened standard baseline build for servers will be formally documented and approved.	Low	ICT Manager	31 October 2025
2	The West Lindsey/North Kesteven Network Topology Diagram will be updated to accurately reflect the high availability pair firewalls and all current network configurations	Low	ICT Manager	31 October 2025
3	<p>The Backup Management section of the ICT Disaster Recovery Policy will be updated to include provisions for:</p> <ul style="list-style-type: none"> Encrypting all backups to ensure data security; Implementing periodic testing of backups to verify data integrity and functionality; and Establishing a process for regular review of backup logs with documented evidence of these reviews. <p>Moreover, backup data restore testing will be conducted on a scheduled and/or rotational basis to validate that data will be recoverable in the case of a disaster.</p>	Medium	ICT Manager	31 October 2025
4	Business Impact Assessment (BIA) templates will be completed by each department by the end of August 2024 in line with management expectation. Key department stakeholders will be involved and consulted during this process to identify key business processes, systems and operational dependencies will be identified. Moreover, Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) will be defined for each key system.	Medium	Emergency Planning & Business Continuity Officer	Completed
5	The Business Continuity Plan (BCP) will be reviewed and approved in line with the review period. Furthermore, once the BIA's have been completed, the BCP will be updated to include the RPO's and RTO's for each key process and system including operational dependencies. The plan will be tested annually to ensure that all key stakeholders know their role and responsibility in the business continuity process. Where applicable, the BCP will be updated to reflect results of the test.	Medium	Emergency Planning & Business Continuity Officer	31 March 2025

* Refer to Appendix B for more detail

Detailed Findings and Actions

Page 70

02



DETAILED FINDINGS AND ACTIONS

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all audit testing undertaken.

Background / Why we did the audit

A recent survey by the Local Government Association revealed that councils face an average of 800 cyber-attacks per hour, underscoring the urgent need for robust cybersecurity measures. Over the past two years, the Council has conducted several ICT audits covering Disaster Recovery, Cyber Security, Patching, and Incident Management. To minimise duplication, this audit specifically targeted the datacentre and server estate.

The Council commissioned this audit to ensure its ICT infrastructure is secure, resilient, and capable of supporting critical operations. This review focused on resilience, operating systems and firmware management, security standards, network segregation, backup and recovery processes, monitoring tools, and privileged access control. Regular updates and secure configurations protect against vulnerabilities, while effective network segregation and isolation of outdated systems enhance security. Reliable backups and regular testing are crucial for data recovery. Continuous monitoring aids in early threat detection, and strict access controls prevent unauthorised access. Failure to address these areas could lead to unauthorised access, data breaches, and operational disruptions, posing significant risks to the council's operations and reputation.

Area: Hardened Standard Build

Control	The server standard build template is configured in the server management software to deploy to servers, however, the standard build has not been documented.	Assessment: Design × Compliance -
Findings / Implications	Management demonstrated in a walkthrough that four template options for server endpoint builds are stored in the deployment programme in the server management software, vCenter (VMware VSphere). However, whilst configuration templates for the hardened standard builds of servers have been established, these have not been formally documented and approved. This increases the risk of an inconsistent approach to application of the standard build which could lead in configuration errors, applications failures and security vulnerabilities.	
Management Action 1	The hardened standard baseline build for servers will be formally, documented and approved.	Responsible Owner: ICT Manager Date: 31 October 2025 Priority: Low

Area: Network Segregation

Control	A Network Topology Diagram of the technology environment has been documented.	Assessment:	
		Design	✓
		Compliance	×

Findings / Implications We reviewed the West Lindsey/North Kesteven Network Topology Diagram and noted that, although it was last reviewed in April 2024, it did not depict the HA firewall pair present within the network, and we were advised that the diagram was not a fully accurate representation as a result of the missing firewalls. This increases the risk of misconfiguration during network changes or troubleshooting which could lead to extended network downtime. In mitigation, we noted that a full view of the current network set-up was available through the system management software in use.

Management Action	The West Lindsey/North Kesteven Network Topology Diagram will be updated to accurately reflect the high availability pair firewalls and all current network configurations.	Responsible Owner: ICT Manager	Date: 31 October 2025	Priority: Low
--------------------------	---	--	---------------------------------	--------------------------------

Area: Server Estate Backups and Testing

Control	An approach to backup management is documented within the ICT Disaster Recovery Policy, however the policy is not comprehensive.	Assessment:	
		Design	×
		Compliance	-

Findings / Implications Through inspection of the backup management section within the ICT Disaster Recovery policy we noted that it describes the daily VEEAM backup process, and backup retention arrangements. However, the policy does not include guidance around the encryption of backups, periodic testing of backups, and the review of backup logs. This omission could lead to potential unauthorised access to backup data, undetected issues with backup integrity, and the inability to recover data in the event of an incident. Additionally, we were unable to ascertain whether data backup restores are conducted.

There is a risk that the Council may not be able restore data in time following a disaster which could result in prolonged downtime, data loss, financial losses, and reputational damage

Management Action	The backup management section of the ICT Disaster Recovery Policy will be updated to include provisions for: <ul style="list-style-type: none"> • Encrypting all backups to ensure data security; • Implementing periodic testing of backups to verify data integrity and functionality; and • Establishing a process for regular review of backup logs with documented evidence of these reviews. 	Responsible Owner: ICT Manager	Date: 31 October 2025	Priority: Medium

Area: Business Continuity Planning

Control	Council-wide business impact assessments have not been conducted.	Assessment:	
		Design	×
		Compliance	-

Findings / Implications Management informed us that the Council, at the time of the audit, was in the process of conducting Business Impact Analysis (BIA) to gauge maximum tolerable downtimes, key business processes, key business systems, and Recovery Point Objectives (RPOs). We were informed that that all departments within the Council are in the process of completing business impact assessment templates by the end of August 2024.

If RPOs and Recovery Time Objectives (RTOs) for critical business systems, processes and operational dependencies are not defined and used to determine the prioritisation for the recovery of systems in the event of an incident, there is a risk of inadequate preparedness and response during disruptions, potentially leading to prolonged downtime and data loss.

Management Action	Business Impact Assessment (BIA) templates will be completed by each department by the end of August 2024 in line with management expectation. Key department stakeholders will be involved and consulted during this process to identify key business processes, systems and operational dependencies will be identified. Moreover, Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) will be defined for each key system.	Responsible Owner: Emergency Planning & Business Continuity Officer	Date: Completed	Priority: Medium
--------------------------	--	---	---------------------------	----------------------------

Area: Business Continuity Planning

Control	A Business Continuity Plan has been established; however, it has not been recently reviewed.	Assessment:	
		Design	✓
		Compliance	×

Findings / Implications We inspected the Business Continuity Plan (BCP) and noted that the document is overdue for review having last been reviewed in January 2022. We noted that that the plan was due to have been reviewed in June 2023 and there is no evidence to indicate that it has been reviewed in the last 12 months. Additionally, details around roles and responsibilities and testing of the plan are not included in the document. Through our review, we further noted that the BCP did not include RPOs or RTOs. The lack of appropriate guidance could lead to confusion and inefficiency in resolving an incident, potentially resulting in prolonged downtime, financial loss, and reputational damage.

Management Action	The BCP will be reviewed and approved in line with the review period. Furthermore, once the BIA's have been completed, the BCP will be updated to include the RPO's and RTO's for each key process and system including operational dependencies.	Responsible Owner: Emergency	Date: 31 March 2025	Priority: Medium
--------------------------	---	--	-------------------------------	----------------------------

Area: Business Continuity Planning

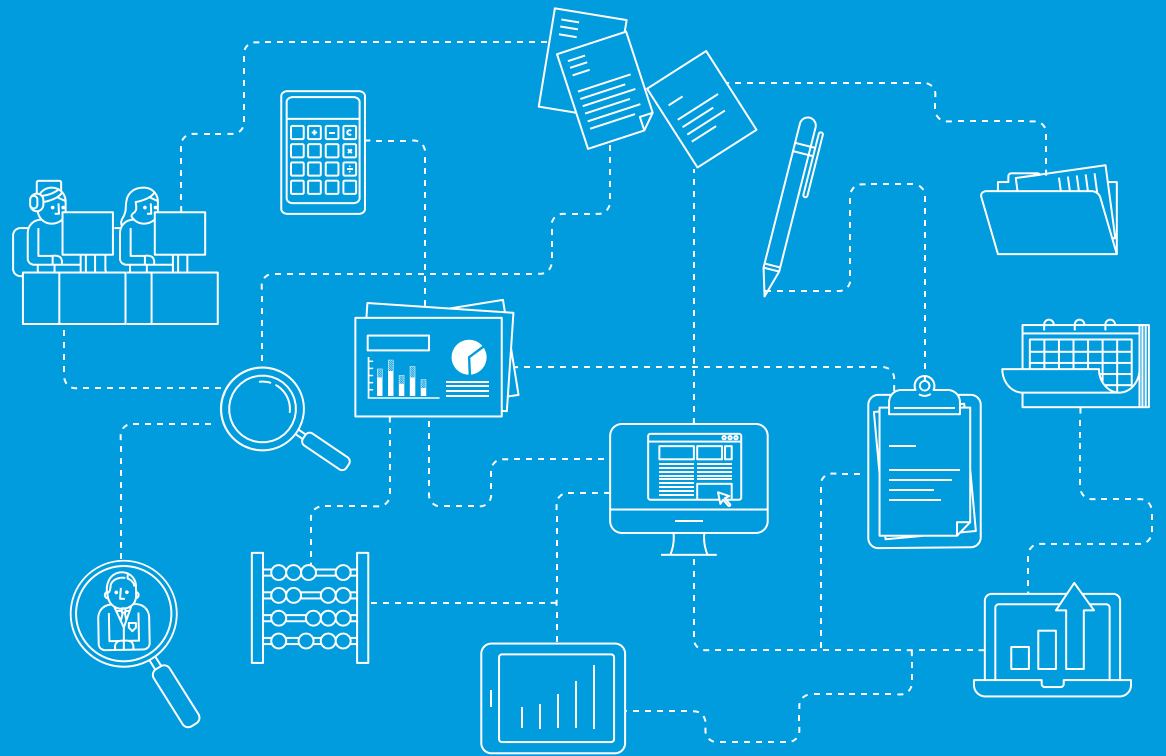
The plan will be tested annually to ensure that all key stakeholders know their role and responsibility in the business continuity process. Where applicable, the BCP will be updated to reflect results of the test.

Planning &
Business
Continuity Officer

Appendices

Page 76

03



APPENDIX A: CATEGORISATION OF FINDINGS

Categorisation of internal audit findings

Low

There is scope for enhancing control or improving efficiency.

Medium

Timely management attention is necessary. This is an internal control risk management issue that could lead to: Financial losses which could affect the effective function of a department, loss of controls or process being audited or possible reputational damage, negative publicity in local or regional media.

High

Immediate management attention is necessary. This is a serious internal control or risk management issue that may lead to: Substantial losses, violation of corporate strategies, policies or values, reputational damage, negative publicity in national or international media or adverse regulatory impact, such as loss of operating licences or material fines.

Page 77

The following table highlights the number and categories of management actions made as a result of this audit.

Area	Control design not effective*	Non-compliance with controls*	Agreed actions		
			Low	Medium	High
Hardened Standard Build	1	0	1	0	0
Network Segregation	0	1	1	0	0
Server Estate Backups and Testing	1	0	0	1	0
Business Continuity Planning	1	1	0	2	0
Total			2	3	0

* Shows the number of controls not adequately designed or not complied with. The number in brackets represents the total number of controls reviewed in this area.

APPENDIX B: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the objective

Objective of the review	Risks relevant to the scope of the review	Risk source
The objective of the review is to consider the extent to which management have plans in place to ensure that the infrastructure is robust and fit for purpose and operates in a secure environment to identify areas which may require further management attention or investment.	ICT Security and Information Governance arrangements are ineffective	Strategic risk register

When planning the audit, the following were agreed:

- Resilience has been built into the datacentre to provide power and an internet connection should the primary source be lost, this includes the use of an Uninterruptible Power Source (UPS) and environmental controls.
- Management have visibility of the Operating Systems (OS) and firmware of the server estate to confirm that it is up to date and within support.
- A hardened standard build has been documented and used across the server estate, considering security control frameworks and benchmarks (such as CIS (Centre for Internet Security)).
- The ICT network has been segregated to provide strength in depth and to segregate any End of Life (EoL) servers, databases or applications. This may include the use of a DMZ (Demilitarised Zone).
- Backups of the server estate are run and restore testing is conducted against established BCP plans providing ICT with an agreed list of Council systems to be recovered together with their priority and expected timescales for system restore.
- Monitoring and alerting tools are established across the server estate, such as anti-virus, Endpoint Detection and Response (EDR) and Security Information and Event Management (SIEM) tools.
- Privileged access to the datacentre and servers is controlled and based on the principle of least privilege.

Limitations to the scope of the audit assignment:

- The scope of our work will be limited only to those areas that have been examined and reported and is not to be considered as a comprehensive review of all aspects of ICT infrastructure, ICT controls or ICT security.
- This audit will look at how the server estate and datacentre is managed in respect to West Lindsey District Council and we will not review how controls apply to North Kesteven District Council.

- The approach taken for this review will be to validate the design of key controls and will not include all monitoring controls.
- We will be testing only selected key controls on a walkthrough-basis only.
- We will not perform penetration tests and vulnerability assessments.
- The information provided in the final report should not be considered to detail all errors or risks that may currently or in the future exist within the ICT environment, and it will be necessary for management to consider the results and make their own judgement on the risks and the level of specialist computer audit coverage they require in order to provide assurance that these risks are minimised.
- The results of our work are reliant on the quality and completeness of the information provided to us.
- Our work will not provide an absolute assurance that material errors, loss or fraud do not exist.

Debrief held	23 July 2024
Last evidence received	25 July 2024
Draft report issued	8 August 2024
Responses received	5 September 2024
Final report issued	5 September 2024

Internal audit Contacts	Rob Barnett, Head of Internal Audit Aaron Macdonald, Internal Audit Manager Anna O’Keeffe, National IT Audit Director Kolisa Benelwa, Manager, Technology Risk Assurance (TRA) Graeme Clarke, Senior Consultant (TRA) Abdu-Allah Awad, Consultant (TRA)
Client sponsor	Nova Roberts, Director, Change Management, ICT and Regulatory Services
Distribution	Nova Roberts, Director, Change Management, ICT and Regulatory Services Cliff Dean, ICT Shared Services Manager

We are committed to delivering an excellent client experience every time we work with you. If you have any comments or suggestions on the quality of our service and would be happy to complete a short feedback questionnaire, please contact your RSM client manager or email admin.south.rm@rsmuk.com.

FOR FURTHER INFORMATION CONTACT

Rob Barnett, Head of Internal Audit

Email: Robert.Barnett@rsmuk.com

Telephone: +44 115 964 4520

Aaron Macdonald, Manager

Email: Aaron.Macdonad@rsmuk.com

Telephone: +44 115 964 4517

Page 80

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of West Lindsey District Council, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.



WEST LINDSEY DISTRICT COUNCIL

Follow Up

Final Internal Audit Report: 2.24/25

21 August 2024

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



OUTCOME OVERVIEW

Background:

We have undertaken a review to follow up on progress made to implement the previously agreed management actions from the following audits:

- WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment;
- WLDC 2022/23-03 - Contract Management;
- WLDC 2022/23-05 - Risk Management;
- WLDC 2023/24-01 - Equality Impact Assessments;
- NKDC/WLDC 2022/23-12 - ICT Asset management; and
- WLDC/NKDC 2023/24-03 - ICT Cyber Security.

The focus of this review was to provide assurance over the progress made against previously agreed management actions. A total of 24 actions were due at the time of the audit, consisting of four low priority actions and 20 medium priority actions.

Key findings:

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion the Council has demonstrated **reasonable progress** in implementing agreed management actions.

Testing found that 16 actions had been either implemented or superseded, six actions had been partially implemented, and the final two actions were not implemented.

We have agreed new management actions for the nine actions which are detailed in section two of this report.

SUMMARY OF PROGRESS ON ACTIONS

The following table includes details of the status of each management action:

Implementation status by review	Number of actions agreed	Implemented	Implementation ongoing	Not implemented	Superseded
WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment	12	6	3	1	2
WLDC 2022/23-03 - Contract Management	3	1	1	1	0
WLDC 2022/23-05 - Risk Management	1	0	1	0	0
WLDC 2023/24-01 - Equality Impact Assessments	3	2	1	0	0
NKDC/WLDC 2022/23-12 - ICT Asset Management	4	4	0	0	0
WLDC/NKDC 2023/24-03 - ICT Cyber Security	1	1	0	0	0
Total	24	14 (59%)	6 (25%)	2 (8%)	2 (8%)

Detailed Findings and Actions

Page 85

02



DETAILED FINDINGS AND ACTIONS

The results of our testing are set out below.

- 1 The entire action has been fully implemented.
- 2 The action has been partly though not yet fully implemented.
- 3 The action has not been implemented.
- 4 The action has been superseded and is no longer applicable.
- 5 The action is not yet due.

Assignment: Key Project Review - Saxilby Footbridge Refurbishment

Original management action / priority	Meet with Canals and Rivers Trust to discuss the long-term future ownership of Saxilby Footbridge – the preferred outcome is that Canals and Rivers Trust (C&RT) to own ownership of the bridge. Priority: Low
--	--

Findings summary

Through discussion with the Team Manager - Property and Assets, we noted that a meeting was held on the 8 March 2024 between the WLDC Conservation Officer and Members of Canals and Rivers Trust (C&RT). We noted that the C&RT expressed that they would not register the bridge as their asset. They did express however that they would take it back and discuss this in-house but expressed that it would be highly unlikely that they would take on the asset. It was discussed that if the bridge was a recognised public right, then it would be recognised in law as a highway and may have some LCC (Lincolnshire County Council) responsibility. In addition, we also noted that discussion was held between WLDC Conservation Officer and Saxilby with Ingleby Parish Council, but Saxilby with Ingleby Parish Council did not have interest of taking on the property. However, we noted that there was no recorded outputs or minutes regarding the meetings/discussions mentioned above.

Based on the discussion above, as there no party has registered interest of the Saxilby Footbridge, the Team Manager - Property and Assets has decided to look at other options, i.e. rights of access and permissive path. Under this approach, WLDC can claim ownership of the bridge and then it is the Council's interest to register the bridge. However, the Team Manager - Property and Assets had a discussion with the Legal Service Team, and it was advised that the bridge is over C&RT land and as such, meaning WLDC cannot own the bridge as the Council has no land ownership. Based on all the discussion and information above, the bridge is deemed to be part of the C&RT land, but the Trust has no maintenance obligation as WLDC had agreed to undertake this. It was agreed that WLDC would engage with C&RT to discuss and produce a report detailing how the structure should be managed in the future.

2: The action has been partly though not yet fully implemented.

Assignment: Key Project Review - Saxilby Footbridge Refurbishment

Management Action 1	Meet with Canals and Rivers Trust to discuss the ownership and how the Saxilby Footbridge should be managed in the future.	Responsible Owner: Team Manager - Property and Assets	Date: 31 December 2024	Priority: Low
----------------------------	--	---	----------------------------------	--------------------------------

Assignment: Key Project Review - Saxilby Footbridge Refurbishment

Original management action / priority	Review of risk register and introduction of further information including raised/closure dates and rationale for closure. Priority: Medium
--	--

Findings summary	Through discussion with the Change, Programme and Performance Manager, we noted that the action had not been undertaken due to the bridge being completed prior to the report being received. Through review of the Risk and Issue Management document we confirmed that it stated that an owner is assigned to the risk to ensure accountability is applied throughout the project. Identified risks are to be updated onto the Project Risk Register contained on the CRM Project Management module. However, through review of risk register template, we did not note any specific requirement about including rationale for closure. 3: The action has not been implemented.
-------------------------	---

Management Action 2	For future projects, management will update the risk register and include further information, i.e. raised/closure dates and rationale for closure.	Responsible Owner: Change, Programme and Performance Manager	Date: 31 December 2024	Priority: Low
----------------------------	---	--	----------------------------------	--------------------------------

Assignment: Key Project Review - Saxilby Footbridge Refurbishment

Original management action / priority	Depending on outcome of discussions with C&RT WLDC may choose to claim ownership of the bridge. If so, a formal decision would be required and then a Statutory Declaration would be required, alongside the creation of a maintenance fund. Priority: Low
--	--

Findings summary	Through discussion with the Team Manager - Property and Assets, we noted that a meeting was held on the 8 March 2024 between the WLDC Conservation Officer and Members of Canals and Rivers Trust (C&RT). We noted that the C&RT expressed that they would not register the bridge as their asset. They did express however that they would take it back and discuss this in-house but expressed that it
-------------------------	--

Assignment: Key Project Review - Saxilby Footbridge Refurbishment

would be highly unlikely that they would take on the asset. It was discussed that if the bridge was a recognised public right, then it would be recognised in law as a highway and may have some LCC (Lincolnshire County Council) responsibility. In addition, we also noted that discussion was held between WLDC Conservation Officer and Saxilby with Ingleby Parish Council, but Saxilby with Ingleby Parish Council did not have interest of taking on the property. However, we noted that there was no recorded outputs or minutes regarding the meetings/discussions mentioned above.

Based on the discussion above, as there no party has registered interest of the Saxilby Footbridge, the Team Manager - Property and Assets has decided to look at other options, i.e. rights of access and permissive path. Under this approach, WLDC can claim ownership of the bridge and then it is the Council's interest to register the bridge. However, the Team Manager - Property and Assets had a discussion with the Legal Service Team, and it was advised that the bridge is over C&RT land and as such, meaning WLDC cannot own the bridge as the Council has no land ownership. Based on all the discussion and information above, the bridge is deemed to be part of the C&RT land, but the Trust has no maintenance obligation as WLDC had agreed to undertake this. It was agreed that WLDC would engage with C&RT to discuss and produce a report detailing how the structure should be managed in the future.

2: The action has been partly though not yet fully implemented.

<p>Management Action 3</p>	<p>Depending on outcome of discussions with C&RT WLDC, the ownership of the bridge might be claimed. If so, a formal decision would be required and then a Statutory Declaration would be required, alongside the creation of a maintenance fund.</p>	<p>Responsible Owner: Team Manager - Property and Assets</p>	<p>Date: 31 December 2024</p>	<p>Priority: Low</p>
--------------------------------	---	---	--	--

Assignment: Key Project Review - Saxilby Footbridge Refurbishment

<p>Original management action / priority</p>	<p>Introduction of 'last reviewed date' within the Stakeholder register. Priority: Low</p>
---	---

Findings summary

Through discussion with the Change, Programme and Performance Manager, we noted that the action had not been undertaken due to the bridge being completed prior to the report being received. We therefore obtained the PDP template and through review we confirmed that it included a section for stakeholders, and information recorded included influence/interest, support, action plan and comments. However through review of the template we did not see 'last review date' was included. Although the Quality Assurance template documents that that the PDP (including stakeholders) should be reviewed by the Project Officers, we marked this action as not completed due to an absence of a last review date. Although this related to the Saxilby Footbridge Refurbishment, this action can be implemented on future projects.

3: The action has not been implemented.

Assignment: Key Project Review - Saxilby Footbridge Refurbishment

Management Action 4	Introduction of 'last reviewed date' within the Stakeholder register.	Responsible Owner: Change, Programme and Performance Manager	Date: 31 December 2024	Priority: Low
----------------------------	---	--	----------------------------------	--------------------------------

Assignment: Contract Management

Original management action / priority	Supplementary contract management guidance should be produced which sets out in more detail the expectations of how each aspect of contract monitoring should work. Priority: Medium
--	--

Findings summary Through discussion with the Contracts and Procurement Officer, we noted that guidance had been written and kept in draft. However, with the new reforms from the Procurement Act 2023 due to commence on 28 October 2024, the guidance needs to be amended completely due to the expected extensive changes to the contract management elements. Therefore, formal contract management guidance has not yet been shared and approved. Once the Council understand all the requirements from the reforms, the Contract and Procurement Procedure Rules, Risk Management and Contract Management Guidance will be updated.

2: The action has been partly though not yet fully implemented.

Management Action 5	Supplementary contract management guidance should be produced following the Procurement Act 2023 reform in October 2024, which sets out in more detail the expectations of how each aspect of contract monitoring should work.	Responsible Owner: Contracts and Procurement Officer	Date: 31 December 2024	Priority: Low
----------------------------	--	--	----------------------------------	--------------------------------

Assignment: Contract Management

Original management action / priority	Consider introducing a requirement to maintain formal risk registers for key contracts and undertake active risk management. Will work with the Property and Assets Manager to look at his contracts and decide if needed. Feel that there is strong contract management in place but performance is key in all major contracts so we will be looking for a consistent approach to avoid reputational damage. Priority: Medium
--	--

Findings summary Discussion with the Contracts and Procurement Officer, we noted that with the new reforms from the Procurement Act 2023 due to commence on 28 October 2024, it was expected that there would be extensive changes to risk management element. The Risk Register creation is therefore delayed, since there would be lots of changes regarding risk reporting requirements. Once the Council understand all

Assignment: Contract Management

the requirements from the reforms, the Contract and Procurement Procedure Rules, Risk Management and Contract Management Guidance will be updated.

3: The action has not been implemented.

Management Action	Description	Responsible Owner	Date	Priority
Management Action 6	Consider introducing a requirement to maintain formal risk registers for key contracts and undertake active risk management, following the Procurement Act 2023 reform in October 2024.	Contracts and Procurement Officer	31 December 2024	Low

Assignment: Risk Management

Original management action / priority	Description
	To ensure that risk management training is rolled out following the review of the Risk Management Strategy. Training will be delivered to Members by September 2023 and a training module rolled out to all staff by 31st March 2024. Priority: Medium

Findings summary	Description
	Through discussion with the Assistant Director of People and Democratic Services, we noted that the Council has not yet reviewed the Risk Management Strategy, so the risk management e-learning has not yet been rolled out. Currently the Council plan to complete the draft strategy in September or October 2024. Risk management training would be rolled out following the Risk Management Strategy being published. Through review of the Governance and Audit Committee meeting minutes on 6 July 2024 we confirm that it provided an update that currently the WLDC was developing a new Risk Management Strategy. The Director of Corporate Services was also distributing a Risk Tolerance Questionnaire to the Committee members to gather understanding of risk appetite or tolerance of the Council, and how much risk the Council is ready to take in the pursuit of the corporate plan and delivery of strategic objectives. 2: The action has been partly though not yet fully implemented.

Management Action	Description	Responsible Owner	Date	Priority
Management Action 7	To ensure that risk management training is rolled out following the review of the Risk Management Strategy.	Assistant Director of People and Democratic Services	31 December 2024	Low

Assignment: Equality Impact Assessments

Original management action / priority	Description
	EIA training will be delivered to officers and the Management Team to ensure full awareness of the Equality and Diversity Strategy and the process required for completion of EIAs. Priority: Medium

Assignment: Equality Impact Assessments

Findings summary Discussion with the Corporate Governance Officer noted that currently the EIA training has been developed and the Management Team would be booked to the training after the Equality Officer Group meeting on 31 July 2024 and next Management Team meeting (date not confirmed yet at the time of our audit).

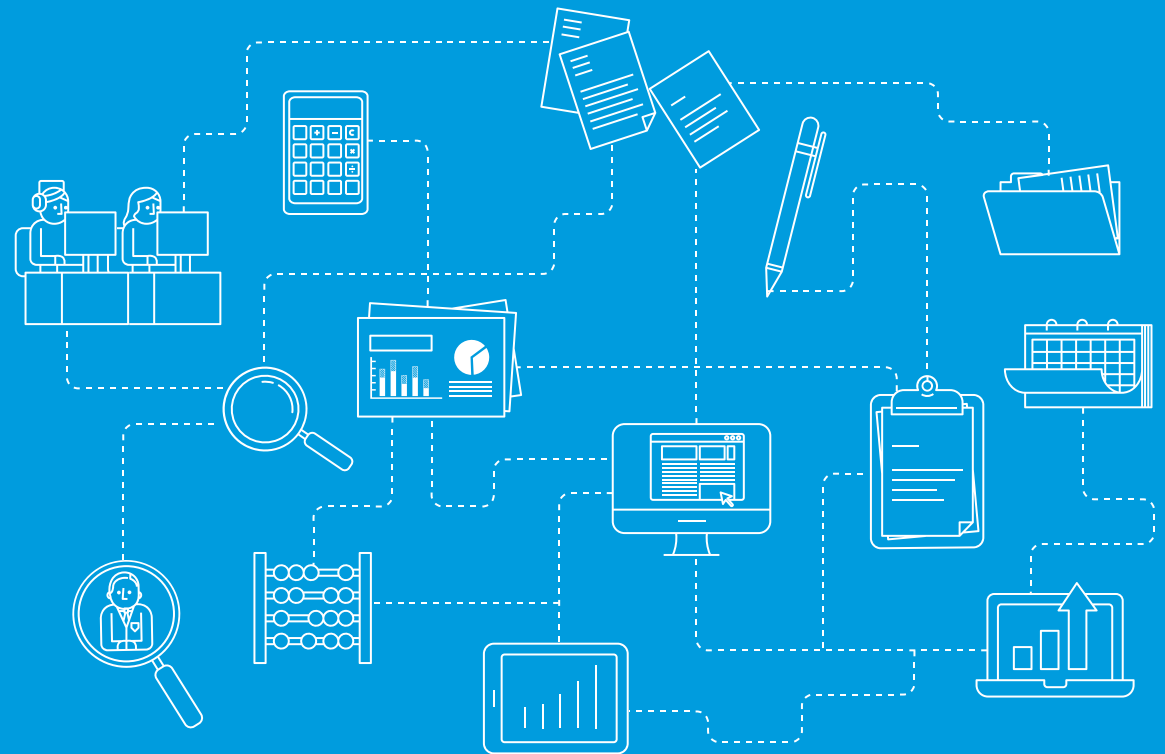
2: The action has been partly though not yet fully implemented.

Management Action 8	EIA training will be delivered to officers and the Management Team to ensure full awareness of the Equality and Diversity Strategy and the process required for completion of EIAs.	Responsible Owner: Corporate Governance Officer	Date: 31 December 2024	Priority: Low
----------------------------	---	---	----------------------------------	--------------------------------

Appendices

Page 92

03



APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and does not reflect an opinion on the entire control environment.

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high priority actions	Consideration of medium priority actions	Consideration of low priority actions
Good	75% +	None outstanding.	None outstanding.	All low actions outstanding are in the process of being implemented.
Reasonable	51 – 75%	None outstanding.	75% of medium actions made are in the process of being implemented.	75% of low actions made are in the process of being implemented.
Little	30 – 50%	All high actions outstanding are in the process of being implemented.	50% of medium actions made are in the process of being implemented.	50% of low actions made are in the process of being implemented.
Poor	< 30%	Unsatisfactory progress has been made to implement high priority actions.	Unsatisfactory progress has been made to implement medium actions.	Unsatisfactory progress has been made to implement low actions.

APPENDIX B: ACTIONS COMPLETED OR SUPERSEDED

From the testing conducted during this review we have found the following actions to have been fully implemented or superseded.

Assignment title	Management actions
WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment	Status: Superseded The PDP is updated with the required project data and is regularly reviewed for completeness and accuracy by the Project Officer and Project Manager. Priority: Medium
WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment	Status: Implemented Review of quality assurance process to include quality assurance activities and steps being undertaken at key stages of a project. Priority: Medium
WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment	Status: Implemented Update Project Management Framework and guidance documents including what is mentioned in recommendation 1.4. Priority: Medium
WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment	Status: Superseded The Project office approach will be embedded for the remainder of the footbridge project. Priority: Medium
WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment)	Status: Implemented Review of programme update report and financial reporting – Portfolio Board to consider and agree any changes. Priority: Medium
WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment	Status: Implemented Update of Project Management Framework to include guidance and expectations of completing key project documentation. Priority: Medium
WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment	Status: Implemented Review of Quality Assurance process with Project Office team having the responsibility of quality checking key project documentation before progressing onto the next stage. Priority: Medium

Assignment title	Management actions
WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment	Status: Implemented Development of communication, training, and training materials to increase officer awareness of Project Management processes, including, storage of documents on the project office hub and project documentation expectations and responsibilities. Priority: Low
WLDC 2022/23-03 - Contract Management	Status: Implemented We will continue to work with Procurement Lincolnshire and have the conversation about the capacity they have to deliver training. This will take longer than the other actions. Priority: Medium
WLDC 2023/24-01 - Equality Impact Assessments	Status: Implemented The Council periodically publishes a list of the EIAs that have been undertaken. A list of EIA undertaken by the Council will be published within the annual Equality, Diversity and Inclusion Report. Priority: Medium
WLDC 2023/24-01 - Equality Impact Assessments	Status: Implemented A list of EIA undertaken by the Council will be published within the annual Equality, Diversity and Inclusion Report. Priority: Medium
NKDC/WLDC 2022/23-12 - ICT Asset management	Status: Implemented An ICT Asset Strategy will be established. Priority: Medium
NKDC/WLDC 2022/23-12 - ICT Asset management	Status: Implemented The process for recording assets will be documented and approved as part of the ICT Asset Strategy. Priority: Medium
NKDC/WLDC 2022/23-12 - ICT Asset management	Status: Implemented An ICT Asset Strategy will be established, this will include ICT Asset Disposal. Priority: Medium
NKDC/WLDC 2022/23-12 - ICT Asset management	Status: Implemented An ICT Asset Strategy will be established, this will include ICT Asset Disposal procedures for the ICT ServiceDesk staff to follow. Priority: Medium

Assignment title	Management actions
WLDC/NKDC 2023/24-03 - ICT Cyber Security	Status: Implemented Review and update risk management documentation to include: <ul style="list-style-type: none">• The risk triggers to include specific risks and the wide range of factors which may impact both Councils.• Map the controls to each risk trigger for effective monitoring and reporting on the status of risk management efforts. Priority: Medium

APPENDIX C: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The scope was planned to provide assurance on the controls and mitigations in place relating to the following area:

Objective of the area under review

To ensure that agreed management actions raised by internal audit have been actioned by management.

When planning the audit, the following were agreed:

When planning the audit, the following areas for consideration were agreed:

- WLDC 2023/24-02 - Key Project Review - Saxilby Footbridge Refurbishment;
- WLDC 2022/23-03 - Contract Management;
- WLDC 2022/23-05 - Risk Management;
- WLDC 2023/24-01 - Equality Impact Assessments;
- NKDC/WLDC 2022/23-12 - ICT Asset management; and
- WLDC/NKDC 2023/24-03 - ICT Cyber Security.

Limitations to the scope of the audit assignment:

- The follow up will only cover management actions agreed in the identified reports.
- We will not review the whole control framework of the areas listed above. Therefore, we are not providing assurance on the entire risk and control framework of these areas.
- For low priority management actions, in the absence of evidence, we have taken managements assertions regarding these actions.
- Where sample testing will be undertaken, our samples will be selected over the period since actions were implemented or controls enhanced.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Debrief held (final evidence)	5 August 2024
Draft report issued	13 August 2024
Responses received	21 August 2024
Final report issued	21 August 2024

Internal audit contacts	Rob Barnett, Head of Internal Audit Aaron Macdonald, Manager Ruiqi Wu, Internal Auditor
Client sponsor	Katy Allen, Corporate Governance Officer
Distribution	Katy Allen, Corporate Governance Officer

We are committed to delivering an excellent client experience every time we work with you. If you have any comments or suggestions on the quality of our service and would be happy to complete a short feedback questionnaire, please contact your RSM client manager or email admin.south.rm@rsmuk.com.

FOR FURTHER INFORMATION CONTACT

Rob Barnett, Head of Internal Audit

Email: Robert.Barnett@rsmuk.com

Aaron Macdonald, Manager

Email: Aaron.Macdonald@rsmuk.com

Page 99

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of West Lindsey District Council, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

Agenda Item 6e



**Governance and Audit
Committee**

Tuesday, 24 September 2024

Subject: Draft Counter Fraud, Corruption and Bribery Policy

Report by:

Emma Foy, Director of Corporate Services

Contact Officer:

Emma Foy
Director of Corporate Services and Section 151
Officer
Emma.foy@west-lindsey.gov.uk

Purpose / Summary:

To present to Members with the Draft Counter
Fraud, Corruption and Bribery Policy

RECOMMENDATION

That Members review and approve the updated Counter Fraud, Corruption and Bribery Policy.

IMPLICATIONS

Legal:

The legal duties around fraud, bribery and corruption are detailed within the report.

Financial: FIN/27/24/PD

There are no financial implications arising from this report, low risk investigations can be carried out by Human Resources, Medium Risk investigations by the Monitoring Officer and High Risk Investigations by the Section 151 Officer supported by external legal and/or specialist fraud investigation support. There is a necessary cost when engaging specialist external investigation resource.

Staffing: There are no staffing implications arising from this report. However, the report does make reference to key contacts for whistleblowing.

Equality and Diversity including Human Rights:

There are no implications arising from this report.

Data Protection Implications:

There are no implications arising from this report.

Climate Related Risks and Opportunities:

No specific or direct climate related risks and opportunities.

Section 17 Crime and Disorder Considerations:

There are no implications arising from this report.

Health Implications:

There are no implications arising from this report.

Title and Location of any Background Papers used in the preparation of this report :

Risk Assessment: The Fraud Risk Assessment was provided to Members of the Governance and Audit Committee in July 2024.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1. Background

- 1.1 This report recommends a revised Counter Fraud, Corruption and Bribery Policy. Our previous policy has been in place for in excess of seven years and following an external review of our fraud policies and processed a review of the existing policy was recommended.
- 1.2 The revised policy provides a clear framework for the Council to undertake necessary, legal and proportionate actions where evidence supports an investigation into an allegation of fraud and sets out that the Council will seek recovery of defrauded monies through all legal means.
- 1.3 The policy also sets out that the minimisation of losses to fraud and corruption is essential to ensure that public resources are used for their intended purpose of providing services to local residents.
- 1.4 The policy also sets out the Council's no tolerance stance to all forms of bribery, corruption and Fraud and references the policy framework which our staff, contractors, members and suppliers must comply with. Reporting mechanisms are also included.
- 1.5 Following the introduction of this revised policy a full staff and member training programme will be rolled out in addition to an update in our supplier terms and conditions.

2. Recommendation

That Members:

Review and approve the updated Counter Fraud, Corruption and Bribery Policy.

Counter Fraud Corruption and Bribery Policy

Draft September 2024



Contents

Introduction 3

Scope – Policy Aim 3

Executive Summary 4

Procedure Consultation and Consideration 4

Policy Statement 4

Implementation 7

Reporting concerns of Fraud, Corruption and Bribery8

Monitoring 8

Related Policies and Strategies 8

Appendices 8

Introduction

FRAUD is defined by the Chartered Institute of Public Finance and Accountancy as *‘any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss.’* The term “fraud” is used to describe many acts such as deception, bribery, forgery, extortion, misappropriation, blackmail, corruption, theft, false representation, conspiracy or the covering up of material facts and collusion. By using deception, a fraudster can obtain an advantage, avoid an obligation, or cause loss to another party.

The Fraud Act 2006 identifies three criminal offences:

- False representation
- Failure to disclose information.
- Abuse of position

CORRUPTION is defined in the English Oxford Dictionary as *‘dishonest or fraudulent conduct by those in power, typically involving bribery.’* It has also been described as *dishonesty and illegal behaviour by people in positions of authority or power.’* “Corruption” is the deliberate misuse of your position for direct or indirect personal gain and includes offering, giving, requesting, or accepting a bribe or reward, which influences your actions or the actions of someone else.

BRIBERY applies to both individuals and the Council as a corporate body. Bribery includes promising or giving a financial or other advantage, agreeing to receive, or accepting a financial or other advantage and failing to prevent bribery.

THEFT is where someone steals cash or other property. A person is guilty of “theft” if they dishonestly take property belonging to someone else and have no intention of returning it. We are committed to the highest possible standards of openness, probity, honesty, integrity and accountability. We expect all staff, Councillors, and partners to apply these standards which are included in our codes of conduct.

We will seek to deter and prevent fraud, corruption, and theft to ensure that all risks in these areas are reduced to the lowest level possible. Where we suspect or detect fraud, corruption, or theft we will thoroughly investigate and deal with any proven fraud in a consistent and balanced way. We will apply appropriate sanctions against those committing fraud and will attempt to recover all losses.

Scope – Policy Aim

The key objectives of this policy are to:

- Increase staff and Member awareness of the corporate counter fraud culture which the Council actively supports.
- Create an environment to encourage individuals to promptly report suspicions of fraudulent or corrupt behaviour.
- Communicate to partners, suppliers, contractors, council owned/part owned companies. and other organisations that interact with the Council that it expects them to maintain standards aimed at minimising fraud and corruption in their dealings with the Council.
- Demonstrate the arrangements that the Council has in place to counter fraud and corruption.
- Minimise the likelihood and extent of losses through fraud and corruption.

This policy applies to:

- West Lindsey District Council Councillors
- All West Lindsey District Council staff (including Agency staff, shared officers, volunteers, and officers providing services to and on behalf of the Council)
- Council partners, contractors, suppliers, council owned/ companies and consultants
- Any member of the public

Executive Summary

West Lindsey District Council is wholly opposed to all forms of fraud, corruption, theft, or bribery. We will take appropriate action against anyone who attempts to defraud the Council, whether they are our own employees, Councillors, external organisations, or members of the public. Personal data will be used within lawful purposes, as detailed within the Council's Privacy Policy and Finance's Privacy Notice on our website. Failure by any employee to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with West Lindsey District Council's Disciplinary Policy and Procedure.

To deliver the aims of this policy we will:

- Accurately identify the risk of fraud
- Create and maintain a strong counter fraud culture.
- Take action to deter, prevent and detect fraud, investigate, and apply sanctions and seek redress where fraud is proven.
- Record and report our outcomes to the Governance and Audit Committee if applicable and appropriate.

Procedure Consultation and Consideration

The Council's Management Team and Governance and Audit Committee.

Policy Statement

1. The Policy

The Council is committed to preventing and detecting all forms of fraud, corruption, theft, and bribery. We will take action against anyone who attempts to defraud the Council, whether they are our own employees or Councillors, external organisations, or members of the public. The Council's Vision "West Lindsey is a great place to be where people, businesses and communities can thrive and reach their full potential." We recognise our duty to provide value for money quality services to the community and expect all our Councillors and staff to lead by example, working to the highest standards and safeguarding the public resources they are responsible for. We will adopt a risk-based approach to eradicating fraud, corruption, theft, and bribery and promote zero tolerance, and use tools identified in the local government *Fighting Fraud and Corruption Locally*.

2. What we mean by Fraud, Corruption and Bribery

This policy outlines our approach to eradicating fraud, corruption, theft, and bribery. Throughout this policy, these terms include (but are not limited to):

- Deliberately falsifying substituting or destroying records for personal gain.
- Falsifying time worked, misusing our agile working policy or falsifying mileage claims.
- Failure to declare an interest.
- Intentional breaches of financial regulations and procedures
- The offer, giving or acceptance of inducements to influence action or decisions by the

Council

- Selling Council equipment inappropriately
- Abuse of position as an employee to benefit friends, family, or others.
- Use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party
- Theft of funds, services or assets from the Council or its partners
- Evading liability for payment
- Working whilst on sick leave
- The act of attempted fraud will be treated as seriously as actual fraud.

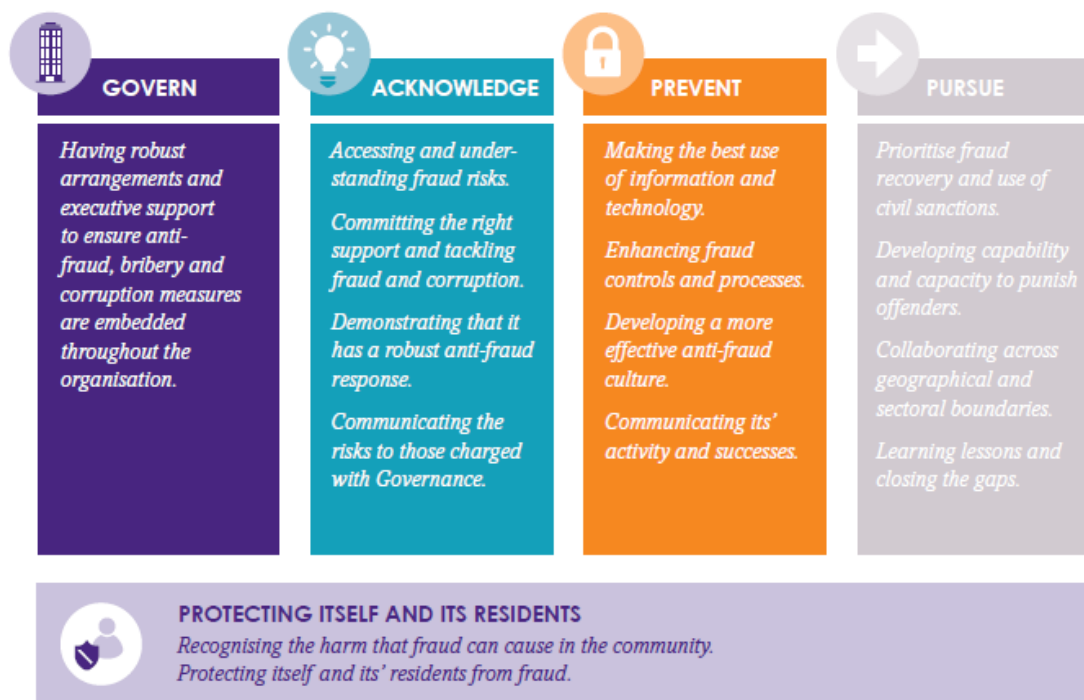
The Bribery Act 2010 makes it possible for senior officers to be convicted where they are deemed to have given their consent or tacit approval in giving or receiving a bribe. It also created the corporate offence of “Failing to prevent bribery on behalf of a commercial organisation.” To protect itself against the corporate offence the Act also requires organisations to have “adequate procedures in place to prevent bribery.” This policy statement, the Member and officer codes of conduct and the Whistleblowing Policy are designed to meet that requirement.

Stakeholder	Specific Responsibilities
Chief Executive	Accountable for the Council’s overall arrangements including the procedures and effectiveness of the Council’s arrangements for countering fraud and corruption.
Monitoring Officer	Advise Councillors and Officers on ethical issues, standards, and powers to ensure that the Council operates within the law and statutory Codes of Practice. To promote, monitor and enforce probity and high ethical standards within the District Council, Town, and Parish Councils with the district of West Lindsey.
Section 151 Officer	To ensure the Council has adopted and implemented an appropriate Anti-fraud policy and that the Council has access to effective audit and fraud services.
Governance and Audit Committee	To monitor the Council’s policies and consider the effectiveness of the arrangements for Countering Fraud and Whistleblowing.
Members	To comply with the Members Code of Conduct, to support and promote a strong counter fraud culture and to report genuine concerns accordingly.
Directors	The Directors are responsible for the Council’s arrangements to manage risk. To champion and promote a strong counter fraud culture and to report genuine concerns accordingly.
External Audit	Statutory duty to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud, corruption, and theft.
Internal Audit	Provide resources to implement the Council’s arrangements to manage risk. To champion and promote a strong counter fraud culture and to report genuine concerns accordingly.
Managers	Identify the risks to which systems, operation and procedures are exposed; developing and maintaining effective controls to prevent and detect fraud; ensuring controls are complied with. Notify the Section 151 Officer immediately of any suspected fraud, irregularity, improper use or misappropriate of the Council’s property or resources. Pending investigation and reporting, taking all

	necessary steps to prevent further loss and to secure records and documentation against removal or alteration,
Staff	To comply with Council policies and procedures, to be aware of the possibility of fraud, corruption, and theft and to report any concerns immediately to their manager or Section 151 Officer.
Public, Partners, Suppliers and Contractors	To be aware of the possibility of fraud and corruption against the Council and report any concerns or suspicions.

3. Our Approach

We will fulfil our responsibility to reduce fraud and protect our resources by a strategic approach consistent with that outlined in the local government Fighting Fraud and Corruption Locally. The five key themes are **Govern - Acknowledge - Prevent - Pursue - Protect**:



GOVERN	
Those Charged with Governance	The Corporate and Senior Management Teams of the Council will support and lead the counter fraud corruption and bribery activity.
Robust Arrangements	The Council will ensure robust arrangements are in place and communicated to embed counter fraud corruption and bribery measures throughout the Council.

ACKNOWLEDGE	
Committing Support	The Council will have commitment to tackling the fraud threat. We have robust Whistleblowing procedures, which support those who come forward to report suspected fraud. All reports will be treated seriously and acted upon. We will not, however, tolerate malicious allegations.
Assessing and Understanding Risks	We will continuously assess those areas most vulnerable to the risk of fraud in conjunction with our Risk Management arrangements and risk based Internal Audit reviews. Through these assessments we can

	understand who fraud affects the Council and what we can do about it.
Robust Response	Internal Audit will work with managers and policy makers to ensure new and existing systems and policy initiatives are adequately fraud proofed.

PREVENT	
Better Use of Information & Technology Working with Others	We will make greater use of data and analytical software to prevent and detect fraudulent activity. We will look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud.
Anti-Fraud Culture	We will promote and develop a strong counter fraud culture, raise awareness, and provide information on all aspects of our counter fraud work. This will include publicising the results of all proactive work, fraud investigations, successful sanctions, and any recovery of losses due to fraud,

PURSUE	
Fraud Recovery	A crucial element of our response to tackling fraud is recovering any monies lost through fraud – this is an important part of our strategy and will be rigorously pursued, where possible.
Punishing Fraudsters	We will apply realistic and effective sanctions for individuals, or organisations where an investigation reveals fraudulent activity. This may include legal action, criminal and / or disciplinary action where appropriate.
Enforcement	Appropriately trained investigators will investigate any fraud detected through the planned proactive work, cases of suspected fraud referred from internal or external stakeholders or received via the whistleblowing arrangements.

PROTECT	
Recognise	We recognise the harm which fraud can cause to victims and our community, and our policy aim to protect against becoming victims of fraud, corruption, and bribery.
Public Funds	The policy will support protecting the public funds by protecting the Council against fraud and future frauds. (including cybercrime).

Implementation

Service Managers are responsible for making sure that all staff are familiar with the content of this policy. Under its terms of reference, it is the role of the Governance and Audit Committee to review the Council procedures, incidences, and actions for handling allegations from whistle blowers, and Counter fraud corruption and bribery policy. The Section 151 Officer is responsible for making sure that the Council has control systems and measures in place and is accountable for the implementation of this policy. There is a source of support for the detection and prevention of Fraud under the Council's Internal Audit Contract. Communication plans and training are important in highlighting awareness and Management Team and Service Managers have a key role to play in making sure this happens.

Reporting concerns of Fraud, Corruption and Bribery

Anyone who has a concern that a potential incident of fraud, corruption or bribery has arisen should always attempt to raise these concerns at the earliest opportunity. The Council acknowledges that this can be difficult and challenging to do in some cases and the Whistleblowing Policy has been established to provide those raising concerns with a safe avenue with which to do so. It also offers sources of advice and guidance that they may turn to. The Whistleblowing Policy can be found on the Council's intranet and internet sites. In addition, Appendix 1 to this policy provides details of the Council's Whistleblowing contacts.

Monitoring

This policy is to be reviewed at least every 3 years (or more frequently if required by changes to statutory legislation). Prior to any approval, the following parties shall be consulted:

- The Council's Management Team
- The Governance and Audit Committee

On an annual basis, the policy shall be reviewed by the Internal Audit Consortium Manager and Section 151 Officer to ensure that details remain relevant and up to date. This review will not require re-endorsement of the policy.

The policy will be also monitored in the following ways:

MONITORING ACTIVITY	PERSON RESPONSIBLE
Incidence of fraud	Section 151 Officer And Governance and Audit Committee
Annual Governance Statement	Management Team and Governance and Audit Committee
Annual returns	Section 151 Officer

Related Policies and Strategies

Whistle blowing – Confidential Reporting Code

Anti-Money Laundering Policy

Members' Code of Conduct

ICT Security Policy

Financial Regulations

Officers' Code of Conduct

Appendices

Appendix 1 – Contacts for Whistle blowing

Appendix 1

Contacts for Whistleblowing

Chief Executive	Ian.Knowles@west-lindsey.gov.uk
Monitoring Officer	Lisa.Langdon@west-lindsey.gov.uk
Deputy Section 151 Officer	Peter.Davy@west-lindsey.gov.uk
Peer Section 151 Officer	Russell.Stone@n-kesteven.gov.uk
S151 Officer	Emma.Foy@west-lindsey.gov.uk
Head of Internal Audit	Aaron.Macdonald@UKRSM.COM
People Services Manager	Lynne.Thomsett@west-lindsey.gov.uk

Agenda Item 6f

Governance & Audit Work Plan as at 16 September 2024

Purpose:

This report provides a summary of items of business due at upcoming meetings of the Committee.

Recommendation:

1. That Members note the contents of this report.

Date	Title	Lead Officer
26 NOVEMBER 2024		
26 Nov 2024	External Auditor's Annual Report 2023/24	Emma Foy, Director of Corporate Services (Section 151 Officer)
26 Nov 2024	ISA260 Audit Opinion	Peter Davy, Financial Services Manager (Deputy Section 151 Officer)
26 Nov 2024	Annual Governance Statement – Update on Procurement	Lisa Langdon, Assistant Director People and Democratic (Monitoring Officer)
26 Nov 2024	Review of Whistleblowing Activity	Lisa Langdon, Assistant Director People and Democratic (Monitoring Officer)
26 Nov 2024	Review of Local Code of Corporate Governance	Lisa Langdon, Assistant Director People and Democratic (Monitoring Officer)
26 Nov 2024	Contract Management and Finance Procedure Rules	Emma Foy, Director of Corporate Services (Section 151 Officer)
26 Nov 2024	Risk Management Strategy	Emma Foy, Director of Corporate Services (Section 151 Officer)
26 Nov 2024	Audited Statement of Accounts 2023/24	Peter Davy, Financial Services Manager (Deputy Section 151 Officer)
26 Nov 2024	Procurement Update – Procurement Act	Emma Foy, Director of Corporate Services (Section 151 Officer)
26 Nov 2024	Procurement Exceptions Report	Emma Foy, Director of Corporate Services (Section 151 Officer)
26 Nov 2024	Counter Fraud and Anti-Bribery Work Plan	Emma Foy, Director of Corporate Services (Section 151 Officer)
26 Nov 2024	Update on Fraud Risk Assessment	Emma Foy, Director of Corporate Services

(Section 151 Officer)

21 JANUARY 2025

21 Jan 2025	Internal Audit Progress Report - Quarter 3 2023/24	Emma Foy, Director of Corporate Services (Section 151 Officer)
21 Jan 2025	Draft Treasury Management	Peter Davy, Financial Services Manager (Deputy Section 151 Officer)
21 Jan 2025	Review of Constitution	Lisa Langdon, Assistant Director People and Democratic (Monitoring Officer)
21 Jan 2025	Strategic Risk Quarterly Review	Emma Foy, Director of Corporate Services (Section 151 Officer)

11 MARCH 2025

11 Mar 2025	External Auditor's Annual Report 2023/24	Peter Davy, Financial Services Manager (Deputy Section 151 Officer)
11 Mar 2025	Accounts Closedown 23/24	Peter Davy, Financial Services Manager (Deputy Section 151 Officer)
11 Mar 2025	Internal Audit Draft Annual Plan	Emma Foy, Director of Corporate Services (Section 151 Officer)
11 Mar 2025	Combined Assurance	Emma Foy, Director of Corporate Services (Section 151 Officer)

22 APRIL 2025

22 Apr 2025	Year End Review of Strategic Risks	Peter Davy, Financial Services Manager (Deputy Section 151 Officer)
22 Apr 2025	Update on Constitution Review	Peter Davy, Financial Services Manager (Deputy Section 151 Officer)
22 Apr 2025	Internal Audit Progress Report	Emma Foy, Director of Corporate Services (Section 151 Officer)

Agenda Item 8a

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted