

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall on 26 November 2024 commencing at 2.00 pm.

Present: Councillor Stephen Bunney (Chairman)
Councillor Baptiste Velan (Vice-Chairman)
Councillor John Barrett
Councillor Christopher Darcel
Councillor Mrs Angela Lawrence
Alison Adams
Andrew Morriss

In Attendance:
Emma Foy Director of Corporate Services and Section 151
Lisa Langdon Assistant Director People and Democratic (Monitoring Officer)
Cliff Dean ICT Team Manager
Rob Barnett Head of Internal Audit
Rashpal Khangura Director, KPMG - External Auditor
Ele Snow Senior Democratic and Civic Officer
Natalie Smalley Democratic and Civic Officer

Also in Attendance: Councillor Paul Key

Apologies: Councillor Mrs Jackie Brockway

97 PUBLIC PARTICIPATION PERIOD

There was no public participation.

98 MINUTES OF PREVIOUS MEETING

RESOLVED that the Minutes of the Meeting of the Governance and Audit Committee held on 24 September 2024 be confirmed and signed as a correct record.

99 MEMBERS DECLARATIONS OF INTEREST

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

100 MATTERS ARISING SCHEDULE

With no comments or questions, the Matters Arising Schedule, setting out the position of previously agreed actions as at 18 November 2024, was **NOTED**

101 Q2 STRATEGIC RISK REPORT

The Committee heard from the Monitoring Officer who introduced the report. She explained that the quarterly report initially came to Committee in July 2024, and changes had been made since. Notably, the strategic risk relating to Scampton having an adverse impact on financial sustainability had been lowered to a three; the ownership of risks CO3 and OV1 had changed following a staff resignation; the risk relating to increased cyber threat during the General Election; and threat to UK democratic organisations and processes had been deleted, as this was specifically related to the General Election. In addition to this, risk CO4 relating to the impact of extreme weather had a change in ownership and had also been given a new score.

The Chair invited comments from Members, with a Member of the Committee thanking the Assistant Director for maintaining the report as a living document.

The Assistant Director responded to various questions from the Committee, explaining that the strategic risks will again be presented to the Committee in January 2025, and that risk surrounding the forthcoming County Council and Mayoral elections would be considered for inclusion. In response to this assurance, the Chair commented that in light of upcoming elections, risk related to individual Councillors should also be considered.

The Section 151 Officer responded to a comment regarding media reports of potential legal action against West Lindsey District Council, and whether this would appear on the risk register. She explained that no legal action had been taken at that point; she assured the Committee that a report would be brought to the Corporate Policy and Resources Committee regarding the matter, and that after receiving the litigation and subsequent legal advice, the Council would review their position.

In response to a question about the reported change in ownership of risks CO3 and OV1, Members sought clarity on whether the Management Team had appropriate resources to take on the work previously undertaken by a former staff member. The S151 Officer explained this change had not been identified as a risk, but the concerns would be raised with the Management Team; she assured the Committee that they were working hard to ensure they had the appropriate resources and capabilities to maintain service provision. In terms of specific queries regarding individual Officers, the S151 Officer noted that these should be raised with the Chief Executive. In response to this, the Chair asked for the concerns to be taken forward, dealt with appropriately, and reported back to the appropriate Committee in January 2025.

With no further comments or questions, and having been moved, seconded and voted upon, it was unanimously

RESOLVED that the register had been reviewed with the existence of any additional risks of a strategic nature and the robustness of current controls and proposed actions had been considered.

102 PROCUREMENT UPDATE

Members of the Committee heard from the Section 151 Officer, who introduced the report and outlined the progress that had since been made against the 2023-2024 audit recommendations. At the time of the audit, she explained there was concern over whether Procurement Lincolnshire would be able to provide the required level of support; it was confirmed since the audit that this support had in fact been in place. In terms of further updates, the Section 151 Officer explained that questions regarding procurement exception procedures, which had been raised at the 24 September 2024 meeting by the External Auditors, would be addressed as a specific agenda item later in the meeting.

The Chair thanked the S151 Officer for her introduction and invited discussion from the Members.

In response to a question, the S151 Officer explained that Procurement Act training had been taking place since July 2024 and would run on until February 2025; in terms of the implementation of new regulations, she highlighted the importance of the Council's Constitution approval date closely mirroring the release date of new regulations to ensure adherence.

The S151 Officer responded to a question regarding the approval of the procurement training; she explained that the training was carried out in line with the upcoming Procurement Act by Procurement Lincolnshire, who were qualified Chartered Institute of Procurement and Supply (CIPS) officers, and were all signed off by the Cabinet Office's programme. In addition to this, she outlined that the Council was using its own Officers and procurement links to deliver this training, and after each training session feedback had been sought from participants to enable the training to develop further. In response to this, the Chair noted a Member of the Committee's trepidation regarding the level of oversight and scrutiny from elected Members in the training process, adding that these concerns would be examined by the Council's Internal Auditors.

The Committee enquired about the 'No Purchase Order (PO) No Pay' policy reporting mechanism, to which the S151 Officer responded had been in place and working well since the beginning of October 2024. She continued, adding that a slight deterioration would occur in payments being made within 30 days, however, that 98% of payments with receipt of invoice would still be made within 30 days; the policy would then remain in place unless Members chose to remove the requirement.

A question was raised about the succession planning in place for the work of the Contract and Procurement Officer; the S151 Officer assured the Committee that some Change Support Officers would be trained to provide resilience and continuity for the Contract and Procurement Officer.

The Chair commented that it had been positive to see how the Council worked with Procurement Lincolnshire.

Lastly, in response to a question from the Committee, the S151 Officer explained that Procurement Lincolnshire would be audited by Lincolnshire Internal Audit, and that she would seek to obtain a copy of a recent audit report to be shared with Members.

With no further comments or questions, it was

RESOLVED that the update provided to the Governance and Audit Committee be noted.

103 INTERNAL AUDIT PROGRESS REPORT - QUARTER 3 2023/24

The Committee heard from the Head of Internal Audit, who introduced the paper; he outlined the key messages and features in the report and confirmed that they were on track to deliver the planned programme of work.

In terms of the individual reports, he gave further detail on the Audit Outcome Overview regarding the Staff Appraisal Process. The Auditor expanded upon the 'reasonable assurance' audit opinion, explaining that all five management actions had been accepted and informed the Management Team's action plan, which the Audit team was comfortable with. With regard to one of the 'medium' actions identified, the Auditor emphasised the critical importance of the appraisal procedure; it was highlighted that 20 employees had been sampled to assess whether they had experienced a satisfactory appraisal, and out of the sample group, no evidence had been found to suggest that five of those employees had received an appraisal. In addition, he explained that three out of the 20 employees' appraisals had not been signed off by the appraiser or appraisee. In relation to the second 'medium' action, it was explained that there was an opportunity for the appraisal process to be recorded in a more formal manner, including producing holistic reports to Committee.

He briefly commented on the 'low' actions before taking questions from Members of the Committee.

In response to a question, the Auditor explained that the Human Resources (HR) team would be focused on monitoring and escalating all appraisal-related non-compliance to line managers. The S151 Officer added that HR performance information was discussed during Management Team meetings, but that the additional reporting would ensure the appraisals were monitored through to the end of the process. Concern was expressed by the Chair that the appraisal process was not as rigorous as it should be; therefore at the request of Members, to ensure further oversight, it was confirmed that the appraisal key performance indicators would be reported to Management Team meetings on a 6-monthly basis, and to the relevant Committee on an annual basis.

The Committee enquired about non-compliance procedures, to which the S151 Officer explained that the current procedure did involve following-up on missing appraisals, however, the opportunities for improvement were more related to monitoring the end-to-end process, notably appraisal documentation being signed off and filed with HR. In response to additional questions regarding appraisal completion, the Monitoring Officer explained that an experienced People Services Manager was currently in place who was examining the appraisal policies with a view to making improvements in accordance with the audit recommendations; she continued, emphasising that there was a raft of support in place for staff in addition to the appraisal process, but that the audit recommendations were welcomed.

An observation was made by Members regarding potential complacency in the relationship between the Council staff and the Internal Auditors; the Internal Auditor assured Members

that there was no complacency, and that they were still becoming familiar with the Council and its people. He continued, disagreeing with the view that the Auditors were too close with Council Officers. In response to a comment regarding the report's detail, the Auditor explained that the report was a condensed progress report designed to give a snapshot of the key messages, rather than a comprehensive report.

Note: Councillor P. Key left the Chamber at 2.48pm and returned at 2.50pm

An outline of the key messages detailed in the Risk Management section of the report was given to the Committee; the Auditor highlighted the 'reasonable' assurance audit opinion, but commented that there were nine actions arising. He proceeded to give an overview of the three 'medium' and four 'low' actions, emphasising that the Management Team had planned to address many areas for improvement during a review of the risk management process. In response, the S151 Officer added that the Q2 Strategic Risk Report item encompassed some of the recommendations such as actions related to risk scoring and risk references; Members of the Committee commented that these changes would be positive in aiding the Committee to focus on key information and areas for improvement.

Having been proposed and seconded, the Chairman took the vote and it was

RESOLVED that the content of the report be considered, and any actions required be identified.

104 COMMITTEE WORK PLAN

The Chairman commented that the January 2025 Committee meeting was planned to start at 1pm, rather than 2pm, due to the length of the agenda.

Considering the January 2025 Committee meeting agenda, the Chairman sought to agree upon the timing for Member training, with Democratic Services to confirm the arrangements at a later date.

With no further comments or questions, the Committee Work Plan was **DULY NOTED**.

105 EXCLUSION OF PUBLIC AND PRESS

RESOLVED that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 and 7 of Part 1 of Schedule 12A of the Act.

Note: The meeting entered closed session at 3.05pm

106 PROCUREMENT EXCEPTIONS

In view of the fact that several Members of the Committee had technical difficulties related to accessing the agenda item, it was proposed that the Procurement Exceptions item be

deferred in order to allow the Committee time to review the report. This was duly seconded and after being voted upon it was

RESOLVED that the Procurement Exceptions report be deferred.

107 Q+A ON CYBER SECURITY

The Committee heard from the ICT Shared Services Manager regarding the Council's cyber security approach. He gave a detailed account of the measures in place to protect the Council before taking questions from Members of the Committee.

The Manager answered a range of questions, explaining where cyberattacks may occur from; what the Council's procedure would be if cyber security had been compromised; and the Council's overall annual cyber security expenditure and staffing costs. In addition to this he outlined the procedures in place at West Lindsey District Council, highlighting their robustness in comparison with other organisations.

Members enquired about future software updates and their compliance with data protection policies, with the Manager clarifying safety concerns.

The Committee questioned the Manager on the environmental impact of the Council's IT; the Manager explained that there had been a significant positive improvement in the environmental impact of the Council's IT services, with future improvements planned.

The Chair then suggested the ICT Shared Services Manager could attend a future meeting of the Council so that all Members would be aware of the measures in place to protect the Council's cyber security.

The Committee thanked the Manager for his time and Members commented that they felt assured with the cyber security measures in place at the Council.

The meeting concluded at 3.55 pm.

Chairman