

Guildhall Gainsborough
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AGENDA

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

Governance and Audit Committee
Tuesday, 10th June, 2025 at 2.00 pm
Council Chamber - The Guildhall

Members: Councillor Stephen Bunney (Chairman)
Councillor David Dobbie (Vice-Chairman)
Councillor Baptiste Velan (Vice-Chairman)
Councillor Mrs Jackie Brockway
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 - 14)
To confirm and sign as a correct record the Minutes of the Meeting of the Governance and Audit Committee held on 22 April 2025.
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** (PAGES 15 - 18)
Matters Arising schedule setting out current position of previously agreed actions as at 2 June 2025.
6. **Public Reports for Consideration**

Agendas, Reports and Minutes will be provided upon request in the following formats:

Large Clear Print: Braille: Audio: Native Language

- i) External Audit Strategy Memorandum Plan 2024/25 (PAGES 19 - 57)
- ii) Internal Audit Annual Progress Report and Follow-Up Internal Audit Report (PAGES 58 - 89)
- iii) Combined Assurance (PAGES 90 - 119)
- iv) Internal Audit Annual Report (PAGES 120 - 138)
- v) The Regeneration of former RAF Scampton (PAGES 139 - 146)
- vi) Committee Work Plan (PAGES 147 - 149)

Ian Knowles
Head of Paid Service
The Guildhall
Gainsborough

Monday, 2 June 2025

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall on 22 April 2025 commencing at 2.00 pm.

Present: Councillor Stephen Bunney (Chairman)
Councillor David Dobbie (Vice-Chairman)
Councillor John Barrett
Councillor Mrs Jackie Brockway
Alison Adams
Andrew Morriss

In Attendance:
Ian Knowles Chief Executive
Peter Davy Director of Finance and Assets (Section 151 Officer)
Lisa Langdon Assistant Director People and Democratic (Monitoring Officer)
Comie Campbell Interim Financial Services Manager (Deputy S151)
Katy Allen Corporate Governance Officer
Rob Barnett Head of Internal Audit
Katie Storr Democratic Services & Elections Team Manager
Natalie Smalley Democratic and Civic Officer

Apologies: Councillor Baptiste Velan

126 MEETING OPEN AND ADJOURNMENT

The Chairman opened the meeting and explained that a short adjournment would be necessary; the adjournment was to allow extra time for the arrival of Committee Members to ensure the meeting was quorate.

NOTE: The Meeting was adjourned at 2.01pm and reopened at 2.10pm.

127 PUBLIC PARTICIPATION PERIOD

There was no public participation.

128 MINUTES OF PREVIOUS MEETING

RESOLVED that the Minutes of the Meeting of the Governance and Audit Committee held on 21 January 2025 be confirmed and signed as a correct record.

129 MEMBERS DECLARATIONS OF INTEREST

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

130 MATTERS ARISING SCHEDULE

The Vice Chairman Cllr Dobbie enquired about the feasibility of retaining Committee meeting recordings long-term; in response, the Monitoring Officer explained that the webcasting service was provided externally with a 12-month archive limit. It was stated that the Council was currently exploring options in-house in order to retain recordings for longer than 12-months, at no additional cost.

A Member of the Committee commented that a number of reports would be seen by the Joint Staff Consultative Committee before reaching the Governance and Audit Committee. It was noted that the work involved in producing the reports should be recognised and commended.

With no further comments or questions, the Matters Arising Schedule, setting out the position of previously agreed actions as at 10 April 2025, was **NOTED**.

131 DRAFT RISK MANAGEMENT STRATEGY 2025-2029

Members of the Committee heard from the Corporate Governance Officer who introduced the report. It was explained that the new Risk Management Strategy had been developed taking into account the findings of the previous year's audit, as well as discussions with the Committee and the Management Team.

A Member of the Committee praised the document as an excellent management tool. It was suggested that a one-page summary be created for staff and Members to aid readability, with the Officer agreeing to the undertaking.

The Vice Chairman, Cllr Dobbie, commended the document, recognising it as a live document that adapted to ongoing changes.

The Chairman expressed a concern about role of the Overview and Scrutiny Committee as set out in the report. It was questioned whether the Committee was able to ensure that risk management had been applied, and value had been added to the decision-making. The Chairman emphasised the importance of the Overview and Scrutiny Committee's role in scrutinising various aspects to ensure proper decision-making processes.

A Committee Member raised a question about Member scrutiny, enquiring about the effectiveness of current scrutiny practices, and emphasising the importance of thorough preparation by Officers, which was acknowledged as being carried out. However, it was stressed that Councillors must delve into the prepared information to extract valuable insights. The Chairman reiterated the importance of scrutiny as a "critical friend", which aimed to improve decision-making through external perspectives.

The suggestion was made to consider Member development to enhance the quality of scrutiny, highlighting the importance of questioning skills. The Chairman agreed with the need to extend effective scrutiny practices across all Committees. In response, the

Monitoring Officer confirmed that the comments would be passed on to the Director responsible for overseeing the Overview and Scrutiny Committee.

With no further comments or questions, it was

RESOLVED that Risk Management strategy 2025-2029 be approved.

132 YEAR END STRATEGIC RISK REPORT

The Committee heard from the Monitoring Officer who introduced the report, it was explained that the purpose of the report was to present the Council's strategic risks as at March 2025. It was stated that the Committee reviewed these risks on a quarterly basis and Members were asked to consider whether any additional risks existed and whether the proposed controls and actions were sufficiently robust. An overview of the risk themes were given, and it was noted that since the last report, one new risk had been added titled OV6, which pertained to an inability to deliver the Council's strategic priorities.

A Member of the Committee raised a concern regarding the recent issue of international trade tariffs. They were highlighted as a potential future strategic risk due to their ability to substantially impact global trade. In response, the Interim S151 Officer discussed the financial implications of the tariffs policy, noting the difficulty in drawing firm conclusions due to the changing landscape. The Officer stated that potential long-term impacts included increased costs for imported goods and services, and possible effects on interest rates and the pension fund's triennial review. It was stated that due to the timing of the tariffs, they were unlikely to impact on the valuations at the balance sheet dated 31 March 2025. The Chief Executive added that tariffs may not appear as a standalone strategic risk, but could trigger other risks such as inflation, cost increases, or supply difficulties. The importance of monitoring these developments as part of the quarterly review of strategic risks was emphasised.

A question was asked by a Member of the Committee regarding the timing of the strategic risk updates in light of risk OV6. In response, the Chief Executive highlighted that rather than trying to recreate an Executive Business Plan, the Council were focussed on priorities given to them by the Administration and arising from the Peer Challenge, on a programme-by-programme basis. Any work still outstanding by June or July 2025, it was emphasised, would form part of a Local Government Reorganisation (LGR) Delivery Plan. The plan would focus on the next three years and was anticipated to be ready by November 2025. It was highlighted that risk OV6, which pertained to an inability to deliver the Council's strategic priorities, should reduce in the coming months.

A Member of the Committee questioned which Committee was responsible for reviewing the LGR Delivery Plan. Responding to the question, the Chief Executive assured the Committee that the upcoming commentary with the Forward Plan could be available for 12 May 2025, to give Members an indication of upcoming priorities. It was stated that the Committee responsible for reviewing the LGR Delivery Plan was the Corporate Policy and Resources Committee. The Chief Executive noted that the current Executive Business Plan still existed in draft form and would be used until other plans were formed in its place.

In response to a concern about the continuity involved in the upcoming plans, the Chairman

emphasised the importance of the Governance and Audit Committee receiving a regular review of upcoming plans and their development. It was agreed that verbal progress updates would be provided on an ongoing basis through the Matters Arising item on the Committee agenda, until the LGR Delivery Plan had been fully developed. This approach would ensure that the latest information was shared without the need for additional written reports, whilst still preparing and updating the Committee on progress.

Concerns were expressed by the Chairman about the public's lack of interest in LGR and the risk involved in future uncertainty. It was emphasised that the Council's IT systems and the Central Lincolnshire Local Plan (CLLP) were valuable tools and should not be dismissed, even amidst uncertainty.

A Committee Member commented on the removal of the Executive Business Plan. It was stated that the budget had been based on this plan, and its removal had triggered questions. It was suggested that a new plan should have been developed concurrently with the old one to ensure a smooth transition.

A Member of the Committee then commented on the dangers of AI, particularly the risk of fraudulent and fake representations, with the need for robust protections against such threats emphasised. Officers acknowledged that keeping records and archives of meetings was important to counteract AI manipulation; as such, the IT department was actively developing solutions, though no definitive answer existed yet. The Monitoring Officer stated that regular updates and cyber security messages were being sent to staff to keep abreast of developments. It was suggested by a Member of the Committee that regular updates be provided to Members to ensure they were aware of the dangers and how to counteract them.

Finally, a point was raised regarding disparities in the quality and level of auditing experienced by other Lincolnshire partners. It was noted by the Chairman that this issue should be discussed with the Internal Audit Team.

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 considered.

133 INTERNAL AUDIT PROGRESS REPORT

Members of the Committee heard from the Internal Auditor who introduced the report. The Auditor explained that the intention behind the Internal Audit Progress Report was to update Members on the status of the 2024-2025 Internal Audit Plan and to present any reports finalised since the last Committee meeting. It was explained that three reports had been finalised: Project and Programme Management, Procurement, and Customer Experience. The Auditor highlighted that a summary of the three reports was included at the end of the progress report.

The Auditor noted that one audit remained to be completed from the 2024-2025 Internal

Audit Plan, which was the second follow-up visit of previously agreed management actions. It was stated that the audit had been completed and would be presented at the next Committee meeting along with the Annual Report for 2024-2025.

A proposed change to the 2024-2025 plan was brought to the Committee's attention, suggesting the Emergency Planning Business Continuity audit be moved to January 2026 due to team resourcing and restructuring. This change was recommended, the Auditor explained, to allow time for the new Management Team structure to embed before the review.

It was explained that key performance indicators (KPIs) for the turnaround of draft and final reports were on track, indicating a comfortable position. The Management Team was thanked for their support in delivering the plan in full for the end of the financial year, ensuring a smooth transition for the next Committee meeting.

The Chairman expressed gratitude to the Auditor and highlighted that the Internal Audit team was currently in a stronger position compared with teams from previous years.

The Auditor gave a summary of the three finalised audits, starting with Project and Programme Management. The Project and Programme Management review had focused on delivery across departments and the dissemination of lessons learnt. It was explained that a sample of ten projects was reviewed, resulting in a substantial assurance opinion. One medium action and two low actions were raised, all agreed by the Management Team. The medium action in question related to governance, specifically the lack of reporting to full Council on overall project management progress. In response, the Management Team had agreed to produce a high-level update on a quarterly basis, starting with larger projects, with an implementation date of June 2025.

A question was raised by a Member of the Committee regarding project management updates, enquiring whether they had previously been presented to the Governance and Audit Committee. Clarification was also sought on whether the updates would come to the Committee or go directly to the Council. The Auditor responded, explaining that updates would typically go to the Council unless there were specific issues identified during an audit that required attention from the Governance and Audit Committee.

Regarding project management updates, the Chief Executive added that the Governance and Audit Committee's role was to ensure the right processes were in place, rather than reviewing and approving the projects themselves, which was the role of the Corporate Policy and Resources Committee. It was highlighted that Members were only informed on the wellbeing of a project if there were financial or quality problems; however, Officers were currently examining how to keep Members better informed. It was proposed that once a new structure was in place, regular updates could be brought to the Committee outlining the control environment.

The need for time to get the process right was acknowledged by the Chairman, considering changes in senior and middle management structures. It was suggested that the matter be included on the Committee work plan to ensure it remained on the agenda, with an initial update expected in November 2025.

In regard to the rest of the report, the Auditor stated that the Procurement Review had been

timed with the rollout of the new Procurement Act. It was stated that the conclusion was a reasonable assurance, with two medium actions and one low action agreed with management. The medium actions, it was explained, were related to exceptions to the procurement rules and spend analysis, which highlighted the importance of transparency and tracking procurement routes.

The Internal Auditor confirmed that the Customer Experience Strategy Review, introduced in May 2024, had resulted in a substantial assurance opinion. No high, medium, or low priorities were raised, only one advisory review regarding the update of the Customer Experience Action Plan, which it was emphasised had been promptly addressed by management.

The Chairman raised a question about the sampling process for audits with the Auditor confirming that samples were selected at random from the full population of documentation.

The Committee expressed satisfaction with the progress and the proposed changes, acknowledging the smooth transition and effective operation of the framework.

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

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

134 INTERNAL AUDIT DRAFT ANNUAL PLAN

The Committee heard from the Internal Auditor who introduced the item. It was noted that the Internal Audit Annual Plan was flexible and would remain so throughout the year to accommodate any changes in the risk profile. The Auditor explained that the plan was developed using a wide range of information sources, including risk registers, discussions with the Management Team, sector risk profiles, technical team recommendations, topical issues, and forthcoming regulatory changes. The proposed Internal Audit Plan for 2025-2026 was linked to the risk registers to ensure it addressed important issues. Proposed timings and reporting schedules were included to provide a balanced flow of reports throughout the year, allowing sufficient time for Members to scrutinise individual reports.

The Auditor continued, adding that the plan was comprehensive and diverse, covering strategic and operational areas of concern. A brief scope was included, which would be fully developed with relevant Officers once the plan was approved. Members were asked to consider whether the plan covered key risks and provided the necessary assurances for their roles and responsibilities.

A request was made by the Chairman for the Internal Audit Team to consider biodiversity alongside the climate change strategic risk, noting its importance in planning issues. This was agreed by the Auditor and would be incorporated into the programme.

The Chairman acknowledged the time spent discussing and developing the plan with the Management Team.

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

it was unanimously

RESOLVED that the draft Internal Audit Plan for 25/26 be approved.

135 ACCOUNTS CLOSEDOWN 2024/25 ACCOUNTING MATTERS

Members of the Committee heard from the Interim Financial Services Manager who introduced the report. It was explained that the report set out the accounting policies to be used in preparing the 2024-2025 accounts, the actuary assumptions supplied by the pension actuary, Barnett Waddingham, and an outline of the materiality levels applied when compiling the accounts. It was highlighted that authorities were required to publish their draft accounts by 30 June 2025 and their audited accounts by the backstop date of 27 February 2026. The Manager noted that it was hoped the audit of accounts would be completed in the autumn of 2025, with the timetable set to meet the deadline and audit dates agreed with External Auditors, as detailed in section 7 of the report.

The Manager continued, explaining that the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice guidance notes for 2024-2025 had recently been released, with changes from 2023-2024 outlined in section 2 of the report. It was stated that major changes around the accounting for leases were not expected to have a significant impact on the accounts.

The Manager noted that materiality levels had yet to be supplied by External Auditors, with previous year's levels outlined in section 5. It was confirmed that once supplied, a decision could be made on whether the Council was required to do group accounts. The accounting policies proposed at appendix 1, it was explained, had been reviewed, with the exception of lease accounting, and were similar to the previous year. It was noted that the actuary assumptions supplied by Barnett Waddingham, at appendix 2, were based on market conditions as of 31 January 2025, with changes in interest rates and inflation potentially impacting the valuation. Finally, the Manager explained that a risk assessment associated with closing the Council's accounts and producing the financial statements was attached at appendix 3.

The Chairman welcomed the Interim Financial Services Manager to the Committee, alongside welcoming the Interim S151 Officer in his new capacity as Director of Finance and Assets.

A Member of the Committee praised the explanations provided in the reports for their educational value.

In response to a question regarding the security of pensions in light of potential new government policies, the Interim S151 Officer reassured the Committee, explaining that recipients and contributors would receive their expected benefits regardless of changes. However, he continued, changes in legislation, guidance, and policy could impact local funds' investment strategies, potentially leading to deficits and requiring employer contributions to be reviewed as part of the triennial review process. It was added that the merging of funds into mega funds and comparisons with other countries were mentioned, with the impact yet to be seen.

With regard to pension concerns, a Member of the Committee noted that recent accounts showed significant swings in the balance sheet due to valuation results, which it was said were beyond the Council's control. It was suggested that the Committee should not overly concern itself with these changes, as they were largely influenced by external factors.

On the topic of pensions, the Chief Executive highlighted that the financial reporting standard required the current liability or asset to be included on the balance sheet, projecting forward a minimum of 20 years. It was stated that this projection involved numerous variables, making it subject to significant swings. The importance of understanding this as a point-in-time figure was stressed, with the need to monitor trends over time. The Chief Executive noted that whilst the Council's pension funds were currently slightly underfunded, the Council had 20 years to recover the gap, which would ultimately be handed to a new authority in the wake of Local Government Reorganisation. To conclude, the Chief Executive emphasised that whilst the proposed Government figure for investment in infrastructure appeared significant, it was considered a small proportion of total available pension funds.

The Chairman added that the Lincolnshire group was pleased with the Council's current position regarding pension funding.

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

RESOLVED that

- a) the proposed Accounting Policies, included in Appendix 1 to the report, be approved;
- b) the pension assumptions, included in Appendix 2, had been considered and commented on;
- c) the risk assessment, included in Appendix 3, had been considered and commented on;
- d) the materiality levels, as included in section 5 to the report, be considered;
- e) the key closedown dates in Section 7 had been considered and commented on; and
- f) the main accounting changes for 2024/25 and onwards, as shown at section 2, be accepted.

136 UPDATE ON CONSTITUTION REVIEW

The Committee heard from the Monitoring Officer who introduced the report. It was stated that the report served to update the Committee and sought approval for the second stage of amendments to the Council's Constitution. The Monitoring Officer explained that towards the end of 2024, a legal health check was conducted on the Constitution and a briefing was provided to Members on the outcome, along with a copy of the legal advice received. It was summarised that the health check found the Constitution to be largely legally compliant, but updates and changes had been recommended to ensure compliance with current good

practice and legislative changes.

The Monitoring Officer continued, explaining that the first recommended change concerned the Council's Standards Committee. It was advised that a local authority Standards Committee should exist independently rather than within the Governance and Audit Committee's sphere. Therefore, it was recommended that the Standards Committee be established as a full Committee in its own right.

The second change, it was stated, aimed to clarify that the Council's licensing functions under the Licensing Act 2003 were dealt with separately from other regulatory matters, as the Licensing Act 2003 constituted its own legal regime and required a separate Committee article. It was highlighted that the next amendment proposed changing Article 6 of the Constitution to "appoint" the Leader of the Council rather than to "elect" the leader, in line with the legal advice given and to reflect the Committee system form of governance.

The Monitoring Officer specified that the health check also recommended increasing the size of the Chief Officer Employment Committee to allow for a separate appeals panel if needed, whilst remaining quorate. It was confirmed that this change was to comply with the Joint National Council Process for Chief Officer disciplinary matters, ensuring the Officer subject to disciplinary action could refer any decision to a clean appeals panel.

The final change detailed in the report was to amend Article 10 to reflect the joint arrangements the Council had through the Central Lincolnshire Joint Strategic Planning Authority and the Joint Committee for Devolution. It was noted that these changes were recommended to be made to the Constitution in accordance with the legal advice received, and then to be progressed on to the Annual Council meeting in May 2025.

Members of the Committee raised a concern regarding the recommendation to "appoint" rather than "elect" a leader, questioning its alignment with democratic principles. In response, the Monitoring Officer explained that, under West Lindsey District Council's Committee System form of governance, the Council was not in a position to elect a leader with executive powers unlike in a Cabinet Executive Model. This proposed change in terminology, it was clarified, was in order to ensure compliance with regulations. It was stated that the Leader of the Council was appointed as the person leading the largest political group and the Chair of the Corporate Policy and Resources Committee.

Members of the Committee acknowledged the explanation and the need for the amendments; however, repeated concerns were expressed regarding the proposed change in terminology. Members noted that the current process involved Councillors putting their hands up to support or oppose the choice of leader, which they stated constituted an election.

Further questions were raised, including whether the Leader must be the person leading the largest political group and whether the Leader must chair the Corporate Policy and Resources Committee. The Deputy Monitoring Officer responded that the Council's Constitution required nominations for the position of leader to be submitted seven days before the meeting, preventing counter-nominations on the night. It was highlighted that legal advice from a governance specialist indicated that, under the Committee System, the Council was not in a lawful position to elect a leader and must appoint by default the leader of the largest group as defined by political groups regulation. Officers summarised that the

Leader of the Council had never been given executive powers, and thus the term "appointed" reflected the legal position and acted as an acknowledgement of their role. It was confirmed that the Leader could choose not to chair the Corporate Policy and Resources Committee, but that the Council Leader would be the leader of the largest political group.

In response to concerns and questions, the Deputy Monitoring Officer noted that opposition groups historically could submit nominations, but the leader of the largest group would typically prevail due to the size of their group.

Members raised repeated concerns were about the implications of the terminology change on the democratic process.

Vice Chairman Cllr Dobbie expressed support for the array of proposed changes, citing the need to adhere to legal advice.

Further discussion highlighted the desire to clarify the legal advice and its implications. In response, the Monitoring Officer suggested to the Committee that the date of receipt of the legal advice and the relevant regulations could be added as a footnote in the document to ensure the reasons for the change were clear.

The Chairman summarised aspects of the debate, concurring that democracy constituted a choice, even if the outcome was inevitable; however, it was acknowledged that even with a change to the terminology to "appoint", the practise would remain the same.

A suggestion was made by the Chairman that the Constitution could be amended with the other proposed changes, whilst seeking further legal clarification on the specific point of appointing versus electing the Leader of the Council. With Officers in agreement, the Chairman formally proposed for the Monitoring Officer to seek further clarification on the legal advice, whilst removing the proposed terminology change from the report's recommendations and proceeding with the other constitutional amendments.

Regarding the proposed change in terminology, the Chief Executive outlined the potential issues surrounding electing a Leader in the event of a hung Council. It was cited that if the leader of the largest political group was unable to secure a majority of votes, it would lead to difficulties regarding what the Council was legally able to implement.

A Member of the Committee made a request for a recorded vote, which was duly seconded.

On being put to the vote, votes were cast in the following manner:

For: Councillors Barrett, Brockway, and Bunney

Against: None

Abstain: Councillor Dobbie

With a total of three votes cast in favour, no votes against and one abstention, and with the amendment to the seek further clarification on the legal advice agreed upon, after been moved, seconded and voted upon, it was therefore

RESOLVED that

- a) the position in relation to the Constitutional amendments relating to articles and Committees had been received and noted; and
- b) the Constitutional amendments, as outlined in Appendix 1, be accepted, with the exception of “appoint a leader”, and it be **RECOMMENDED** to full Council for approval on 12 May 2025

137 MONITORING OFFICER'S ANNUAL REPORT

Members of the Committee heard from the Monitoring Officer who introduced the report. It was stated that the report for 2024-2025 aimed to provide an overview of governance matters associated with the Governance and Audit Committee. The Monitoring Officer noted the report included details of governance arrangements in place to manage commercial and economic growth, updates on complaints received under the Code of Conduct, pending appointments of independent laypersons, updates on the use of urgent delegated decisions, and an update on the Council's Regulation of Investigatory Powers (RIPA) Policy.

It was explained that regarding the Council and companies, four companies were listed at paragraph 2.2 of the report; no major concerns had been reported around the governance of the companies, and they had not been subject to any legal challenge. The Monitoring Officer specified that the Council had not purchased any additional investment properties during 2024-2025, and no matters of concern were raised around subsidy control. It was stated that the Contract Procedure Rules had been updated in line with new procurement changes, and training sessions were provided to staff. According to the Monitoring Officer, the Council had received 19 complaints under the Code of Conduct regime during 2024-2025, with details provided in the report. It was noted that the Government was reviewing the standards legal framework, and this would be monitored as it developed.

The Monitoring Officer informed the Committee that interviews had been conducted for Independent Members of the Remuneration Panel, and the report recommended the appointment of Ms Sarah Lawrie and Ms Fiona Souter to the panel. It was emphasised that the successful candidates had experience in government organisations, lived locally, and wanted to become more involved with their Council.

It was confirmed by the Monitoring Officer that in the year 2024-2025, two urgent delegated decisions had been made relating to the Local Authority Housing Fund and a decision requiring urgency regarding Thurrock Council litigation. The Monitoring Officer concluded that the Council had not needed to use its formal powers under the RIPA regime but had policies and procedures in place as needed.

The Chairman acknowledged the role of the Monitoring Officer and Deputy Monitoring Officer in handling issues brought by parish councils, which could be time-consuming and complex.

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

RESOLVED that:

- a) The information contained with the Monitoring Officer's Annual Report be received and **RECOMMENDED** to Annual Council for endorsement; and
- b) it be agreed that the governance, as outlined in Section 2 of the report, in respect of managing Commercial and Economic Growth provided assurance that the Council was taking appropriate mitigating measures against the risks identified in its commercial approach; and

the following appointments be **RECOMMENDED** to Council:

- c) the appointment of Ms Fiona Souter as a Member of the Independent remuneration Panel until Annual Council May 2029 (Section 7.1 of the report) be approved; and
- d) the appointment of Ms Sarah Lawrie as a Member of the Independent remuneration Panel until Annual Council May 2029 (Section 7.1 of the report) be approved.

138 COMMITTEE WORK PLAN

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

The meeting concluded at 4.07 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
Black	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. Update: Report issued by RSM formatted without the green text clarity issue.	10/06/25	Lisa Langdon
Black	Review of RAF Scampton	Members requested at the previous Committee meeting that an update report to review RAF Scampton and reflection on learning be brought to a future meeting of the Governance and Audit Committee.	Update: Report scheduled for the 10 June 2025 agenda.	10/06/25	Sally Grindrod-Smith
Black	Assurance on the Council's Procurement Process	Members to receive information regarding the Council's procurement process, at a future meeting to provide assurance to the Committee.	Update: Since the matter was logged the Council's procurement processes have been updated and changes have been communicated to the Committee through Committee reports, reporting from the former Section 151 Officer, alongside reporting from Internal Audit.	30/04/25	Peter Davy
Black	Confirmation that recommendations have been implemented	Confirmation that the Internal Audit's recommendations have been fully implemented.	G&A 250121: The Chairman... requested confirmation at a future meeting that the recommendations [of the Internal Audit Progress Report] had been fully implemented. Update: Progress against recommendations addressed in the Follow-Up Internal Audit Report scheduled for 10 June 2025 agenda.	10/06/25	Lisa Langdon

Black	Feedback regarding feasibility of retaining meeting recordings long-term	Feedback to be provided to the Committee regarding the feasibility of retaining Committee meeting recordings long-term.	<p>G&A 250121: The Monitoring Officer agreed to consider the technical feasibility [of retaining Committee meeting recordings] and consult with the Data Protection Officer regarding information retention.</p> <p>Update: The Monitoring Officer explained to the Committee during the 22 April 2025 meeting that the Council was actively examining in-house ways to retain meeting recordings long-term.</p>	22/04/25	Lisa Langdon
Black	Scrutiny training to be made available to all Members	Democratic and Civic Officer to organise scrutiny-focused Member development training available to all Members.	<p>G&A 250422: The suggestion was made to consider Member development to enhance the quality of scrutiny, highlighting the importance of questioning skills. The Chairman agreed with the need to extend effective scrutiny practices across all Committees.</p> <p>Update: Online Scrutiny training booked for 21 October 2025.</p>	10/06/25	Natalie Smalley
Black	Cyber security messages to be shared with Members	Regular cyber security awareness messages to be shared with all Members.	<p>G&A 250422: The Monitoring Officer stated that regular updates and cyber security messages were being sent to staff to keep abreast of developments. It was suggested by a Member of the Committee that regular updates be provided to Members to ensure they were aware of the dangers and how to counteract them.</p> <p>Update: Regular cyber security awareness messages are shared with all Members on a monthly basis via the Members' Newsletter.</p>	10/06/25	Cliff Dean
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.		29/07/25	Lisa Langdon

Green	Audit of Procurement Lincolnshire	The Committee asked for a copy of Procurement Lincolnshire's audit report.	<p>G&A 241126: 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.</p> <p>Update: S151 contacted Lincolnshire County Council (LCC) to obtain an audit report for Procurement Lincolnshire, however, they did not have an audit report that was relevant to their work with district councils. Instead, it was suggested that the Assistant Director Commercial be invited to address the Committee if an update on the work of Procurement Lincolnshire was requested.</p>	10/06/25 Peter Davy
Green Page 17	Feedback following audit of appraisal process	Further detail to be provided regarding expected improvements in the appraisal process.	G&A 241126: At the request of Members to ensure further oversight... appraisal KPIs would be reported to Management Team... and the relevant Committee. NB: suggested route = Joint Staff Consultative Committee	29/07/25 Lisa Langdon
Green	Update on the implementation of new procurement rules and regulations	Chair of G&A requested the Internal Audit team to examine progress made in implementing procurement rules and regulations in a year's time (approximately January 2026).	G&A 250121: The Chairman requested that a further report from Internal Audit be presented to the Committee in a year's time reporting the progress made in implementing the new procurement rules and regulations.	31/01/26 Peter Davy
Green	Review specific phrasing in the Constitution	Monitoring Officer to review the phrasing in the Constitution relating to the public right to record in Committee meetings.	G&A 250121: The Chairman recommended certain sections of the Constitution be reworded to prevent misinterpretation with respect to the rights of the public in Committee meetings.	29/07/25 Lisa Langdon

Green	Oversight of counter-fraud anti-bribery work	Request Internal Audit Team to examine the progress made regarding the Council's counter-fraud and anti-bribery work.	G&A 250121: The Chairman reiterated the need to continue the counter-fraud and anti-bribery work; it was requested for the Management Team to ensure than an assessment of the Council's progress in relation to counter-fraud and anti-bribery was formally included as part of the future Internal Audit Plan.	30/09/25	Peter Davy
Green	Reporting on the delivery and maintenance of climate change policy	Request for assurances to be given to the Committee regarding the delivery and maintenance of the Council's climate change policy.	G&A 250121: The Chairman highlighted potential issues related to the delivery and maintenance of climate change policy in the wake of local government uncertainty... the Committee were assured that these concerns would be raised with Management Team, with a response to be reported to the Committee.	29/07/25	Rachael Hughes
Green	One-page summary of the Risk Management Strategy to be produced and shared	Corporate Governance Officer to produce one-page summary of the Risk Management Strategy to be shared with Council staff and Members.	G&A 250422: A Member of the Committee praised the document as an excellent management tool. It was suggested that a one-page summary be created for staff and Members to aid readability.	31/07/25	Katy Allen
Green	Regular project management updates	Updates on project management to be shared with the Governance and Audit Committee outlining the control environment.	G&A 250422: [The Chief Executive] highlighted that Members were only informed on the wellbeing of a project if there were financial or quality problems... It was proposed that... regular updates could be brought to the Committee outlining the control environment...with an initial update expected in November 2025.	25/11/25	Darren Mellors
Green	Development of Delivery Programme	Newly developed Delivery Programme to be shared with Members in due course, with verbal updates to be provided, in relation to both the Council's strategic priorities and Local Government Reorganisation (LGR).	G&A 250422: It was agreed that verbal progress updates would be provided through the Matters Arising item on the Committee agenda, until the Delivery Programme had been fully developed.	31/10/25	Rachael Hughes



**Governance and Audit
Committee**

10 June 2025

Subject: External Audit Strategy Memorandum (Plan) 2024/25

Report by:

Director of Finance and Assets (S151)

Contact Officer:

Comie Campbell
Interim Financial Services Manager (Deputy
S151)

comie.campbell@west-lindsey.gov.uk

Purpose / Summary:

To present the 2024/25 External Audit Strategy
from our External Auditors, KPMG

RECOMMENDATION(S):

To approve the External Audit Strategy Memorandum (Plan) for 2024/25

IMPLICATIONS

Legal: None from this report

Financial: FIN/28/26/MT/CC

Audit Fees are set by the Public Sector Audit Appointments (PSAA)

The annual audit fee 2024/25 is anticipated to be £146,600, (£141,500 for 2023/24 fee). The Council has provided a budget of £145,000 for the payment of these fees. The overspend can be met from underspends elsewhere.

Staffing: None from this report

Equality and Diversity including Human Rights: None from this report

Data Protection Implications: None from this report

Climate Related Risks and Opportunities: None from this report

Section 17 Crime and Disorder Considerations: None from this report

Health Implications: None from this report

Title and Location of any Background Papers used in the preparation of this report: None for this report

Risk Assessment: None for this report

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

1 Introduction

1.1 The External Audit Strategy Memorandum (Plan) for 2024/25 is attached at Appendix A and will be presented by Debra Chamberlain, Director at KPMG LLP.

1.2 The purpose of this document is to:

- Give an overview of the planned scope of the audit including materiality.
- Outline risks and other audit risks.
- Detail Audit risks and the audit approach to these.
- Show other significant matters related to the audit approach.
- Detail Mandatory communications.
- Outline the Value for money risk assessment and KPMG's approach
- Show the Fee for audit and other services.

1.3 The audit approach is as follows:

- January – March 2025 Planning/Interim Work
- July – August 2025 Final Audit
- September 2025 Completion of Audit

Significant Audit risks highlighted are:

- Valuation of land and buildings.
- Valuation of investment property.
- Valuation of post-retirement benefits/obligations.
- Management override of controls.
- Revenue expenditure is inappropriately recognised as capital expenditure.
- Revenue expenditure is inappropriately recognised as REFCUS.

1.4 Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole. Misstatement in financial statements are considered material if they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Initial materiality levels are:

Overall Materiality	£1,200,000
Performance Materiality	£900,000
Triviality	£60,000

1.5 The audit team from KPMG for 2024/25 are, Debra Chamberlain, Director, Badar Abbas, Senior Manager and Alex Greenwood Audit Associate.

- 1.6 The annual audit fee for 2024/25 is anticipated to be £146,600, the Council has provided a budget of £145,000 for the payment of the fee. Any overspend in the final fee will be met from underspent budgets elsewhere.

West Lindsey District Council

DRAFT - Report to the Governance and Audit Committee

External Audit Plan & Strategy for the year ended
31 March 2025

29 April 2025

Introduction

To the Governance and Audit Committee of West Lindsey District Council

We are pleased to have the opportunity to meet with you on 10 June 2025 to discuss our audit of the financial statements of West Lindsey District Council for the year ended 31 March 2025.

This report provides the Governance and Audit Committee with an opportunity to review our planned audit approach and scope for the 2024/25 audit. The audit is governed by the provisions of the Local Audit and Accountability Act 2014 and in compliance with the NAO's 2024/25 Code of Audit Practice, auditing standards and other professional requirements.

This report outlines our risk assessment and planned audit approach.

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.

Contents	ee
Overview of planned scope including materiality	3
Significant risks and Other audit risks	5
Audit Risks and our audit approach	6
Other significant matters related to our audit approach	13
Mandatory communications	14
Appendix	20

The engagement team

Debra Chamberlain is the engagement director on the audit. She has 20 years of experience in public sector audit.

Debra Chamberlain shall lead the engagement and is responsible for the audit opinion.

Other key members of the engagement team include Badar Abbas (Senior Manager) and Lee Churchill with 14 years and 3 years of experience respectively.

Yours sincerely,



Debra Chamberlain

Director - KPMG LLP

29 April 2025

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.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact (Debra.Chamberlain@KPMG.co.uk), the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler (tim.culter@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can raise your complaint as per the following process [Complaints](#).

Overview of planned scope including materiality

Our materiality levels

We determined materiality for the financial statements at a level which could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We used a benchmark of expenditure which we consider to be appropriate given the sector in which the entity operates, its ownership and financing structure, and the focus of users.

We considered qualitative factors such as business environment, financing and debt arrangements and public scrutiny when determining materiality for the financial statements as a whole.

To respond to aggregation risk from individually immaterial misstatements, we design our procedures to detect misstatements at a lower level of materiality £0.9m / 75% of materiality driven by our expectations of normal level of undetected or uncorrected misstatements in the period. We also adjust this level further downwards for items that may be of specific interest to users for qualitative reasons.

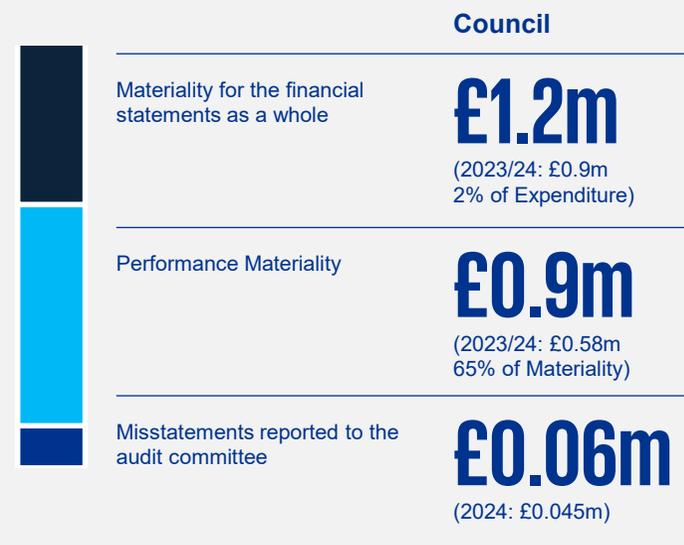
We will report misstatements to the audit committee including:

- Corrected and uncorrected audit misstatements above £0.06m.
- Errors and omissions in disclosure (Corrected and uncorrected) and the effect that they, individually in aggregate, may have on our opinion.
- Other misstatements we include due to the nature of the item.

Control environment

The impact of the control environment on our audit is reflected in our planned audit procedures. Our planned audit procedures reflect findings raised in the previous year and management's response to those findings.

Council Materiality



Council Materiality

£1.2m

2.55% of the Council's prior year Expenditure £47m

(2023/24: £0.9m)

Overview of planned scope including materiality (cont.)

Timing of our audit and communications

We will maintain communication led by the engagement director and senior manager throughout the audit. We set out below the form, timing and general content of our planned communications:

- Kick-off meeting with management in March 2025 where we present our draft audit plan outlining our audit approach and discuss management's progress in key areas;
- Governance and Audit Committee meeting in June 2025 where we present our final audit plan;
- Status meetings with management during July to September 2025 where we communicate progress on the audit plan, any misstatements, control deficiencies and significant issues;
- Closing meeting with management in October 2025 where we discuss the auditor's report and any outstanding deliverables;
- Governance and Audit Committee meeting in November 2025 (expected) where we communicate audit misstatements and significant control deficiencies; and
- Biannual private meetings can also be arranged with the Committee chair if there is interest.

Using the work of others and areas requiring specialised skill

We outline below where, in our planned audit response to audit risks, we expect to use the work of others such as Internal Audit or require specialised skill/knowledge to perform planned audit procedures and evaluate results.

Others	Extent of planned involvement or use of work
KPMG Pensions Centre of Excellence	The pensions audit team will perform all planning, risk assessment and substantive procedures over the Local Government Pension Scheme (LGPS) account balances. KPMG actuaries will review and assess the underlying assumptions within the entity's year-end actuarial report.
KPMG IT Audit Team	We will be utilising our IT Audit team to review our understanding of the key financial systems and processes within the Council.
Internal Audit	We will review the work of internal audit as part of our risk assessment procedures but will not place reliance on their work.

Significant risks and Other audit risks

Our risk assessment draws upon our understanding of the applicable financial reporting framework, knowledge of the business, the sector and the wider economic environment in which West Lindsey District Council operates.

We also use our regular meetings with senior management to update our understanding and take input from sector and internal audit reports.

Due to the current levels of uncertainty there is an increased likelihood of significant risks emerging throughout the audit cycle that are not identified (or in existence) at the time we planned our audit. Where such items are identified we will amend our audit approach accordingly and communicate this to the Governance and Audit Committee.

Value for money

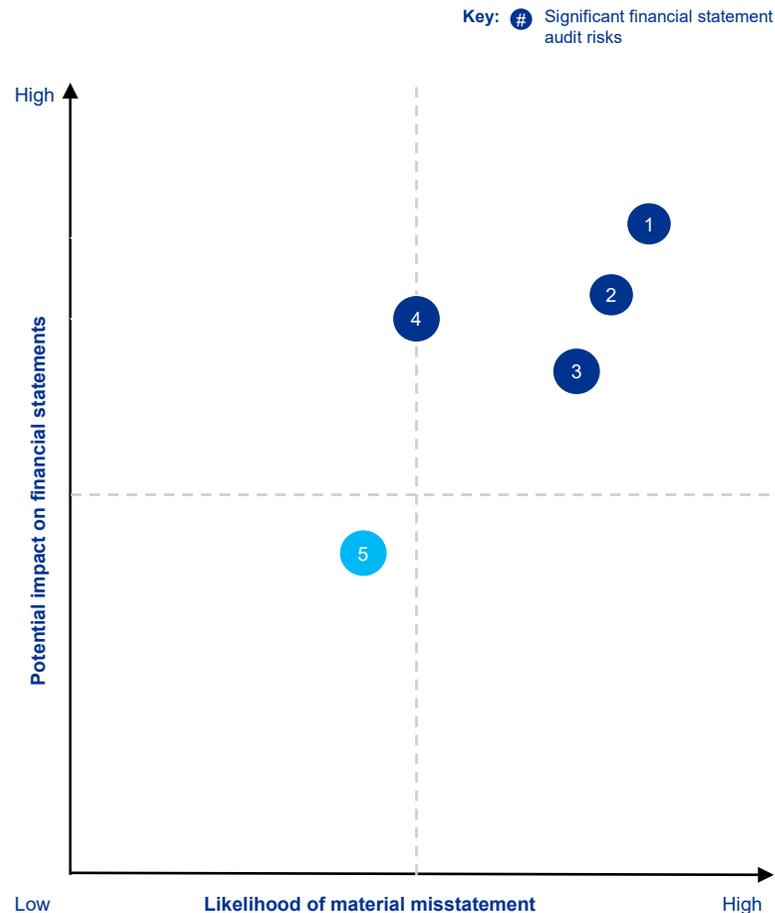
We are required to provide commentary on the arrangements in place for ensuring Value for Money is achieved at the Council and report on this via our Auditor's Annual Report. This will be published on the Council's website and include a commentary on our view of the appropriateness of the Council's arrangements against each of the three specified domains of Value for Money: financial sustainability; governance; and improving economy, efficiency and effectiveness. For further information, please see page 17.

Significant risks

1. Valuation of land and buildings
2. Valuation of investment property
3. Valuation of post retirement benefit obligations
4. Management override of controls

Other audit risks

5. Adoption of IFRS 16



Audit risks and our audit approach

1 Valuation of land and buildings

The carrying amount of revalued Land & Buildings differs materially from the fair value

Change vs prior year 



Significant audit risk

The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date. The Council has adopted a full revaluation model which sees all land and buildings revalued as at 31st March each financial year. Valuations are inherently judgemental and there is a risk of error that the assumptions are not appropriate or correctly applied.

The value of the council's Land & Buildings at 31 March 2024 was £30.5m.

The last full revaluation took place as at 31 March 2024. The council will appoint an external valuer to perform a full revaluation as at 31 March 2025.



Planned response

We will perform the following procedures designed to specifically address the significant risk associated with the valuation:

- We will critically assess the independence, objectivity and expertise of Wilks, Head & Eve (WHE), the valuers used in developing the valuation of the Council's properties at 31 March 2025;
- We will inspect the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code;
- We will compare the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We will evaluate the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We will challenge the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We will challenge key assumptions within the valuation as part of our judgement;
- We will agree the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code; and
- Disclosures: We will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Audit risks and our audit approach (cont.)

2

Valuation of investment property

The carrying amount of revalued investment property differs materially from the fair value

Change vs prior year



Significant audit risk

The Code defines an investment property as one that is used solely to earn rentals or for capital appreciation or both. Property that is used to facilitate the delivery of services or production of goods as well as to earn rentals or for capital appreciation does not meet the definition of an investment property.

The Council's property portfolio includes 9 commercial and industrial units, fair valued at £22.9m as at 31 March 2024.

There is a risk that investment properties are not being held at fair value, as is required by the Code. At each reporting period, the valuation of the investment property must reflect market conditions. Significant judgement is required to assess fair value and management experts are often engaged to undertake the valuations.



Planned response

We will perform the following procedures designed to specifically address the significant risk associated with the valuation:

- We will critically assess the independence, objectivity and expertise of WHE, the valuers used in developing the valuation of the Council's investment property at 31 March 2025;
- We will inspect the instructions issued to the valuers to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code;
- We will compare the accuracy of the data provided to the valuers for the development of the valuation to underlying information;
- We will evaluate the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We will challenge the appropriateness of the valuation; including any material movements from the previous revaluations. We will challenge key assumptions within the valuation as part of our judgement;
- We will agree the calculations performed of the movements and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code; and
- Disclosures: We will consider the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

Audit risks and our audit approach (cont.)

3

Valuation of post retirement benefit obligations

An inappropriate amount is estimated and recorded for the defined benefit obligation

Change vs prior year



Significant audit risk

- The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
- The effect of these matters is that, as part of our risk assessment, we determined that post retirement benefits obligation has a high degree of estimation uncertainty. The financial statements disclose the assumptions used by the Council in completing the year end valuation of the pension deficit and the year on year movements.
- We have identified this in relation to the following pension scheme memberships: Local Government Pension Scheme
- Also, recent changes to market conditions have meant that more councils are finding themselves moving into surplus in their Local Government Pension Scheme (or surpluses have grown and have become material). The requirements of the accounting standards on recognition of these surplus are complicated and requires actuarial involvement.



Planned response

We will perform the following procedures:

- Understand the processes the Council has in place to set the assumptions used in the valuation;
- Evaluate the competency, objectivity of the actuaries to confirm their qualifications and the basis for their calculations;
- Perform inquiries of the accounting actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets;
- Agree the data provided by the audited entity to the Scheme Administrator for use within the calculation of the scheme valuation;
- Evaluate the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability;
- Challenge, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data;
- Confirm that the accounting treatment and entries applied by the Group are in line with IFRS and the CIPFA Code of Practice;
- Consider the adequacy of the Council's disclosures in respect of the sensitivity of the deficit or surplus to these assumptions; and
- Where applicable, assess the level of surplus that should be recognised by the entity; and
- Assess the impact of a new triennial valuation model and/or any special events, where applicable.

Audit risks and our audit approach (cont.)

4

Management override of controls(a)

Fraud risk related to unpredictable way management override of controls may occur

Change vs prior year



Significant audit risk

- Professional standards require us to communicate the fraud risk from management override of controls as significant.
- Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.
- We have not identified any specific additional risks of management override relating to this audit.

Note: (a) Significant risk that professional standards require us to assess in all cases.



Planned response

Our audit methodology incorporates the risk of management override as a default significant risk.

- Assess accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias.
- Evaluate the selection and application of accounting policies.
- In line with our methodology, evaluate the design and implementation of controls over journal entries and post closing adjustments.
- Assess the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- Assess the business rationale and the appropriateness of the accounting for significant transactions that are outside the Council's normal course of business, or are otherwise unusual.
- We will analyse all journals through the year using data and analytics and focus our testing on those with a higher risk.

Audit risks and our audit approach

Expenditure – rebuttal of Significant Risk

Practice Note 10 states that the risk of material misstatement due to fraudulent financial reporting may arise from the manipulation of expenditure recognition, is required to be considered. Having considered the risk factors relevant to the Council and the nature of expenditure within the Council, we have determined that a significant risk relating to expenditure recognition is not required.

Specifically, the financial position of the Council, (whilst under pressure) is not indicative of a position that would provide an incentive to manipulate expenditure recognition and the nature of expenditure has not identified any specific risk factors.

Audit risks and our audit approach

Revenue – Rebuttal of Significant Risk

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. Due to the nature of the revenue within the sector we have rebutted this significant risk. We have set out the rationale for the rebuttal of key types of income in the table below.

Description of Income	Nature of Income	Rationale for Rebuttal
Council tax	This is the income received from local residents paid in accordance with an annual bill based on the banding of the property concerned.	The income is highly predictable and is broadly known at the beginning of the year, due to the number of properties in the area and the fixed price that is approved annually based on a band D property: it is highly unlikely for there to be a material error in the population.
Business rates	Revenue received from local businesses paid in accordance with an annual demand based on the rateable value of the business concerned.	The income is highly predictable and is broadly known at the beginning of the year, due to the number of businesses in the area and the fixed amount that is approved annually: it is highly unlikely for there to be a material error in the population.
Fees and charges	Revenue recognised from receipt of fixed fee services, in line with the fees and charges schedules agreed and approved annually.	The income stream represents high volume, low value sales, with simple recognition. Fees and charges values are agreed annually. We do not deem there to be any incentive or opportunity to manipulate the income.
Grant income	Predictable income receipted primarily from central government, including for housing benefits.	Grant income at a local authority typically involves a small number of high value items and an immaterial residual population. These high value items frequently have simple recognition criteria and can be traced easily to third party documentation, most often from central government source data. There is limited incentive or opportunity to manipulate these figures.

Audit risks and our audit approach

5

Adoption of IFRS 16

An inappropriate amount is estimated and recorded for lease liabilities and right of use assets

Change vs prior year



Other audit risk

- The Council has adopted IFRS 16 as per CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom (2024/25) with an implementation date of 1 April 2024.

We anticipate the following impact in the first year of implementation.

- Completeness of lease listing used in transition computations.
- Inadequate lease disclosures as per IFRS 16.
- Inaccurate computation of lease liabilities and right of use assets.
- Training needs for new/existing staff

Audit team's assessment for the impact of IFRS-16 implementation is ongoing. We may therefore revise our assessment of this risk ahead of the final audit, and will report back to this Committee accordingly on any changes to the risk or procedures performed.



Planned response

We will perform the following procedures in order to respond to the other audit risk identified:

- Obtain the full listings of leases and reconcile to the general ledger.
- Review a sample of the lease agreements to determine the terms of the leases and confirm correct classification.
- Review the appropriateness of the discount rate used in the lease computations.
- Review the transition adjustments passed by the Council
- Review the disclosures made on the financial statements against requirements of IFRS16.

Other significant matters related to our audit approach

Disclosure of significant estimates and judgements

We have included here the disclosures of significant estimates and judgements from the prior year annual report (as reported in our audit committee report dated 21 January 2025).

Estimates and judgements	Balance [£m]	Further comments
Land and buildings	30.5	The code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date.
Investment properties	22.9	The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate current value at that date.
LGPS gross DBO Gross defined obligation	72.3	The valuation of the post retirement benefit obligations involves the selection of appropriate actuarial assumptions, most notably the discount rate applied to the scheme liabilities, inflation rates and mortality rates. The selection of these assumptions is inherently subjective and small changes in the assumptions and estimates used to value the Council's pension liability could have a significant effect on the financial position of the Council.
LGPS gross DBA Gross defined benefit assets	69.8	The valuation of the pension assets involve judgements around return over Fund's asset portfolio, asset allocation, and the Council's share of scheme assets over time.

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Impacts of climate risk and climate change disclosures

We will evaluate management's assessment of the potential financial implications of climate risk on the financial statements, including estimates and disclosures.

Mandatory communications - additional reporting

Going concern

Under NAO guidance, including Practice Note 10 - A local authority's financial statements shall be prepared on a going concern basis; this is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for the foreseeable future. Transfers of services under combinations of public sector bodies (such as local government reorganization) do not negate the presumption of going concern.

However, financial sustainability is a core area of focus for our Value for Money opinion.

Additional reporting

Your audit is undertaken to comply with the Local Audit and Accountability Act 2014 which gives the NAO the responsibility to prepare an Audit Code (the Code), which places responsibilities in addition to those derived from audit standards on us. We also have responsibilities which come specifically from acting as a component auditor to the NAO. In considering these matters at the planning stage we indicate whether:



Work is completed throughout our audit and we can confirm the matters are progressing satisfactorily



We have identified issues that we may need to report



Work is completed at a later stage of our audit so we have nothing to report

We have summarised the status of all these various requirements at the time of planning our audit below and will update you as our work progresses:

Type	Status	Response
Our declaration of independence		No matters to report. The engagement team and others in the firm, as appropriate, have complied with relevant ethical requirements regarding independence.
Issue a report in the public interest		We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters to date.
Provide a statement to the NAO on your consolidation schedule		This "Whole of Government Accounts" requirement is fulfilled when we complete any work required of us by the NAO to assist their audit of the consolidated accounts of DLUHC.
Provide a summary of risks of significant weakness in arrangements to provide value for money		We are required to report significant weaknesses in arrangements. Work to be completed at a later stage.
Certify the audit as complete		We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.

Mandatory communications

Type	Statements
Management’s responsibilities (and, where appropriate, those charged with governance)	<p>Prepare financial statements in accordance with the applicable financial reporting framework that are free from material misstatement, whether due to fraud or error.</p> <p>Provide the auditor with access to all information relevant to the preparation of the financial statements, additional information requested and unrestricted access to persons within the entity.</p>
Auditor’s responsibilities	<p>Our responsibilities set out through the NAO Code (communicated to you by the PSAA) and can be also found on their website, which include our responsibilities to form and express an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.</p>
Auditor’s responsibilities – Fraud	<p>This report communicates how we plan to identify, assess and obtain sufficient appropriate evidence regarding the risks of material misstatement of the financial statements due to fraud and to implement appropriate responses to fraud or suspected fraud identified during the audit.</p>
Auditor’s responsibilities – Other information	<p>Our responsibilities are communicated to you by the PSAA and can be also found on their website, which communicates our responsibilities with respect to other information in documents containing audited financial statements. We will report to you on material inconsistencies and misstatements in other information.</p>
Independence	<p>Our independence confirmation at page 24 discloses matters relating to our independence and objectivity including any relationships that may bear on the firm’s independence and the integrity and objectivity of the audit engagement partner and audit staff.</p>

Value for money risk assessment

Value for money

Our value for money reporting requirements have been designed to follow the guidance in the Audit Code of Practice.

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

The main output is 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 is to assess whether there are any significant weaknesses in the Council's arrangements to secure value for money. Our risk assessment will 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

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

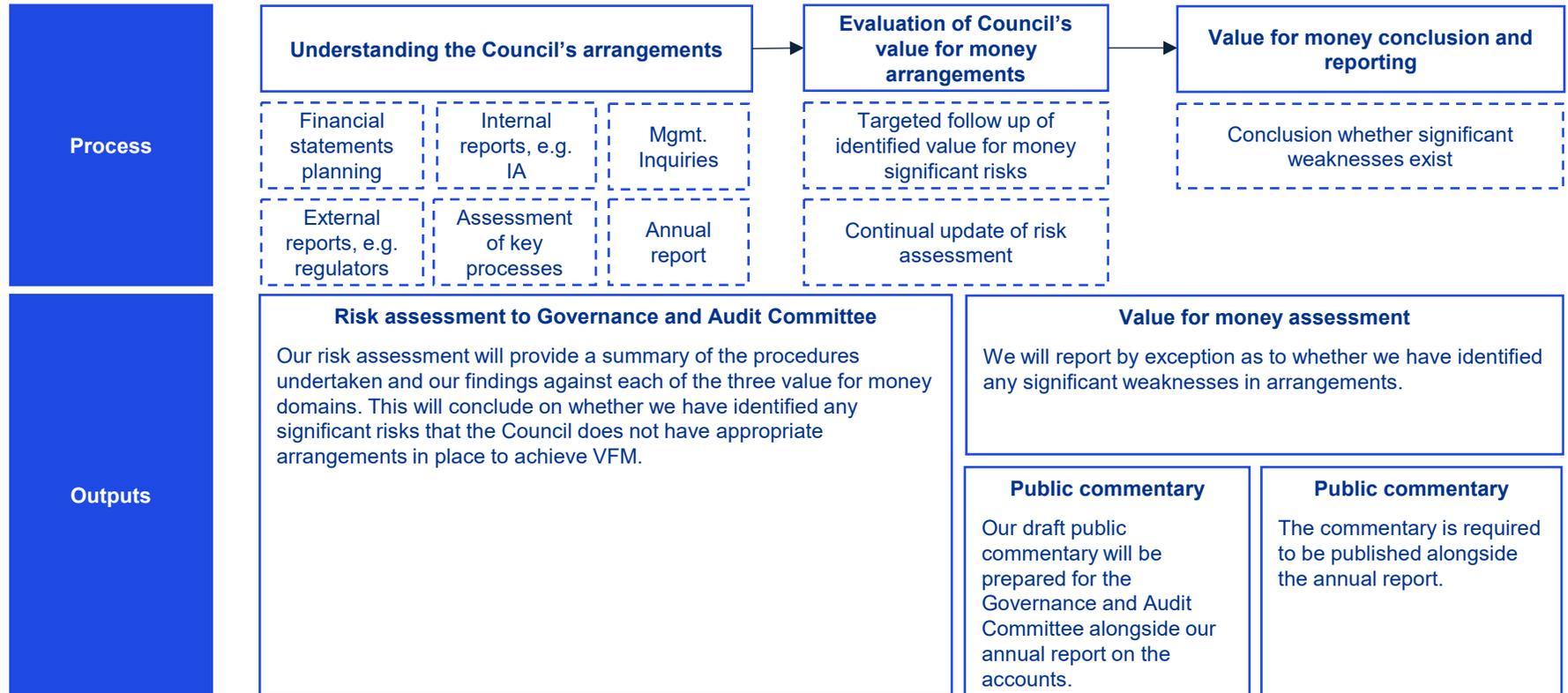
How the body ensures that it makes informed decisions and properly manages its risks.

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

Approach we take to completing our work to form and report our conclusion:



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Summary of risk assessment

Summary of risk assessment

We have not identified any risks of significant weaknesses from our initial work, however our risk assessment is continuing and we will provide our full risk assessment at the next Governance and Audit Committee.

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Appendix

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Audit team and rotation

Your audit team has been drawn from our specialist local government audit department and is led by key members of staff who will be supported by auditors and specialists as necessary to complete our work. We also ensure that we consider rotation of your audit partner and firm.



Debra Chamberlain is the director responsible for our audit. They will lead our audit work, attend the Governance and Audit Committee and be responsible for the opinions that we issue.



Badar Abbas is the senior manager responsible for our audit. They will co-ordinate our audit work, attend the Governance and Audit Committee and ensure we are co-ordinated across our accounts and VFM work.



Lee Churchill is the in-charge responsible for our audit for the second year. They will be responsible for our on-site fieldwork. He will complete work on more complex section of the audit.

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To comply with professional standard we need to ensure that you appropriately rotate your external audit partner. There are no other members of your team which we will need to consider this requirement for:



This will be director's first year as your engagement lead. They are required to rotate every five years, extendable to seven with PSAA approval.

Audit cycle & timetable

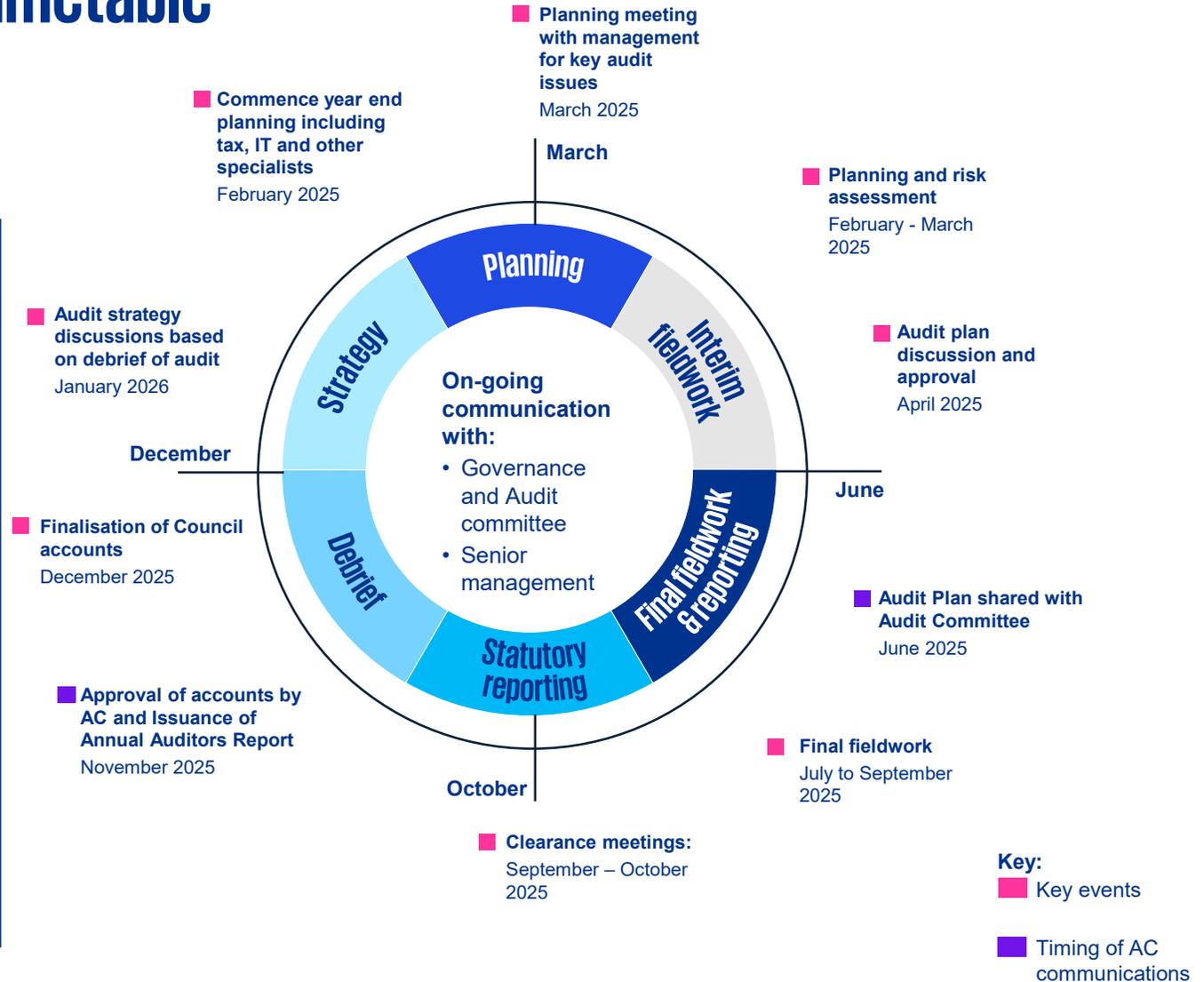
Our schedule Feb 2025 – Dec 2025

We have worked with management to generate our understanding of the processes and controls in place at the Council in its preparation of the Statement of Accounts.

We have agreed with management an audit cycle and timetable that reflects our aim to sign our audit report by December 2025.

Given the large amount of consultation happening in regard to the scope and timing of local government this audit **schedule may be subject to change.**

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Fees

Audit fee

Our fees for the year ended 31 March 2025 are set out in the PSAA Scale Fees communication and are shown below.

Entity	2024/25 (£'000)	2023/24 (£'000)
Statutory audit	146.6	132
ISA315R	-	9.5
Fee variations	TBC	TBC*
TOTAL	146.6	141.5

*Fee variations for 8k from 23/24 have been agreed with management and submitted to PSAA for approval.

The fees also assume no significant risks are identified as part of the Value for Money risk assessment. Additional fees in relation to these areas will be subject to the fees variation process as outlined by the PSAA.

Billing arrangements

Fees will be billed in accordance with the milestone completion phasing that has been communicated by the PSAA.

Basis of fee information

Our fees are subject to the following assumptions:

- The Council's audit evidence files are completed to an appropriate standard (we will liaise with you separately on this);
- Draft statutory accounts are presented to us for audit subject to audit and tax adjustments;
- Supporting schedules to figures in the accounts are supplied;
- The Council's audit evidence files are completed to an appropriate standard (we will liaise with management separately on this);
- A trial balance together with reconciled control accounts are presented to us;
- All deadlines agreed with us are met;
- We find no weaknesses in controls that cause us to significantly extend procedures beyond those planned;
- Management will be available to us as necessary throughout the audit process; and
- There will be no changes in deadlines or reporting requirements.

We will provide a list of schedules to be prepared by management stating the due dates together with pro-formas as necessary.

Our ability to deliver the services outlined to the agreed timetable and fee will depend on these schedules being available on the due dates in the agreed form and content.

Any variations to the above plan will be subject to the PSAA fee variation process.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Governance and Audit Committee members

Assessment of our objectivity and independence as auditor of West Lindsey District Council

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values.
- Communications.
- Internal accountability.
- Risk management.
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Independence and objectivity considerations relating to the provision of non-audit services

Summary of non-audit services

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our independence and objectivity, are set out on the table overleaf.

Confirmation of Independence

Disclosure	Description of scope of services	Principal threats to Independence	Safeguards Applied	Basis of fee	Value of Services Delivered in the year ended 31 March 2025 £m	Value of Services Committed but not yet delivered £m
1	Housing benefit grant certification	Management Self review Self interest	<ul style="list-style-type: none"> Standard language on non-assumption of management responsibilities is included in our engagement letter. The engagement contract makes clear that we will not perform any management functions. The work is performed after the audit is completed and the work is not relied on within the audit file. Our work does not involve judgement and are statements of fact based on agreed upon procedures. 	Fixed	TBC	TBC

Confirmation of Independence (cont.)

Summary of fees

We have considered the fees charged by us to the Group and its affiliates for professional services provided by us during the reporting period.

Fee ratio

The ratio of non-audit fees to audit fees for the year is anticipated to be 0.3: 1. We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.

	2024/25
	£'000
Statutory audit	146.6
Other Assurance Services	TBC
Total Fees	146.6

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Audit and Risk Committee.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Committee of the Group and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

KPMG's Audit quality framework

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.

To ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Responsibility for quality starts at the top through our governance structures as the UK Board is supported by the Audit Oversight Committee, and accountability is reinforced through the complete chain of command in all our teams.

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■ Commitment to continuous improvement

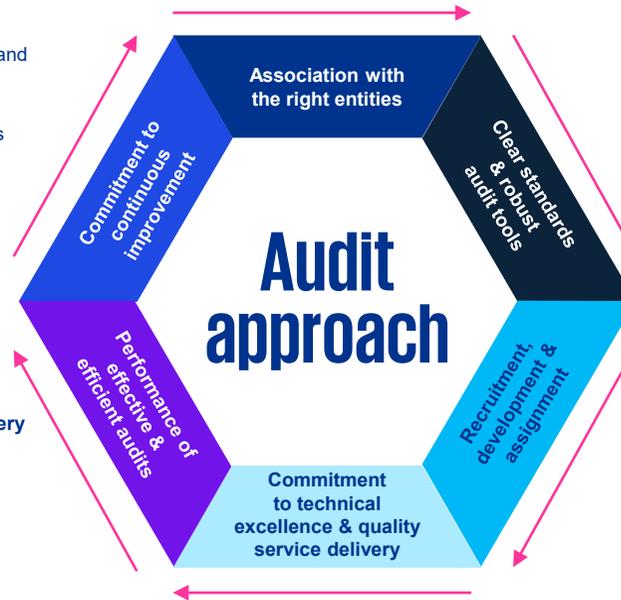
- Comprehensive effective monitoring processes
- Significant investment in technology to achieve consistency and enhance audits
- Obtain feedback from key stakeholders
- Evaluate and appropriately respond to feedback and findings

■ Performance of effective & efficient audits

- Professional judgement and scepticism
- Direction, supervision and review
- Ongoing mentoring and on the job coaching, including the second line of defence model
- Critical assessment of audit evidence
- Appropriately supported and documented conclusions
- Insightful, open and honest two way communications

■ Commitment to technical excellence & quality service delivery

- Technical training and support
- Accreditation and licensing
- Access to specialist networks
- Consultation processes
- Business understanding and industry knowledge
- Capacity to deliver valued insights



■ Association with the right entities

- Select entities within risk tolerance
- Manage audit responses to risk
- Robust client and engagement acceptance and continuance processes
- Client portfolio management

■ Clear standards & robust audit tools

- KPMG Audit and Risk Management Manuals
- Audit technology tools, templates and guidance
- KPMG Clara incorporating monitoring capabilities at engagement level
- Independence policies

■ Recruitment, development & assignment of appropriately qualified personnel

- Recruitment, promotion, retention
- Development of core competencies, skills and personal qualities
- Recognition and reward for quality work
- Capacity and resource management
- Assignment of team members and specialists

Statement on the Effectiveness of our system of quality management

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

Our full Statement on the effectiveness of the System of Quality Management of KPMG UK LLP as at 30 September 2023 can be found [here](#).

The extract below is the Statement on the Effectiveness of our system of quality management taken from our Transparency Report:

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1), the Financial Reporting Council (FRC)'s International Standard on Quality Management (UK) 1 (ISQM (UK) 1), and KPMG International Limited Policy, KPMG UK LLP (the "Firm" and/or "KPMG UK") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm.

The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

- a) The Firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- b) Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

KPMG UK outlines how its System of Quality Management supports the consistent performance of quality engagements in the 2023 Transparency Report.

Integrated quality monitoring and compliance programmes enable KPMG UK to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management.

If deficiencies are identified when KPMG UK performs its annual evaluation of the System of Quality Management, KPMG UK evaluates the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.



Understanding of IT



Summary

The release of ISA 315 (UK) revised brought an increased focus on Understanding of IT in the audit, and it continues to be an area of focus.

Stakeholders now expect auditors to not only understand IT in detail, but also to consider the impact of the findings from their risk assessment procedures on their planned audit approach.

Why is Understanding of IT so important?

Businesses continue to embrace increasingly complex and sophisticated IT systems and place more and more reliance on automated IT processing not simply for a competitive advantage, but also for "business as usual" operations.

This increased reliance means that to effectively audit accounts, balances and transactions, auditors are required to understand and challenge more around how those IT system and process work.

Therefore, Understanding of IT is a crucial building block of our audit strategy and influences our planned audit approach at every stage.

This is true regardless of whether controls reliance is planned or the audit is expected to be fully substantive in nature.

What kind of things might we identify?

As part of our risk assessment procedures, we perform:

- An assessment of the formality, or otherwise, of certain financially relevant IT processes
- An evaluation of the design and implementation of related general IT controls
- An evaluation of the design and implementation of automated process level controls

As a result of these procedures, we may identify IT control deficiencies or IT process informalities that may have an impact on our planned audit approach.

Additionally, we may identify findings related to the wider control environment or threats to the accuracy or completeness of the information used by both entity management and auditors alike.

What does this mean for our audits?

Auditors are being asked to consider the findings from their risk assessment procedures over IT in relation to the planned audit approach.

The findings may impact any area of the audit, however there are three main areas of focus where we anticipate that most impact as a result of identifying IT deficiencies or IT process informality;

- Increased risk to data integrity
- Additional fraud risk factors
- Additional high-risk criteria to be used in journals analysis

It is important to understand that these findings may have an impact regardless of planned reliance on automated controls and general IT controls.



ISA (UK) 600 Revised: Summary of changes



Summary

ISA (UK) 600 (Revised): Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors) is effective for periods commencing on or after 15 December 2023.

The new and revised requirements better aligns the standard with recently revised standards such as ISQM 1, ISA (UK) 220 (Revised) and ISA (UK) 315 (Revised). The revisions also strengthen the auditor's responsibilities related to professional skepticism, planning and performing a group audit, two-way communications between the group auditor and component auditors, and documentation.

Area	Summary of changes and impact	Effect on audit effort
Risk-based approach	The nature and extent of risk assessment procedures performed by the group auditor at group level may increase, which may include further inquires of group and/or component management and those charged with governance; analytical procedures, attendance of walkthroughs at components, and inspection and/or observation of additional component information. Consequently, while we will continue to work across the group audit to be as efficient in our interactions with you as possible, group and component management will typically receive additional, and more specific/granular requests, for information from both the group and component auditors.	
Group auditor responsibilities	Through a more targeted audit response to address the group Risks of Material Misstatement, we may perform audit work and communicate with component management at a greater number of components within the group, and we may request less information from component management at certain components where we previously performed full scope audits for the Group audit, if we determine that a full scope audit is no longer necessary. While statutory audit requirements will still apply, this change may be beneficial for overall audit effort where a statutory audit is not required.	
Flexibility in defining components	You may also see changes in the planned scope and timing of the audit in communications to group management and those charged with governance, such as changes to the identification of components and the work to be performed on their financial information, and/or changes to the nature of the group auditor's planned involvement in the work to be performed by component auditors. The impact will be greater where there are more components.	
Quality management	Enhanced leadership, direction, supervision and review responsibilities of the group engagement partner may result in the group engagement partner needing to engage more extensively with group management, your component management and component auditors throughout the audit.	
Robust communication	If the group auditor determines that the increased work effort is needed, this determination will impact how much, and the type of, information you will need to provide to the group auditor or component auditors. The group auditor is required to prescribe required work at a more granular level. This may mean there is increased work for component auditors, particularly in year one, to align the requirements of the group audit and local statutory audits. We will continue to work closely to minimise this.	
Application of materiality and aggregation risk	Changes in component performance materiality may result in changes to the nature, timing and extent of component auditor's work. If so, this may impact how much, and the type of, information you will need to provide to the group auditor or component auditors.	
Revised independence principles	This may make it more challenging to address auditor rotation and other independence requirements for component auditors we may plan to involve in the group audit and mean more matters impacting independence may need to be communicated to you. Potential changes to the component auditor firms engaged to perform work on financial information of components.	





FRC's areas of focus

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The FRC released their **Annual Review of Corporate Reporting 2023/24 ('the Review')** in September 2024 having already issued three thematic reviews during the year. The Review and thematic identify where the FRC believes companies can improve their reporting. These slides give a high level summary of the key topics covered. We encourage management and those charged with governance to read further on those areas which are significant to their entity.



Key expectations for 2024/25 annual reports

Overview

The Review identifies that the quality of reporting across FTSE 350 companies has been maintained this year, but there is a widening gap in standards between FTSE 350 and non-FTSE 350 companies. This is noticeable in the FRC's top two focus areas, 'Impairment of assets' and 'Cash Flow Statements'.

'Provisions and contingencies' has fallen out of the top ten issues for the first time in over five years. This issue is replaced by 'Taskforce for Climate-related Financial Disclosures (TCFD) and climate-related narrative reporting'.

The FRC re-iterates that companies should apply careful judgement to tell a consistent and coherent story whilst ensuring the annual report is clear, concise and company-specific.

Pre-issuance checks and restatements

The FRC expects companies to have in place a sufficiently robust self-review process to identify common technical compliance issues. The FRC continues to be frustrated by the increasing level of restatements affecting the presentation of primary statements. This indicates that thorough, 'step-back' reviews are not happening in all cases.

Risks and uncertainties

Geopolitical tensions continue and low growth remains a concern in many economies, particularly with respect to going concern, impairment and recognition/recoverability of tax assets and liabilities. The FRC continue to push for enhanced disclosures of risks and uncertainties. Disclosures should be sufficient to allow users to understand the position taken in the financial statements, and how this position has been impacted by the wider risks and uncertainties discussed elsewhere in the annual report.

Financial reporting framework

The FRC reminds preparers to consider the overarching requirements of the UK financial reporting framework in determining the information to be presented. In particular the requirements for a true and fair view, along with a fair, balanced, and comprehensive review of the company's development, position, performance, and future prospects.

The FRC does not expect companies to provide information that is not relevant and material to users, and companies should exercise judgement in determining what information to include.

Companies should also consider including disclosures beyond the specific requirements of the accounting standards where this is necessary to enable users to understand the impact of particular transactions or other events and conditions on the entities financial position, performance and cash flows.

FRC's areas of focus (cont.)

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Impairment of assets

Impairment remains a key topic of concern, exacerbated in the current year by an increase in restatements of parent company investments in subsidiaries.

Disclosures should provide adequate information about key inputs and assumptions, which should be consistent with events, operations and risks noted elsewhere in the annual report and be supported by a reasonably possible sensitivity analysis as required.

Forecasts should reflect the asset in its current condition when using a value in use approach and should not extend beyond five years without explanation.

Preparers should consider whether there is an indicator of impairment in the parent when its net assets exceed the group's market capitalisation. They should also consider how intercompany loans are factored into these impairment assessments.

Cash flow statements

Cash flow statements remain the most common cause of prior year restatements.

Companies must carefully consider the classification of cash flows and whether cash and cash equivalents meet the definitions and criteria in the standard. The FRC encourage a clear disclosure of the rationale for the treatment of cash flows for key transactions.

Cash flow netting is a frequent cause of restatements and this was highlighted in the ['Offsetting in the financial statements'](#) thematic.

Preparers should ensure the descriptions and amounts of cash flows are consistent with those reported elsewhere and that non-cash transactions are excluded but reported elsewhere if material.

Climate

This is a top-ten issue for the first time this year, following the implementation of TCFD.

Companies should clearly state the extent of compliance with TCFD, the reasons for any non-compliance and the steps and timeframe for remedying that non-compliance. Where a company is also applying the Companies Act 2006 Climate-related Financial Disclosures, these are mandatory and cannot be 'explained', further the required location in the annual report differs.

Companies are reminded of the importance of focusing only on material climate-related information. Disclosures should be concise and company specific and provide sufficient detail without obscuring material information.

It is also important that there is consistency within the annual report, and that material climate related matters are addressed within the financial statements.

Financial instruments

The number of queries on this topic remains high, with Expected Credit Loss (ECL) provisions being a common topic outside of the FTSE 350 and for non-financial and parent companies.

Disclosures on ECL provisions should explain the significant assumptions applied, including concentrations of risk where material. These disclosures should be consistent with circumstances described elsewhere in the annual report.

Companies should ensure sufficient explanation is provided of material financial instruments, including company-specific accounting policies.

Lastly, the FRC reminds companies that cash and overdraft balances should be offset only when the qualifying criteria have been met.

Judgements and estimates

Disclosures over judgements and estimates are improving, however these remain vital to allow users to understand the position taken by the company. This is particularly important during periods of economic and geopolitical uncertainty.

These disclosures should describe the significant judgements and uncertainties with sufficient, appropriate detail and in simple language.

Estimation uncertainty with a significant risk of a material adjustment within one year should be distinguished from other estimates.

Further, sensitivities and the range of possible outcomes should be provided to allow users to understand the significant judgements and estimates.

FRC's areas of focus (cont.)

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Revenue

Disclosures should be specific and, for each material revenue stream, give details of the timing and basis of revenue recognition, and the methodology applied. Where this results in a significant judgement, this should be clear.

Presentation

Disclosures should be consistent with information elsewhere in the annual report and cover company-specific material accounting policy information.

A thorough review should be performed for common non-compliance areas of IAS 1.

Income taxes

Evidence supporting the recognition of deferred tax assets should be disclosed in sufficient detail and be consistent with information reported elsewhere in the annual report.

The effect of Pillar Two income taxes should be disclosed where applicable.

Strategic report and Companies Act

The strategic report must be 'fair, balanced and comprehensive'. Including covering all aspects of performance, economic uncertainty and significant movements in the primary statements.

Companies should ensure they comply with all the statutory requirements for making distributions and repurchasing shares.

Fair value measurement

Explanations of the valuation techniques and assumptions used should be clear and specific to the company.

Significant unobservable inputs should be quantified and the sensitivity of the fair value to reasonably possible changes in these inputs should provide meaningful information to readers.

Thematic reviews

The FRC has issued three thematic reviews this year: 'Reporting by the UK's largest private companies' (see below), 'Offsetting in the financial statements', and 'IFRS 17 Insurance contracts –Disclosures in the first year of application'. The FRC have also performed Retail sector research (see below).

UK's largest private companies

The quality of reporting by these entities was found to be mixed, particularly in explaining complex or judgemental matters. The FRC would expect a critical review of the draft annual report to consider:

- internal consistency
- whether the report as a whole is clear, concise, and understandable; notably with respect to the strategic report
- whether it omits immaterial information, or
- whether additional information is necessary for the users understanding particularly with respect to revenue, judgments and estimates and provisions

Retail sector focus

Retail is a priority sector for the FRC and the research considered issues of particular relevance to the sector including:

- Impairment testing and the impact of online sales and related infrastructure
- Alternative performance measures including like for like (LFL) and adjusted e.g. pre-IFRS 16 measures
- Leased property and the disclosure of lease term judgements, particularly for expired leases.
- Supplier income arrangements and the clarity of accounting policies and significant judgements around measurement and presentation of these.

2024/25 review priorities

The FRC has indicated that its 2024/25 reviews will focus on the following sectors which are considered by the FRC to be higher risk by virtue of economic or other pressures:

 Industrial metals and mining
 Retail

 Construction and materials
 Gas, water and multi-utilities

 Food producers
 Financial Services



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.

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Agenda Item 6b



Governance and Audit

10th June 2025

Subject: Internal Audit Annual Progress Report and Audit follow up report Visit 2

Report by:

Assistant Director People and Democratic Services

Aaron McDonald: RSM Client Manager

Contact Officer:

Aaron McDonald
Aaron.Macdonald@rsmuk.com

Lisa Langdon

Lisa.langdon@west-lindsey.gov.uk

Purpose / Summary:

To consider the Audit follow up report Visit 2 and the Annual progress report

RECOMMENDATION(S):

1. To consider and endorse the Audit Follow up report Visit 2 and the Annual progress report

IMPLICATIONS

Legal:

No legal implications

Financial:

The internal Audit Service has been contracted to RSM LLP and is within the budget for 25/26.

Staffing: None directly arising from this report

Equality and Diversity including Human Rights:

None directly arising from this report

Data Protection Implications:

None directly arising from this report

Climate Related Risks and Opportunities:

None from this report

Section 17 Crime and Disorder Considerations:

None directly arising from this report

Health Implications:

None from this report

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

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 RSM LLP provide the Internal Audit Service for the Council and this is their second year providing this service to the organisation.
- 1.2 This report details their findings from the second follow up visit and their Annual progress report. The report considers the staff appraisals audit, risk management, and the Complaints handling process for elected members.
- 1.3 Appendix 1 also contains the Internal Audit Charter adopted by RSM LLP

2. Recommendation

- 2.1 Governance and Audit Committee are asked to consider the contents of the Audit reports and endorse their content.



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WEST LINDSEY DISTRICT COUNCIL

Internal Audit Progress Report

10 June 2025

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.

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Appendices

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Appendix B: Progress against the internal audit plan 2025/26..... 6
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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 final as part of the internal audit plan since the Governance and Audit Committee meeting in April 2025. These are Combined Assurance (10.24/25) and Follow Up Visit 2 (11.24/25).

- 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 2025/26 (excluding ICT Audit which needs to be agreed with our Technology Risk Assurance colleagues) 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 2026/27 financial year. Details are included in Appendix B. [\[To note\]](#)
- All internal audits for 2024/25 have now been completed and as such, the annual report is being presented to this committee as a separate agenda item. [\[To note\]](#)

Appendices

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02



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

Assignment	Status / Opinion issued	Actions agreed				Target Governance and Audit Committee meeting	Actual Governance and Audit Committee meeting
		Advisory	Low	Medium	High		
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
Staff Appraisal Process	Final Report Issued / Reasonable Assurance	0	3	2	0	November 2024	November 2024
Risk Management	Final Report Issued / Reasonable Assurance	2	6	3	0	November 2024	November 2024
Purchasing and Creditors	Final Report Issued / Substantial Assurance	0	4	0	0	November 2024	January 2025
Complaints Handling	Final Report Issued / Reasonable Assurance	0	4	2	0	January 2025	January 2025
Project and Programme Management	Final Report Issued / Substantial Assurance	0	2	1	0	January 2025	April 2025
Procurement	Final Report Issued / Reasonable Assurance	0	1	2	0	January 2025	April 2025
Combined Assurance	Final Report Issued / No Opinion	-	-	-	-	January 2025 ¹	June 2025
Customer Experience Strategy	Final Report Issued / Substantial Assurance	1	0	0	0	March 2025	April 2025
Emergency Planning / BCP	Audit moved to 2025/26 internal audit plan	-	-	-	-	April 2025	N/A
Follow Up 2	Final Report Issued / Reasonable Progress	0	6	5	0	April 2025	June 2025

¹ This audit was delayed from November 2024 to January 2025 to allow for an approach to be agreed between RSM and the Management Team.

APPENDIX B: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2025/26

Assignment	Status / Opinion issued	Actions agreed				Target Governance and Audit Committee meeting	Actual Governance and Audit Committee meeting
		Advisory	Low	Medium	High		
Fraud Risk Assessment - Follow Up	Fieldwork underway					July 2025	
ICT Audit	Fieldwork date to be agreed					September 2025	
Follow Up 1	Fieldwork commencing 1 July 2025					September 2025	
Members Onboarding and Training	Fieldwork commencing 15 September 2025					November 2025	
Grant Funding and Grant Management	Fieldwork commencing 15 September 2025					November 2025	
Financial Resilience and Scrutiny	Fieldwork commencing 3 November 2025					January 2026	
Procurement	Fieldwork commencing 1 December 2025					January 2026	
HR System Readiness	Fieldwork commencing 1 December 2025					January 2026	
Combined Assurance	Fieldwork commencing 1 December 2025					January 2026	
Planning Enforcement	Fieldwork commencing 5 January 2026					March 2026	
Emergency Planning / BCP	Fieldwork commencing 26 January 2026					May 2026	
Climate Change Strategy	Fieldwork commencing February 2026					May 2026	
Follow Up 2	Fieldwork commencing 9 March 2026					May 2026	

APPENDIX B: OTHER MATTERS

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.

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	5 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	15 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	2 working days (average)	Response for emergencies and potential fraud	1 working day	N/A	

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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.

FOR FURTHER INFORMATION CONTACT

Rob Barnett, Head of Internal Audit

Aaron Macdonald, Managing Consultant

Email: Robert.Barnett@rsmuk.com

Email: Aaron.Macdonald@rsmuk.com

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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.

OUTCOME OVERVIEW – COMBINED ASSURANCE

Background:

Combined assurance is a structured means of identifying and mapping the main sources and types of assurance in the Council and coordinating them to best effect. This is done using the 3 lines model. Internal Audit have co-ordinated the process and compiled the information and provided constructive challenge over the process, however, it is important to note that the assurances are managements opinion.

It enhances risk management by providing an effective and efficient framework of sufficient, regular and reliable evidence of assurance on organisational stewardship and management of major risks to the Council’s success.

The overall assurance of activities has been compiled and the direction of travel from 2023/24 to 2024/25 is shown in the graphic below. The following sections detail those which are amber or red and provide a narrative on the reasons and action being taken. It is important to note that the number of elements in each assurance map has changed with some being added or removed, and as such this does have an impact on overall percentages in these areas.

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	Overall Assurance – Direction of travel from 2023/24 to 2024/25
<p>Red</p> <p>High impact on resources, significant costs high impact on service delivery.</p>	Down from 1% to 0%
<p>Amber</p> <p>Medium- or short-term impact on resources, costs covered within existing financial plans, low impact on service delivery.</p>	Down from 34% to 29%
<p>Green</p> <p>Monitor and be aware, activity to mitigate risk within existing service delivery plans.</p>	Up from 65% to 71%

OUTCOME OVERVIEW – FOLLOW UP VISIT 2

Background:

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

- IT Operations (1.24/25);
- Follow Up (2.24/25);
- Staff Appraisal Process (3.24/25);
- Risk Management (4.24/25);
- Purchasing and Creditors (5.24/25); and
- Complaints Handling (6.24/25).

The focus of this review was to provide assurance over the progress made against previously agreed management actions. We have considered a total of 27 actions, consisting of 19 low priority actions and eight medium priority actions. These actions were all originally due for implementation at the time of the audit.

Headline 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. Of the actions considered, testing found that 16 actions had been implemented or superseded, two actions had been partly implemented and the remaining nine actions were not implemented.

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



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WEST LINDSEY DISTRICT COUNCIL

Follow Up 2

Revised Final Internal Audit Report: 11.24/25

20 May 2025

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.

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:

- IT Operations (1.24/25);
- Follow Up (2.24/25);
- Staff Appraisal Process (3.24/25);
- Risk Management (4.24/25);
- Purchasing and Creditors (5.24/25); and
- Complaints Handling (Standards Regime) (6.24/25).

The focus of this review was to provide assurance over the progress made against previously agreed management actions. We have considered a total of 27 actions, consisting of 19 low priority actions and eight medium priority actions. These actions were all originally due for implementation at the time of the audit.

Headline findings:

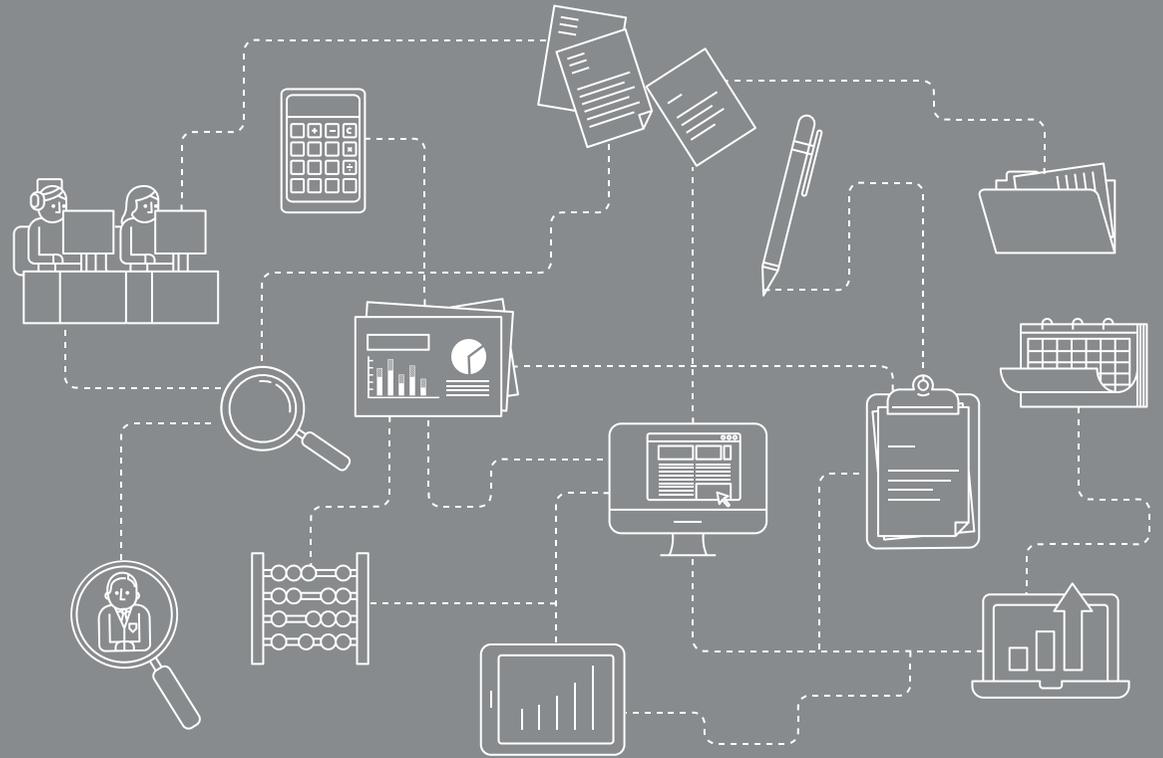
Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion The Council has demonstrated **reasonable progress** in implementing agreed management actions. Of the actions considered, testing found that 16 actions had been implemented or superseded, two actions had been partly implemented and the remaining nine actions were not implemented.

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

Progress on Actions

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01



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 (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Confirmation as completed or no longer necessary (1)+(4)
IT Operations (1.24/25)	1	1	0	0	0	1
Follow Up (2.24/25)	7	5	0	1	1	6
Staff Appraisal Process (3.24/25)	3	1	0	2	0	1
Risk Management (4.24/25)	9	4	2	3	0	4
Purchasing and Creditors (5.24/25)	1	1	0	0	0	1
Complaints Handling (Standards Regime) (6.24/25)	6	3	0	3	0	3
Total	27	15 (56%)	2 (7%)	9 (33%)	1 (4%)	16 (59%)

Findings and Actions

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02



FINDINGS AND ACTIONS

Status	Detail
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.
5	The action is no longer applicable.

Assignment: Follow Up (2.24/25)

Original management action / priority	To ensure that risk management training is rolled out following the review of the Risk Management Strategy. Priority: Medium			
Findings Summary	Through discussion with the Assistant Director People and Democratic Services, it was identified that training is due to be scheduled once the Risk Management Strategy has been approved. We noted that the strategy is being presented at the Governance and Audit Committee for approval on 22 April 2025. 3: The action has not been implemented			
Management Action 1	Management will ensure that risk management training is rolled out following the review of the Risk Management Strategy.	Responsible Owner: Assistant Director of People and Democratic Services	Date: 30 June 2025	Priority: Medium

Assignment: Staff Appraisal Process (3.24/25)

Original management action / priority	Management will review and update the Performance and Development Appraisal Policy where necessary, to ensure it reflects the current practices. The policy will be reviewed and approved by the Management Team. Priority: Low			
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Assignment: Staff Appraisal Process (3.24/25)

Findings Summary Through discussion with the People Services Manager, we identified that the Performance and Development Appraisal Policy has not yet been updated. We noted that the Council aim to have an updated policy in place by September 2025.

3: The action has not been implemented

Management Action 2	Management will review and update the Performance and Development Appraisal Policy where necessary, to ensure it reflects the current practices. The policy will be reviewed and approved by the Management Team.	Responsible Owner: People Services Manager	Date: 30 September 2025	Priority: Low
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Assignment: Staff Appraisal Process (3.24/25)

Original management action / priority Management will review and ensure that the role descriptors reflect the most current job position and duties of the staff members.
Priority: **Low**

Findings Summary The People Services Manager confirmed that role descriptors have not yet been reviewed by management. We noted that the Council aim to have reviewed all role descriptors by September 2025.

3: The action has not been implemented

Management Action 3	Management will review and ensure that the role descriptors reflect the most current job position and duties of the staff members.	Responsible Owner: People Services Manager	Date: 30 September 2025	Priority: Low
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Assignment: Risk Management (4.24/25)

Original management action / priority In line with the development of the new Risk Management Strategy, the Council, Governance and Audit Committee, and Management Team will carry out an exercise to holistically review the Strategic Risk Register. Supporting material provided as part of this audit may be useful in considering the key risks facing the Council and its achievement of objectives within the Corporate Plan.

Priority: **Medium**

Findings Summary Through discussion with the Assistant Director People and Democratic Services, it was identified that a full review of the Strategic Risk Register is due to be undertaken once the Corporate Plan has been updated and agreed.

Assignment: Risk Management (4.24/25)

3: The action has not been implemented

Management Action 4	In line with the development of the new Risk Management Strategy, the Council, Governance and Audit Committee, and Management Team will carry out an exercise to holistically review the Strategic Risk Register. Supporting material provided as part of this audit may be useful in considering the key risks facing the Council and its achievement of objectives within the Corporate Plan.	Responsible Owner: Assistant Director People and Democratic Services	Date: 31 March 2026	Priority: Medium
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Assignment: Risk Management (4.24/25)

Original management action / priority	The Council will implement a risk reference for each strategic risk and operational risks within the same area to embed a systematic approach. Priority: Low
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Findings Summary	We obtained the updated Strategic Risk Register and confirmed that strategic risks now have a risk reference. We did note that adding a risk reference for operational risks is currently being implemented and has been delayed due to changes needed to the system used by the Council.
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2: The action has been partly though not yet fully implemented

Management Action 5	Management will implement a risk reference for each operational risk.	Responsible Owner: Assistant Director People and Democratic Services	Date: 31 March 2026	Priority: Low
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Assignment: Risk Management (4.24/25)

Original management action / priority	Following the completion of the consultation on the risk appetite statement, risk appetite will be considered for each risk in the Strategic Risk Register. The appetite of each risk will be detailed in the register, ensuring target scores assigned to each risk align to the risk appetite of the Council. Priority: Low
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Findings Summary	Through discussion with the Assistant Director People and Democratic Services, it was identified that the appetite of each risk will be detailed in the risk register once the Risk Management Strategy is reviewed in April and the Corporate Plan is agreed.
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3: The action has not been implemented

Assignment: Risk Management (4.24/25)

Management Action 6	Following the completion of the consultation on the risk appetite statement, risk appetite will be considered for each risk in the Strategic Risk Register. The appetite of each risk will be detailed in the register, ensuring target scores assigned to each risk align to the risk appetite of the Council.	Responsible Owner: Assistant Director People and Democratic Services	Date: 31 March 2026	Priority: Low
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Assignment: Risk Management (4.24/25)

Original management action / priority	In line with the development of the new Risk Management Strategy, the Council will implement an inherent, residual and target risk approach. The Council may opt to use different terminology for this approach, but this will be clearly defined within the Risk Management Strategy and consistently applied. Scores on the Strategic Risk Register will be reviewed following the implementation of the new Risk Management Strategy and risk review under Management Action 3, ensuring the scores are calculated using the defined approach.
--	---

Priority: **Medium**

Findings Summary	Through review of the Risk Management Strategy 2025-2029, we noted that the Council has a six step approach for managing risk, which includes assessing inherent risk levels and target risk levels. We obtained the Strategic Risk Register and confirmed that there was a clearly assigned inherent, residual and target risk score for each risk. We did note, of the 19 risks listed there were 13 instances where the inherent score was equal to the residual score, despite there being multiple controls in place.
-------------------------	--

Through discussion with the Assistant Director People and Democratic Services, we noted that the Strategic Risk Register will be reviewed following the approval of the Risk Management Strategy in April 2025.

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

Management Action 7	Scores on the Strategic Risk Register will be reviewed following the implementation of the new Risk Management Strategy and risk review, ensuring the scores are calculated using the defined approach.	Responsible Owner: Assistant Director People and Democratic Services	Date: 31 March 2026	Priority: Low
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Assignment: Risk Management (4.24/25)

Original management action / priority	The Management Team will review the key triggers assigned to each risk to ensure they fully cover the potential triggers. The Management Team will review all controls and ensure these are explicitly detailed so it is clear how these align to the risk and triggers. Actions will be identified where current controls are not in place or require further enhancement.
--	---

Assignment: Risk Management (4.24/25)Priority: **Medium**

Findings Summary The Assistant Director People and Democratic Services established that a review of the Strategic Risk Register will be undertaken by the Council once the Risk Management Strategy is reviewed in April 2025 and the Corporate Plan is agreed.**3: The action has not been implemented**

Management Action 8 The Management Team will review the key triggers assigned to each risk to ensure they fully cover the potential triggers. The Management Team will review all controls and ensure these are explicitly detailed so it is clear how these align to the risk and triggers. Actions will be identified where current controls are not in place or require further enhancement. **Responsible Owner:** Assistant Director People and Democratic Services **Date:** 31 March 2026 **Priority:** **Medium**

Assignment: Complaints Handling (Standards Regime) (6.24/25)**Original management action / priority** Management will investigate and identify whether timeframes in the complaints handling process(standards regime) or processes to complete responses need amending to ensure that complaints are being adhered to in a realistic timeframe. Priority: **Medium**

Findings Summary The Monitoring Officer noted that there is a meeting due to take place in the upcoming weeks to discuss whether timeframes in the complaints handling process (standards regime) need amending.**3: The action has not been implemented**

Management Action 9 Management will investigate and identify whether timeframes in the complaints handling process or processes to complete responses need amending to ensure that complaints are being adhered to in a realistic timeframe. **Responsible Owner:** Monitoring Officer **Date:** 30 June 2025 **Priority:** **Medium**

Assignment: Complaints Handling (Standards Regime) (6.24/25)

Original management action / priority Management will review the complaints handling process (standards regime) for District Councillors and Parish Councillors and consider implementing an expected time frame for sending an outcome letter to the subject matter and complainant. Priority: **Low**

Assignment: Complaints Handling (Standards Regime) (6.24/25)

Findings Summary The Monitoring Officer noted that there is a meeting due to take place in the upcoming weeks to discuss whether timeframes in the complaints handling process (standards regime) need amending.

3: The action has not been implemented

Management Action 10	Management will review the complaints handling process (standards regime) for District Councillors and Parish Councillors and consider implementing an expected time frame for sending an outcome letter to the subject matter and complainant.	Responsible Owner: Monitoring Officer	Date: 30 June 2025	Priority: Low
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Assignment: Complaints Handling (Standards Regime) (6.24/25)

Original management action / priority Management will investigate and if necessary, implement a formal timescale extension process where they are unable to meet the 20-day timescale for consultation. Where an extension is necessary, notification is made to the complainant.

Priority: **Medium**

Findings Summary Through discussion with the Monitoring Officer, we noted that there is a meeting due to take place in the upcoming weeks to discuss whether timeframes in the complaints handling process (standards regime) need amending.

3: The action has not been implemented

Management Action 11	Management will investigate and if necessary, implement a formal timescale extension process where they are unable to meet the 20-day timescale for consultation. Where an extension is necessary, notification is made to the complainant.	Responsible Owner: Monitoring Officer	Date: 30 June 2025	Priority: Medium
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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.
Page 84 Title	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
IT Operations (1.24/25)	<p>Implemented (Medium)</p> <p>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. 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.</p>
Follow Up (2.24/25)	<p>Implemented (Low)</p> <p>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.</p>
	<p>Implemented (Low)</p> <p>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.</p>
	<p>Implemented (Low)</p> <p>Meet with Canals and Rivers Trust to discuss the ownership and how the Saxilby Footbridge should be managed in the future.</p>
	<p>Implemented (Low)</p> <p>For future projects, management will update the risk register and include further information, i.e. raised/closure dates and rationale for closure.</p>
	<p>Superseded (Low)</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>
Staff Appraisal Process (3.24/25)	<p>Implemented (Low)</p> <p>Introduction of 'last reviewed date' within the Stakeholder register.</p>
	<p>Implemented (Medium)</p> <p>Management will remind Team Leaders, Line Managers and other staff members of:</p> <ul style="list-style-type: none"> • Returning the appraisal form to the HR Team once completed; • Signing the appraisal form once completed;

Assignment title	Management actions
	<ul style="list-style-type: none"> • Signing the individual development plan / training requests once approved; and • Completing the annual appraisals within the set timeline. <p>Where non-compliance is identified, this will be escalated through a reporting and monitoring mechanism.</p>
Risk Management (4.24/25)	<p>Implemented (Low)</p> <p>The Risk Management Strategy will be reviewed and presented for approval by the Governance and Audit Committee. The key findings of this review will be considered when developing the new strategy.</p> <p>Implemented (Low)</p> <p>The Strategic Risk Register will be updated to include job titles for risk owners.</p> <p>Implemented (Low)</p> <p>The reported version of the Strategic Risk Register will be updated to include direction of travel and action response. Risk scores will be reviewed in line with the direction of travel supporting a dynamic risk management approach.</p> <p>Implemented (Low)</p> <p>The Strategic Risk Register should be updated to include a clear status on the completion of actions.</p>
Purchasing and Creditors (5.24/25)	<p>Implemented (Low)</p> <p>Management will review all identified duplicate supplier profiles and remove all unnecessary and duplicated profiles. The suppliers who were setup but never paid will also be removed from the system.</p>
Complaints Handling (6.24/25)	<p>Implemented (Low)</p> <p>The Council will ensure that complaints handling training completed is monitored and a timescale for renewing training is agreed.</p> <p>Implemented (Low)</p> <p>The Council will combine the complaints handling spreadsheet and the fortnightly spreadsheet information to ensure both reflect the same information including the date of the case meeting and agreed actions for each case. The Council will consider implementing a frequent process for monitoring the complaints to ensure those that are outdated are closed.</p> <p>Implemented (Low)</p> <p>The Council will update the complaints tracking spreadsheet to be inclusive of any lessons learned that have been identified, alongside any actions raised being assigned an action owner and due date.</p> <p>Any actions identified will be monitored through an action tracker to ensure compliance and progression.</p> <p>Lessons learned will also be reported to the Governance and Audit Committee, and the Council, through the Monitoring Officer's Annual Report.</p>

APPENDIX C: SCOPE

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

Scope of the review

The internal audit assignment has been scoped to provide assurance on how West Lindsey District Council, manages the following area:

Objective of the area under review

To meet internal auditing standards and to provide management with on-going assurance regarding implementation of management actions / recommendations.

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

Areas for consideration:

- This review will examine the extent to which agreed management actions have been implemented in relation to the following assignment reports:
 - IT Operations (1.24/25);
 - Follow Up (2.24/25);
 - Staff Appraisal Process (3.24/25);
 - Risk Management (4.24/25);
 - Purchasing and Creditors (5.24/25); and
 - Complaints Handling (6.24/25).
- Testing will be performed as appropriate to confirm the implementation of agreed actions to manage risks identified as part of the initial fieldwork.
- Focus will be given to those management actions categorised as medium priority.
- Management assurances will be obtained for those management actions classified as low priority.

Limitations to the scope of the audit assignment:

- The review only covers the management actions stated and will not review the whole control framework. We are not providing assurance on the entire risk and control framework of the individual areas.
- We will provide assurance as to the implementation of recommendations arising from the assignments listed and any outstanding actions from prior years.
- Conclusions will be based on our assessments made through discussions with managers responsible for the implementation of management actions and where necessary evidence which demonstrates implementation.

- The level of implementation may be informed by sample testing.
- Further management actions may be raised based on sample testing. Where samples are required, records will be selected by the auditor from the time period.
- 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 4 April 2025
Draft report issued 8 April 2025
Final Report I issued 6 May 2025
Responses received 20 May 2025
Revised final report issued 20 May 2025

Internal audit Contacts Rob Barnett, Head of Internal Audit
 Aaron Macdonald, Managing Consultant
 Ella Robson, Consultant

Client sponsor Katy Allen, Corporate Governance Officer
 Lisa Langdon, Assistant Director People and Democratic Services

Distribution Katy Allen, Corporate Governance Officer
 Lisa Langdon, Assistant Director People and Democratic Services

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

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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 6c



**Governance and Audit
Committee**

10th June 2025

Subject: Combined Assurance Report 2024/25

Report by:

Assistant Director People and Democratic
Services

Aaron McDonald: RSM Client Manager

Contact Officer:

Aaron McDonald
Aaron.Macdonald@rsmuk.com

Lisa Langdon

Lisa.langdon@west-lindsey.gov.uk

Purpose / Summary:

To present to the Governance and Audit
Committee a copy of the Council's Combined
Assurance report for 24/25

RECOMMENDATION(S):

1. That members approve the contents of the report
2. That members are assured that the findings illustrate that the Council's governance framework is operating effectively.

IMPLICATIONS

Legal:

No legal implications

Financial:

There are no financial implications arising directly from this report

Staffing: None directly arising from this report

Equality and Diversity including Human Rights:

None directly arising from this report

Data Protection Implications:

None directly arising from this report

Climate Related Risks and Opportunities:

None from this report

Section 17 Crime and Disorder Considerations:

None directly arising from this report

Health Implications:

None from this report

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

N/A

Risk Assessment:

N/A

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

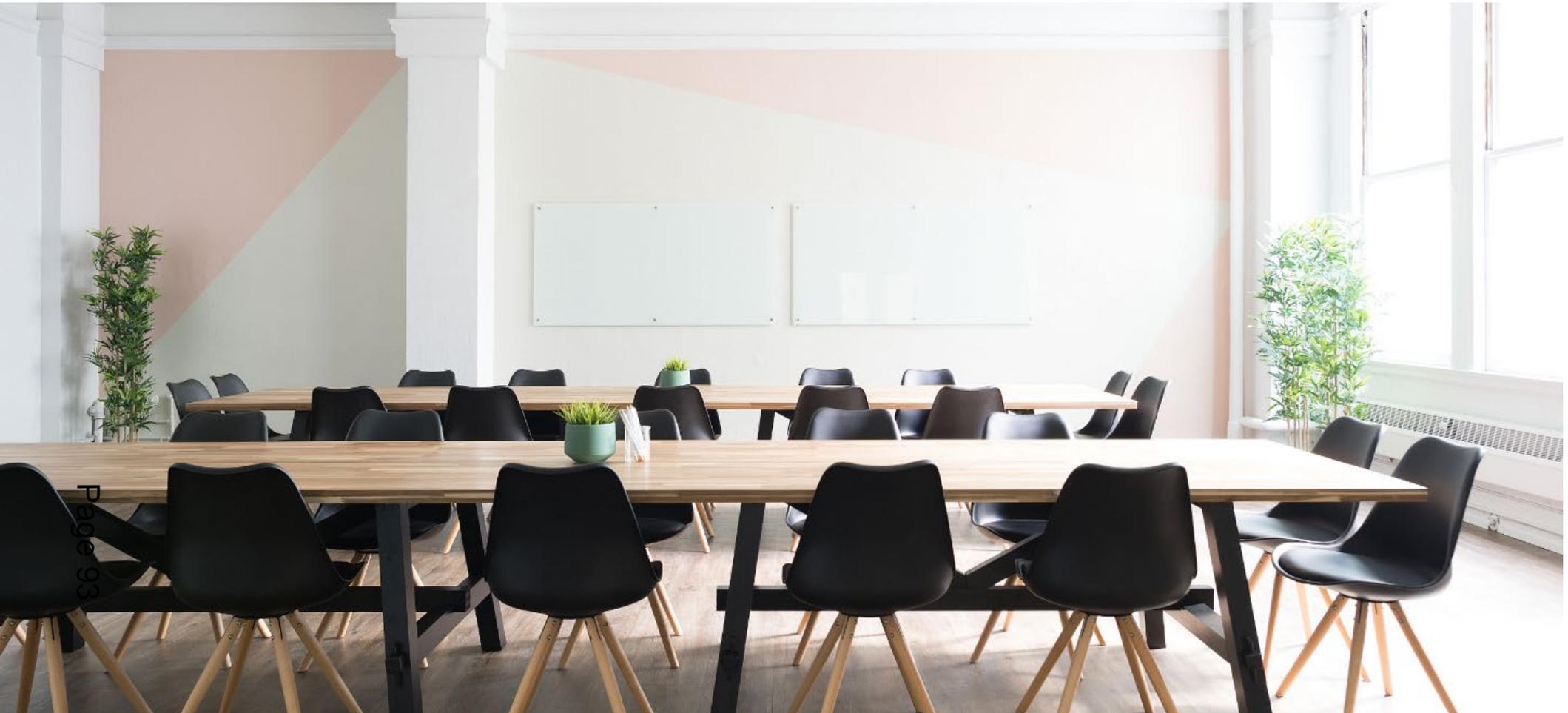
- 1.1 RSM LLP provide the Internal Audit Service for the Council and this is their second year providing this service to the organisation.
- 1.2 The purpose of the Combined Assurance Report is to produce a record of assurance against our critical activities and risks. It provides an overview of assurance across the organisation making it possible to identify where assurances are present, their source, and where there are any unknowns.
- 1.3 This report is produced annually, and this report covers the year ending 31st March 2025
- 1.4 The Combined Assurance Report is at Appendix 1 and the Report details the methodology that was used and the levels of assurance we currently have

2. Next Steps

- 2.1 By conducting this work, we are in a position to be able to identify where we need to obtain further assurance and at what levels.
- 2.2 The findings can be used to focus upon areas of improvement

3. Recommendations

- 3.1 That members approve the contents of this report
- 3.2 That members be assured the findings illustrate that the Council's governance framework is operating effectively.



WEST LINDSEY DISTRICT COUNCIL

Combined Assurance

Revised Final Internal Audit Report: 10.24/25

21 May 2025

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.

OUTCOME OVERVIEW

Background:

Combined assurance is a structured means of identifying and mapping the main sources and types of assurance in the Council and coordinating them to best effect. This is done using the 3 lines model. Internal Audit have co-ordinated the process and compiled the information and provided constructive challenge over the process, however, it is important to note that the assurances are managements opinion.

It enhances risk management by providing an effective and efficient framework of sufficient, regular and reliable evidence of assurance on organisational stewardship and management of major risks to the Council’s success.

The overall assurance of activities has been compiled and the direction of travel from 2023/24 to 2024/25 is shown in the graphic below. The following sections detail those which are amber or red and provide a narrative on the reasons and action being taken. It is important to note that the number of elements in each assurance map has changed with some being added or removed, and as such this does have an impact on overall percentages in these areas.

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	Overall Assurance – Direction of travel from 2023/24 to 2024/25
<p>Red</p> <p>High impact on resources, significant costs high impact on service delivery.</p>	Down from 1% to 0%
<p>Amber</p> <p>Medium- or short-term impact on resources, costs covered within existing financial plans, low impact on service delivery.</p>	Down from 34% to 29%
<p>Green</p> <p>Monitor and be aware, activity to mitigate risk within existing service delivery plans.</p>	Up from 65% to 71%

Detailed Findings

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STRATEGIC RISKS

Risk	Current Controls	Current risk rating	Target risk rating
Inability to set a sustainable balanced budget for 2025/26	<ol style="list-style-type: none"> 1. MTFP in place. 2. Commercial trading and investment programme in place 3. Annual business planning. 4. Regular budget monitoring. 5. Identification and use of grant-funding opportunities. 6. Value for Money approach adopted. 7. Lobbying in place 8. Regular review of the commercial property portfolio. 9. Volatility and risk reserves maintained. 10. Resilience indicators developed and monitored. 11. Working Balance minimum set at £2.5m. 12. Commercial risk indicators set. 13. Working jointly across Lincolnshire to mitigate inflationary pressures. 14. Regular deputy s.151 monitoring of achievement of business plans 15. Council Tax collection recovery plan to be in place. 16. Adopted Local Plan 	8	4
The quality of services do not meet customer expectations	<ol style="list-style-type: none"> 1. Procedure in place to receive customer feedback, including complaints. 2. Customer Experience Officer in post. 3. Training and development plans for officers. 4. Performance measures in place/monitored and reported. 5. T24 service reviews underway and continuous improvement identified 6. Continual development of Customer Relationship Management (CRM) technology. 7. Robust performance management and performance improvement plans in place. 8. Benchmarking processes in place. 9. Dedicated corporate training budget. 10. Customer Experience Strategy adopted and being actioned. 11. Quality Management Board in place. 12. New structure rolled out in Customer Services including strengthening links with service areas. 13. New contact centre technology procured and went live November 2024. 	6	4

Risk	Current Controls	Current risk rating	Target risk rating
	14. Compliance with new national complaints handling guidance and monitoring by government to start in 2026.		
<p>The Council is underprepared for the impact of extreme weather due to the change in environmental conditions</p> <p>Page 97</p>	<ol style="list-style-type: none"> 1. Emergency Plan 2. Business Continuity Plans 3. Service level extreme weather plans 4. Out of hours strategic and operational call out service 5. Staff Facebook group to ask for additional support 6. Members of Lincolnshire Resilience Forum. 7. Member Environment Working Group 8. Member and officer flood and drainage working groups 9. Member emergency planning training 10. Ongoing Officer training at strategic and tactical level 11. Member of LRF Warn and Inform group 12. Potential to identify reserve budget for impact of severe weather 13. Relationship building and engagement with partners such as IDB / EA to problem solve, understand issues and support communications in times of need 14. Team of experienced officers and systems in place (process/comms etc.) to deliver government support grants. 15. Work to further clarify roles and responsibilities underway 	6	4
<p>Inability for the Council's governance to support quality decision making</p>	<ol style="list-style-type: none"> 1. Member and Staff training and development programmes in place. 2. Member/Officer protocols established. 3. Annual review of the Council's Constitution. 4. Member's Code of Conduct and Officer Code of Conduct in place. 5. Robust corporate governance framework. 6. Annual schedule of audits and internal/external audit oversight. 7. Corporate Plan 2023-27 approved. 8. Programme Boards operating to oversee project development 9. Regular Chief Executive/Leader discussions. 10. Core Governance Skills Programme completed. 	6	3

Risk	Current Controls	Current risk rating	Target risk rating
Inability to raise local educational attainment and skills levels	<ol style="list-style-type: none"> 1. West Lindsey Employment & Skills Partnership operating in line with approved strategy and delivery plan. 2. Supporting work experience for young people. 3. Continue to be part of the Enterprise Adviser network, supporting careers advice and provision amongst all secondary and special schools. 4. UKSPF investment plan and Multiply delivery. 5. Engage with UKAEA and skills providers across Lincolnshire and Nottinghamshire to develop skills provision for STEP Fusion plant. 6. Work with Lincolnshire County Council on aspiration raising programme in primary schools. 	9	9
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 98</p> Inadequate support is provided for vulnerable groups and communities	<ol style="list-style-type: none"> 1. Innovation re service provision. 2. Targeted enforcement project in private rented sector currently being developed. 3. Focused support for residents of Hemswell Cliff. 4. Development of normalisation strategy for Scampton. 5. Safeguarding policies and procedures operating. 6. Wide-range of enforcement tools. 7. Effective multi-agency partnership working. 8. Communities at Risk Strategy in place. 9. Audit recommendations adhered to. 10. Housing, Wellbeing and Communities Board have oversight. 11. UKSPF Investment Plan with focus on communities. 12. Working through Multi Agency Forum to minimise impact of Home Office Asylum proposals. 13. Shared use proposal development with Home Office to support in unlocking regeneration and managing impact of asylum accommodation proposals. 	9	6
Health and wellbeing of the District's residents does not improve	<ol style="list-style-type: none"> 1. Leisure Contract monitoring. 2. Everyone Active Community Wellbeing Plan developed. 3. Wellbeing service in place and promoted with clear objectives. 4. WLDC Wellbeing Lincs Management Board representation. 5. West Lindsey representation on Housing, Health and Care delivery group and progress against Homes for Independence Blueprint delivery plan monitored. 6. Representation on Health Inequalities Programme Board. 7. Development and delivery of District Health and Wellbeing Strategy. 	9	6

Risk	Current Controls	Current risk rating	Target risk rating
The local housing market and the Council's housing related services do not meet demand	<ol style="list-style-type: none"> 1. Ongoing monitoring of Central Lincolnshire Local Plan. 2. Housing Strategy adopted. 3. Targeted enforcement project is being delivered and will be reviewed. 4. Housing & environmental health enforcement action taken. 5. Viable housing solution, RSAP and NSAP properties acquired. 6. Delivery of homelessness strategy. 7. Temporary accommodation review undertaken. Project underway to deliver additional temporary accommodation. 	9	6
The local economy does not grow sufficiently	<ol style="list-style-type: none"> 1. NNDR Policy established. 2. Maintain sustainable Local Plan for Central Lincolnshire. 3. Maintain close working relationship with Business Lincolnshire and LCC Inward Investment to ensure investment and growth queries are well supported. 4. Develop West Lindsey's input into Strategic Infrastructure Delivery Plan and emerging infrastructure strategy. 5. Ongoing marketing and promotion of district wide success across growth and development. 6. Maintain effective working relationships with key funders to keep cost increases under review. 7. Implement Levelling Up programme. 8. Development and delivery of Economic Recovery Strategy leading to new Economic Development Strategy 9. Implementation of UKSPF Investment Plan. 	9	6
Insufficient action taken to create a cleaner and safer district	<ol style="list-style-type: none"> 1. Award winning Waste Collection and Street Cleaning Service. 2. Trade Waste service provided. 3. Domestic Big Bin Hire introduced in 2024 3. Refreshed (Mar 2023) Enforcement policies operating to oversee all relevant areas. 4. CCTV operations in place 24/7. 5. Press/media coverage of successful prosecutions and enforcement cases. 6. Adequate officer capacity deployed to cover enforcement matters with 2 additional fixed term officers approved for additional coverage. 7. Educating school children in recycling and sustainability. 8. Monthly tactical meetings with the Police and Environment Agency 	8	4

Risk	Current Controls	Current risk rating	Target risk rating
	9. Any resource pressures are identified in advance and discussed at MT or relevant Committee. 10. LRF Sat phone and fax machine tested quarterly.		
Inability to deliver our Climate Change ambitions and not deliver net zero carbon emissions by 2050	1. Climate Strategy and Action Plan 2. Earmarked reserves Climate initiatives 3. Member and Officer working groups 4. County wide Partnership working 5. Central Lincolnshire Local Plan	4	4
Inability to maintain critical services and deal with emergency events	1. Robust infrastructure and back-up arrangements. 2. Package of information security incident policies and procedures. 3. IT Disaster Recovery Plan. 4. Robust emergency planning in place. 5. Regular review of business continuity arrangements. 6. Membership of LRF Partnership. 7. Regular training for Strategic and Tactical Commanders + Members. 8. Plans in place and tested regularly. 9. Training for out of hours officers and those attending SCG and TCG. 10. Member training around their role in emergencies. 11. Effective internal EP Group. 12. EP area at Caenby Corner depot. 13. Scheduled audits of emergency planning take place. 14. SLA in place for support from LCC EP Officer. 15. Continued work with partners on Humber 2100 Strategy. 16. Approval of new, countrywide low-level emergency response procedure.	6	6
ICT Security and Information Governance arrangements are ineffective – Part A: Data Extortion Attack, State-aligned actors (those working for a government to disrupt or compromise organisations or individuals)	1. Robust ICT security systems in place. 2. Cyber Assessment Framework assurance. 3. Up to date infrastructure and back-up arrangements (using the national 321 model). 4. Business continuity arrangements established and updated. 5. All ICT Policies reviewed, updated and approved March 2023 including those covering ICT usage and information security.	4	4

Risk	Current Controls	Current risk rating	Target risk rating
	<p>6. Data Protection Officer, Certified Information Systems Security Professional, Certified Information Security Manager Certified Ethical Hacker and Senior Information Risk Owner roles in place.</p> <p>7. On-going training and awareness for staff; reinforced due to agile working arrangements.</p> <p>8. Process in place for the reporting and investigation of data breaches and learning loop applied.</p> <p>9. PCI-DSS compliance.</p> <p>10. Rolling programme of audits completed in 24/25 High Assurance rating for ICT Patch Management, Substantial Assurance for Cloud Hosted Services, ICT Helpdesk, ICT Disaster Recovery, Adequate Assurance for Cyber Security Audit and Substantial Assurance for Antivirus and controls.</p> <p>11. Ensuring standard contractual clauses are in place with data processors/controllers who hold data outside of UK.</p> <p>12. Insurance in place to cover costs of recovery from ICT failure/cyber attack.</p> <p>13. The ICT Team have the capability and certification to undertake organisational cyber assessments (Cyber Essentials +) and hold the following cyber accreditation's:</p> <ul style="list-style-type: none"> - Certified Information Systems Security Professional (CISSP) - Certified Cloud Security Professional (CCSP) - Certified Information Security Manager (CISM) - Cisco Certified Network Engineer (CCNE) - Microsoft Certified: Azure AI Fundamentals - Certified Ethical Hacker (CEH) - Microsoft Cloud Security <p>14. Weekly staff message and monthly member message - provides cyber updates, actions, advice and alerts.</p> <p>15. Fast time communication is used to mitigate threats.</p> <p>16. Annual ICT Combined Assurance Map review completion.</p> <p>17. PSN compliance.</p> <p>18. Get Cyber Assessment Framework Ready completed.</p> <p>19. Security Operations Centre working 24/7/365.</p>		
ICT Security and Information Governance arrangements are	<p>1. Robust ICT security systems in place.</p> <p>2. Cyber Assessment Framework assurance.</p>	8	8

Risk	Current Controls	Current risk rating	Target risk rating
ineffective – Part B: Significant data breach or cyber loss of data	<p>3. Up to date infrastructure and back-up arrangements (using the national 321 model).</p> <p>4. Business continuity arrangements established and updated.</p> <p>5. All ICT Policies reviewed, updated and approved March 23 including those covering ICT usage and information security.</p> <p>6. Data Protection Officer, Certified Information Systems Security Professional, Certified Information Security Manager and Senior Information Risk Owner roles in place.</p> <p>7. On-going training and awareness for staff; reinforced due to ongoing hybrid agile working arrangements.</p> <p>8. Process in place for the reporting and investigation of data breaches and learning loop applied.</p> <p>9. PCIDSS compliance.</p> <p>10. Rolling programme of audits completed in 24/25 High Assurance rating for ICT Patch Management, Substantial Assurance for Cloud Hosted Services, ICT Helpdesk, ICT Disaster Recovery, Adequate Assurance for Cyber Security Audit and Substantial Assurance for Antivirus and controls.</p> <p>11. Ensuring standard contractual clauses are in place with data processors/controllers who hold data outside of UK.</p> <p>12. Insurance in place to cover costs of recovery from ICT failure/cyber-attack.</p> <p>13. The ICT Team have the capability and certification to undertake organisational cyber assessments (Cyber Essentials +) and hold the following cyber accreditation's:</p> <ul style="list-style-type: none"> - Certified Information Systems Security Professional (CISSP) - Certified Cloud Security Professional (CCSP) - Certified Information Security Manager (CISM) - Cisco Certified Network Engineer (CCNE) - Microsoft Certified: Azure AI Fundamentals - Certified Ethical Hacker (CEH) - Microsoft Cloud Security <p>14. Weekly staff message and monthly member message - provides cyber updates, advice and alerts.</p> <p>15. Fast time communication is used to mitigate threats.</p> <p>16. ICT Assurance Map review completed for 2024.</p> <p>17. PSN compliance.</p> <p>18. Get Cyber Assessment Framework Ready completed.</p>		

ICT Security and Information Governance arrangements are effective – Part C: Targeted malicious attack to gain access to devices and data

Risk	Current Controls	Current risk rating	Target risk rating
	19. Security Operations Centre working 24/7/365.		
	1. Robust ICT security systems in place. 2. Cyber Assessment Framework assurance. 3. Up to date infrastructure and back-up arrangements (using the national 321 model). 4. Business continuity arrangements established and updated. 5. All ICT Policies reviewed, updated and approved March 23 including those covering ICT usage and information security. 6. Data Protection Officer, Certified Information Systems Security Professional, Certified Information Security Manager and Senior Information Risk Owner roles in place. 7. On-going training and awareness for staff; reinforced due to ongoing hybrid agile working arrangements. 8. Process in place for the reporting and investigation of data breaches and learning loop applied. 9. PCIDSS compliance. 10. Rolling programme of audits completed in 24/25 High Assurance rating for ICT Patch Management, Substantial Assurance for Cloud Hosted Services, ICT Helpdesk, ICT Disaster Recovery, Adequate Assurance for Cyber Security Audit and Substantial Assurance for Antivirus and controls. 11. Ensuring standard contractual clauses are in place with data processors/controllers who hold data outside of UK. 12. Insurance in place to cover costs of recovery from ICT failure/cyber-attack. 13. The ICT Team have the capability and certification to undertake organisational cyber assessments (Cyber Essentials +) and hold the following cyber accreditation's: - Certified Information Systems Security Professional (CISSP) - Certified Cloud Security Professional (CCSP) - Certified Information Security Manager (CISM) - Cisco Certified Network Engineer (CCNE) - Microsoft Certified: Azure AI Fundamentals - Certified Ethical Hacker (CEH) - Microsoft Cloud Security 14. Weekly staff message and monthly member message - provides cyber updates, advice and alerts.	8	8

Risk	Current Controls	Current risk rating	Target risk rating
	15. Fast time communication is used to mitigate threats. 16. ICT Assurance Map review completed for 2024. 17. PSN compliance. 18. Get Cyber Assessment Framework Ready completed. 19. Security Operations Centre working 24/7/365.		
Page 104 ICT Security and Information Governance arrangements are ineffective – Part D: Cyber enabled fraud	1. Robust ICT security systems in place. 2. Cyber Assessment Framework assurance. 3. Up to date infrastructure and back-up arrangements (using the national 321 model). 4. Business continuity arrangements established and updated. 5. All ICT Policies reviewed, updated and approved March 23 including those covering ICT usage and information security. 6. Data Protection Officer, Certified Information Systems Security Professional, Certified Information Security Manager and Senior Information Risk Owner roles in place. 7. On-going training and awareness for staff; reinforced due to ongoing hybrid agile working arrangements. 8. Process in place for the reporting and investigation of data breaches and learning loop applied. 9. PCIDSS compliance. 10. Rolling programme of audits completed in 24/25 High Assurance rating for ICT Patch Management, Substantial Assurance for Cloud Hosted Services, ICT Helpdesk, ICT Disaster Recovery, Adequate Assurance for Cyber Security Audit and Substantial Assurance for Antivirus and controls. 11. Ensuring standard contractual clauses are in place with data processors/controllers who hold data outside of UK. 12. Insurance in place to cover costs of recovery from ICT failure/cyber attack. 13. The ICT Team have the capability and certification to undertake organisational cyber assessments (Cyber Essentials +) and hold the following cyber accreditation's: - Certified Information Systems Security Professional (CISSP) - Certified Cloud Security Professional (CCSP) - Certified Information Security Manager (CISM) - Cisco Certified Network Engineer (CCNE) - Microsoft Certified: Azure AI Fundamentals	8	8

Risk	Current Controls	Current risk rating	Target risk rating
	<ul style="list-style-type: none"> - Certified Ethical Hacker (CEH) - Microsoft Cloud Security 14. PSN compliance. 15. Get Cyber Assessment Framework Ready completed. 16. Security Operations Centre working 24/7/365. 		
<p>Inability to maintain service delivery with the amount of change initiatives</p>	<ol style="list-style-type: none"> 1. Robust project management and engagement with service experts. 2. Continuous improvement workstream to check implementation and ongoing change. 3. Robust governance through Programme board and Portfolio Board. 4. Audits planned for the service areas testing process and policy delivery. 5. Performance and Delivery quarterly reports to track any negative service impact and performance improvement plans in place with full measure set review completed with members in Autumn 2024. 6. Full annual review and refresh of the Project Management documentation including; <ul style="list-style-type: none"> - Project management Framework - Risks and Issues Management - Stakeholder Management - Benefits Management - Quality Assurance 	8	6
<p>Failure to comply with legislation</p>	<ol style="list-style-type: none"> 1. Corporate H&S Officer in place. 2. H&S Champions across the Council. 3. General H&S training provided. Service specific H&S training and safe working procedures including lone working. 4. H&S incident reporting arrangements. 5. Service level H&S risk assessments undertaken and regular H&S walks undertaken to identify hazards. 6. Reporting to Management Team/JSCC on H&S incidents. 7. Regular H&S and stress management training for all staff. 8. Council subscription to Employee Assistance Programme for staff. 9. Regular inspections of property, including car parks. Pro-active maintenance programme. 10. Early resolution of reported defects. 11. Public Liability and Employers Liability insurance in place. 	8	8

Risk	Current Controls	Current risk rating	Target risk rating
	<ul style="list-style-type: none"> 12. Legislative implications included on all reports. 13. Membership and use of Legal Services Lincolnshire. 14. Subscription to Lawyers in Local Government Resource 15. Full implementation of responsible managers and persons across the estate in place. 		
<p>Central Lincolnshire Local Plan does not deliver land required for sustainable development to meet the needs of residents, businesses and communities</p>	<ul style="list-style-type: none"> 1. Joint CLLP Team 2. Good Governance & positive partnership working (CLSG/HoPs) 3. CLLP vision and objectives reflect the Corporate Plan, Objectives and Vision. 4. Corporate Policy & Strategy Team ensure corporate priorities are reflected in service policy & strategy 5. Five Year Land Supply report published Oct 23 - shows 7.9yr supply 	6	6

OPERATIONAL AND TRANSACTIONAL SERVICES

	Overall Assurance – Direction of Travel
Red	Remains same at 0%
Amber	Down from 30% to 21%
Green	Up from 70% to 79%

Objective: Operational and Transactional services refer to the agreed set of services and functions run by the Council. Each service area should have clarity of its purpose, an understanding of their stakeholders and clear processes for delivery and managing performance.

**Findings summary
(Amber Rated)**

Electoral Registration

Two elections took place in 2024, a General Election and a Police and Crime Commissioner Election. The team remain a small team and for the General Election the team manager was absent from work throughout this time, however the team still delivered a legal and efficient election. A successful recruitment process has been undertaken in relation to a Support Officer in the team and this person will start at the end of February 2025. Recruitment has been more challenging regarding the Election Team Manager role, and this has resulted in the post being changed to a career graded post. Interviews took place for this role in February 2025. Overall, once the Election Team are staffed at capacity, it is still appreciated that the team will have two new officers who will need guidance and training, therefore support will still be needed from the Change Team and managers will monitor if external support is required. Investment from the Corporate Training Budget will be required to enable the new staff to progress. 2025 sees combined polls being held which has not been delivered by this team before. The rating has therefore been adjusted from green to amber.

Car Parking

Currently, the Council has decided not to renew or retain the Car Parking Officer beyond the 31 March 2025 and the service is unsure how the enforcement contract and day-to-day management of the Council's car parks will be undertaken. Combining this with a potential increase in use following the opening of the Cinema and anticipated 100k+ visitors creates a potential risk. Since the completion of this audit, the Management Team has subsequently agreed a resource.

Disabled Facilities Grant (DFG)

Funding challenges mean that delivery of DFG's has had to be significantly affected. DFG's are still monitored and awareness has been made to Management Team and members about the funding challenges. Officers and members are working with LCC and other districts to try and improve the funding position alongside lobbying for change with MPs and working with Foundations which are the National Body for DFG's.

Commercial Waste

The Business Plan has now gone through approval and is being implemented.

The service is not achieving the level of income that the business plan sets out, this has been due to more challenging market conditions beyond the control of the Council as well as there being a very competitive market. There is also new food waste legislation set to come out in the near future which will impact the service. A solution for commercial waste will be agreed at committee in February 2025.

Income Management System

Income management system is outdated and may not be fit for purpose. This has implications in terms of cashflow and forecasts as there is a lot of monies that comes into the service through online payments.

Complaints

The two-stage complaints approach will be rolled out in 2025/26.

The service still works really well although there is new government guidance that will change the service. The new guidance will have a different process and may change and impact the service. The new process involves the team manager undertaking the initial investigation instead of approving the findings. As this change still embeds, this area has remained as amber. An audit of Complaints Handling was conducted by RSM during 2024/25 which resulted in reasonable assurance being provided.

GOVERNANCE

	Overall Assurance – Direction of Travel
Red	Remains same at 0%
Amber	Down from 15% to 12%
Green	Up from 85% to 88%

Objective: This section includes areas such as corporate governance, risk management, partnerships, information governance, procurement and contract management, Human Resources, project management and Member and Democratic Services.

Findings summary (Amber Rated)

HR Policy & Procedures
 HR have recognised that the policies and procedures in place need to be updated, but due to significant changes to employment legislation by the government over the last few months, it does not seem efficient to make changes at the moment. Thus, the Council decided to rank this area as amber, whilst noting it is not a major problem as of yet.
 An audit of the Staff Appraisal Process was conducted by RSM during 2024/25 which also provided reasonable assurance.

Procurement
 This area will remain as amber due to the new Procurement Act coming into force in February 2025 and the Council needing to demonstrate compliance with this.
 This area has improved from a partial assurance audit opinion in 2023/24 to a reasonable assurance opinion in 2024/25.
 Training on the new act is being rolled out and exceptions/waivers are now being reported to Governance and Audit Committee on a periodic basis.
 There has been some change in this area with the Director of Commercial & Operational Services no longer being with the Council and Procurement now coming under the Director of Finance and Assets (S151 Officer).
 A further audit of Procurement is planned as part of the 2025/26 internal audit plan.

RESOURCES

	Overall Assurance – Direction of Travel
Red	Remains same at 0%
Amber	Up from 11% to 22%
Green	Down from 89% to 78%

Objective: This aspect relates to the functions that support the running of the Council and ensure compliance with policies and set procedures.

Findings summary
(Amber Rated)

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Counter Fraud

Counter fraud services are no longer provided by LCC.

Fraud policies and procedures such as Whistleblowing and Conflicts of Interest are in place and have been reviewed but were found to be inadequate, thus work has been undertaken to bring the function in the right direction. The Whistleblowing Policy is due to be reviewed by the Governance and Audit Committee.

In 2024/25, RSM undertook a fraud risk assessment, with the view to producing a robust and forward-thinking Fraud Risk Register and action plan. 29 of the 38 actions have now been implemented. An audit is further planned to be conducted during 2025/26 to follow up these actions. An annual fraud report is issued to Members which contains fraud work undertaken, including Cyber work.

Qualified fraud investigators are on hand to conduct investigations. No new or material frauds have occurred, other than those within the inherently risky areas such as housing benefit or council tax single person discount claims.

General Ledger

External audit recently reported an error in the journal process where there was a lack of segregation of duties, which is why the green assurance has moved to amber, however this has now been resolved. Virements are approved within the finance system allowing for a robust audit trail. The ICT Team is responsible for system user administration.

The fixed asset module of the finance system is now working and it provides real time asset data to Budget Holders, support the in-year verification of assets, depreciation calculations and the notes to the financial accounts.

Financial Resilience

The Council are showing as strong on the CIPFA financial resilience index.

The budget gap remains a challenge after 2025/26. A Savings Board has been established to look at the options to manage the budget gap. The government also keeps amending requirements, creating uncertainty around the funding provided to the Council. The General Fund reserves provide two years of further funding until the budget gap becomes an issue.

Third party Value For Money reports are showing as green. The biggest unknown at present is around future reorganisation plans in Lincolnshire. Officers are becoming more heavily involved in providing data and working up options.

ICT

	Overall Assurance – Direction of Travel
Red	Remains same at 0%
Amber	Remains same at 0%
Green	Remains same at 100%

Objective: The ICT aspect of the report focuses on governance arrangements within the service, the infrastructure, day to day operations, projects, compliance and applications and systems.

Findings summary Cybersecurity risk is consistently one of the top five risks identified by the Institute of Internal Auditors (IIA) and this situation is not expected to change over the coming years. Most organisations are alive to this risk and incorporate it into their strategic and/or operational risk registers.

A full review of the ICT Assurance Map 2024/25 has been completed.

The ICT Team have maintained full accreditation to undertake organisational cyber assessments as part of Cyber Essentials +. Robust ICT security systems and processes are in place with up-to-date infrastructure and back-up arrangements.

All aspects of the service have operated effectively over the past 12 months and the shared ICT partnership with North Kesteven District Council continues to work well.

External assurance is provided through a support contract which provides expertise for active monitoring and support of any high impact issues.

Training and staff awareness are re-enforced for all ICT policies, hybrid working and Cyber Security risks.

An audit by RSM was conducted during the year, titled IT Operations, which focused on resilience, operating systems and firmware management, security standards, network segregation, backup and recovery processes, monitoring tools, and privileged access control. A reasonable assurance opinion was provided as part of this review.

EMERGING RISKS

	Overall Assurance – Direction of Travel
Red	Remains same at 0%
Amber	Down from 86% to 50%
Green	Up from 14% to 50%

Objective: It is important all managers undertake effective risk management and attempt to minimise the impact of any risks should they materialise. Looking ahead and horizon scanning to identify any emerging risks is a pre-requisite and it is encouraging that this activity is undertaken across the Council.

Findings summary (Amber Rated)

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Devolution

Devolution is still in the early stages of being rolled out with regular updates and communications beginning. There has been a report provided to Governance and Audit Committee to update on the likely arrangements and joint working requirements but will need ongoing monitoring and updates. Due to the unknown nature, this remains as amber.

Income from leisure contract

This will remain as an amber rating – the CPO signed off a variation to the contract with the Leisure Provider which has reduced the management fee for the next year. The service do need to look further than this and look at options in readiness for contract expiry.

Pressures arise from the increase in costs of utilities and customer numbers not returning to usual post pandemic as expected. The service constantly undertakes condition surveys and engagement with the leisure provider to ensure service is as effective and efficient as possible.

Deed of Variation has been agreed, £400,000 grant from LA for Solar Panels to help decrease utility costs, this project will have 31 March 2025 implementation date.

Emerging risk – Leisure facility is 50 years old and starting the service is debating about a refurb or replacement facility. The risk is the inability to provide service because of break or damage to the facility it is currently in. Although the service is working on a plan at the moment. The leisure provider in the current state may not wish to renew.

Financial Resilience

The Council has currently not got a balanced Medium Term Financial Strategy across all years. More clarity should be given by government during 2025 on future funding levels which will then give the Council an clear idea of any gaps it might be facing and then work can progress on how to address these if they arise. An audit is planned for 2025/26 to look at the financial resilience of the Council.

Recruitment, retention and succession planning

This situation has not improved with the loss of the 37hr/week Car Parking Officer post with no agreed recruit alternative as of yet. Similarly the service has a history of vacancies with 41 vacant post months over the last five years. The service will be looking to recruit from an industry base that has known resource and skills shortages.

Failure to deliver food waste on time

Amber reflects the current period of change. The service has received confirmation from Central Government about future delivery in this area, however funding is still to be confirmed.

With there being challenges in the future with the new government guidance around the Council's Green Plan, food waste services is saying that the Council may not have enough lorries in the future and procurement may be challenging, but work continues to look at options, but lorries have been secured for the launch of the scheme.

Failure to achieve environmental targets

Amber rating as there will be challenges in the future with the new government guidance around the Council's Green Plan. Fleet decarbonisation has been approved and has started to give a direction around electrification of the fleet. There will be a substantial cost set up costs to support the electrification of the fleet. As well as considerations around the range on the lorries to ensure that there are capabilities of the fleet to get around the West Lindsey area. The process has now started and work to map this out has begun. This therefore may have an impact in delivering the environmental targets set.

Customer Focus

This will remain as an amber rating as there has been a Customer Focus Group set up, this may then result in other engagement with customers. Strategies have been introduced and so work will be undertaken to align work to the strategies.

KEY PROJECTS

	Overall Assurance – Direction of Travel
Red	Down from 7% to 0%
Amber	Up from 47% to 56%
Green	Down from 47% to 44%

Objective: This aspect of the Combined Assurance mapping exercise focuses on the key projects affecting the Council and how well they are being managed.

Findings summary (Amber Rated) Page 114	<p>During 2024/25, an audit by RSM of Project and Programme Management was conducted which provided substantial assurance.</p>
	<p>Investment and Regeneration of RAF Scampton</p> <p>RAF Scampton is still ongoing with options to be agreed upon as the Asylum Centre is no longer planned. Options include purchasing the site from government.</p> <p>Enterprise Resource Planning System (ERP)</p> <p>The HR and Payroll module is no longer in scope to be included in the ERP system. It was noted that the partnership with the ERP is currently a success. The Council are now in the early stage of adding cash receipting to the ERP and ending the use of the current system. This needs to remain as Amber until the rollout is complete.</p> <p>Change 4 Lincs (Rough Sleeper Initiative)</p> <p>Additional funding has been received for 2025/2026. The service are to have an amended structure with the Council being more hands on with the delivery of the service. This has therefore enabled this to move from red to amber.</p> <p>Customer Relationship Management (CRM) System</p> <p>The Project Management Office (PMO) have now taken over the responsibility for this area. Project development, scope, costs, resources are clear and the service continues to develop and look at business improvements to the CRM for each service area on an ongoing basis. Updates are provided to Portfolio Board and Management Team to provide transparency on the work being undertaken on decommissioning.</p> <p>Customer Services - Out of Hours provision</p> <p>This will remain at amber as the Out of Hours service is still currently provided by Serco.</p> <p>The service with Serco remains expensive given the level of calls the Council receives. The Council are seeking alternative options including services through the in-house CCTV Team. AI will be used to review the out of hours calls. There is a risk that the out of hours service is not effective.</p>

KEY PARTNERSHIPS

	Overall Assurance – Direction of Travel
Red	Remains same at 0%
Amber	Up from 30% to 40%
Green	Down from 70% to 60%

Objective: The Council recognises that effective partnership working is key to the achievement of many of its goals and desired outcomes. In that regard it is essential that any partnerships entered into, or are currently in operation, deliver and their on-going relevance and effectiveness are continually evaluated.

Findings summary (Amber Rated)

Page 115

Wellbeing Contract

The Council employ 19 staff as part of the service. A new contract is in place from 13 January 2025 for five years. The Council host the responder element of the service which is a change from the previous contract. All relevant policies and procedures will be implemented to deliver this service, although not in place currently which is why the rating is amber, once these are all in place and the management of this element of the service is up to standard, this will move to a green assurance level.

Lincolnshire Waste Partnership

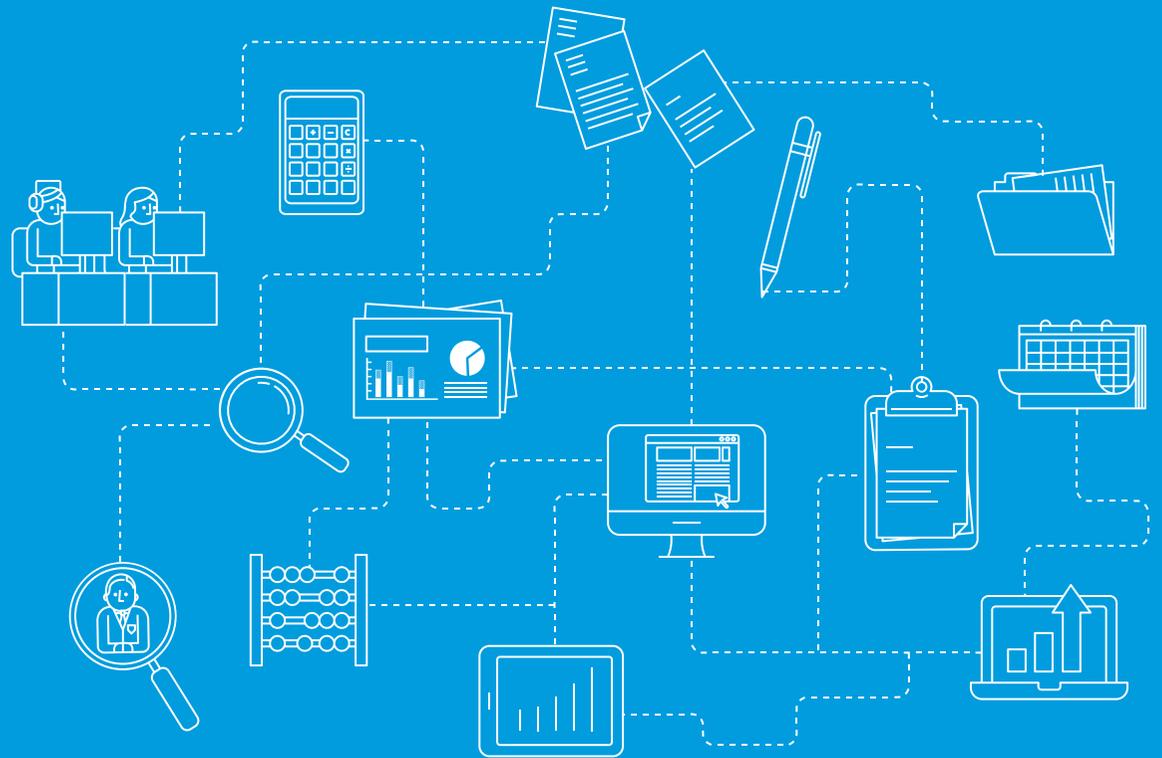
This will remain as amber and the status has not really changed since last year. The Joint Municipal Waste Partnership introduced in 2024 has a change management programme of actions under a five-year strategy.

The eight partners have pulled together to have a positive direction of travel. The partnership needs to consider new legislation and the review of this is being carried out. New Legislation will be out early next year, and considerations and preparations are now underway especially around new food waste.

Appendices

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



Scope of the assignment

The scope of the assignment has been agreed by management as follows:

- We will meet with the senior and operational managers for each directorate to understand and map the assurances in place using the three lines of defence model.
- With each team we will discuss and update an assurance map including:
 - Critical Activities
 - Key Partnerships and Projects
 - Risks (Operational, Strategic and Emerging)
- We will facilitate the scoring by senior management of their assessment and judgement of the controls and assurances in place.



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Limitations

The following limitations apply to the scope of our work:

- We will not provide an overall assurance opinion as part of this report.
- This review is being conducted as an agreed upon procedures review.
- Internal audit are facilitating the process for management to score their controls and assurances and these are not the opinions of the Internal Auditors.
- The scope of the work is limited to those areas examined and reported upon in the areas for consideration in the context of the objectives set out in for this review.
- This review is based on discussions with management and no sample testing will be conducted on the controls and assurances.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Debrief held	14 March 2025
Draft report issued	14 March 2025
Responses received	6 May 2025
Final report issued	6 May 2025
Revised final report issued	21 May 2025

Internal audit Contacts	Rob Barnett, Head of Internal Audit Aaron Macdonald, Managing Consultant
Client sponsor	Management Team
Distribution	Management Team

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

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Aaron Macdonald, Manager

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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.

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Agenda Item 6d



Governance and Audit

10th June 2025

Subject: Internal Audit Annual Report

Report by:

Assistant Director People and Democratic Services

Aaron McDonald: RSM Client Manager

Contact Officer:

Aaron McDonald
Aaron.Macdonald@rsmuk.com

Lisa Langdon

Lisa.langdon@west-lindsey.gov.uk

Purpose / Summary:

To consider RSM's Annual Internal Audit Report for the 12 months ending 31 March 2025.

RECOMMENDATION(S):

1. To consider and endorse the Internal Audit Annual Report.

IMPLICATIONS

Legal:
No legal implications

Financial:
The internal Audit Service has been contracted to RSM LLP and is within the budget for 25/26.

Staffing: None directly arising from this report

Equality and Diversity including Human Rights:
None directly arising from this report

Data Protection Implications:
None directly arising from this report

Climate Related Risks and Opportunities:
None from this report

Section 17 Crime and Disorder Considerations:
None directly arising from this report

Health Implications:
None from this report

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

Risk Assessment:

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 RSM LLP provide the Internal Audit Service for the Council and this is their second year providing this service to the organisation.
- 1.2 This report details their audit opinion for the 12 months ending 31 March 2025.

2. Recommendation

- 2.1 Governance and Audit Committee are asked to consider the contents of the report and endorse its content.



WEST LINDSEY DISTRICT COUNCIL

Annual internal audit report for the 12 months ending 31 March 2025

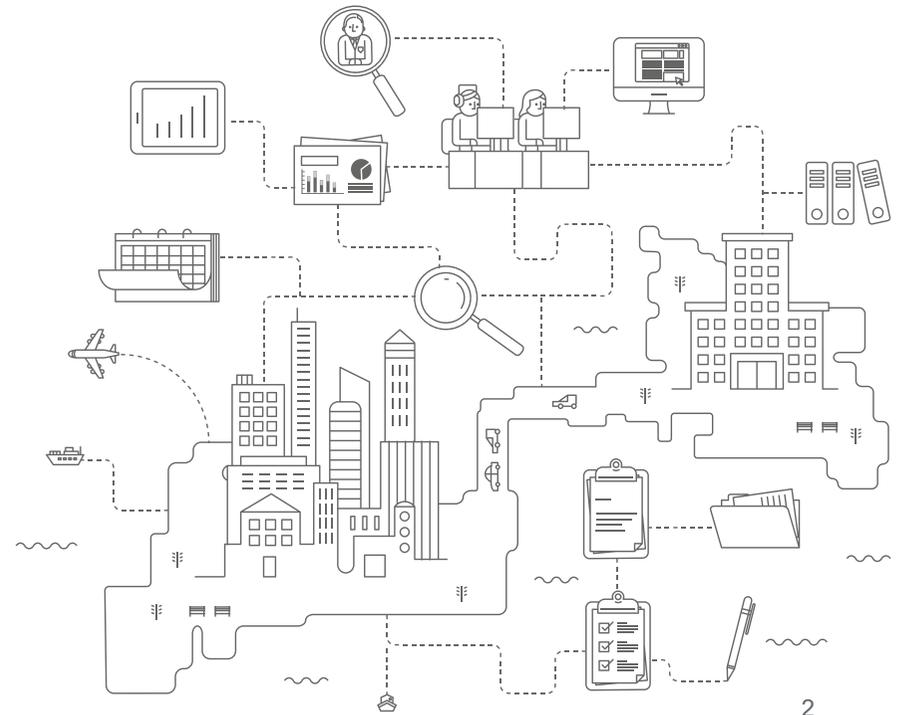
31 March 2025

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.

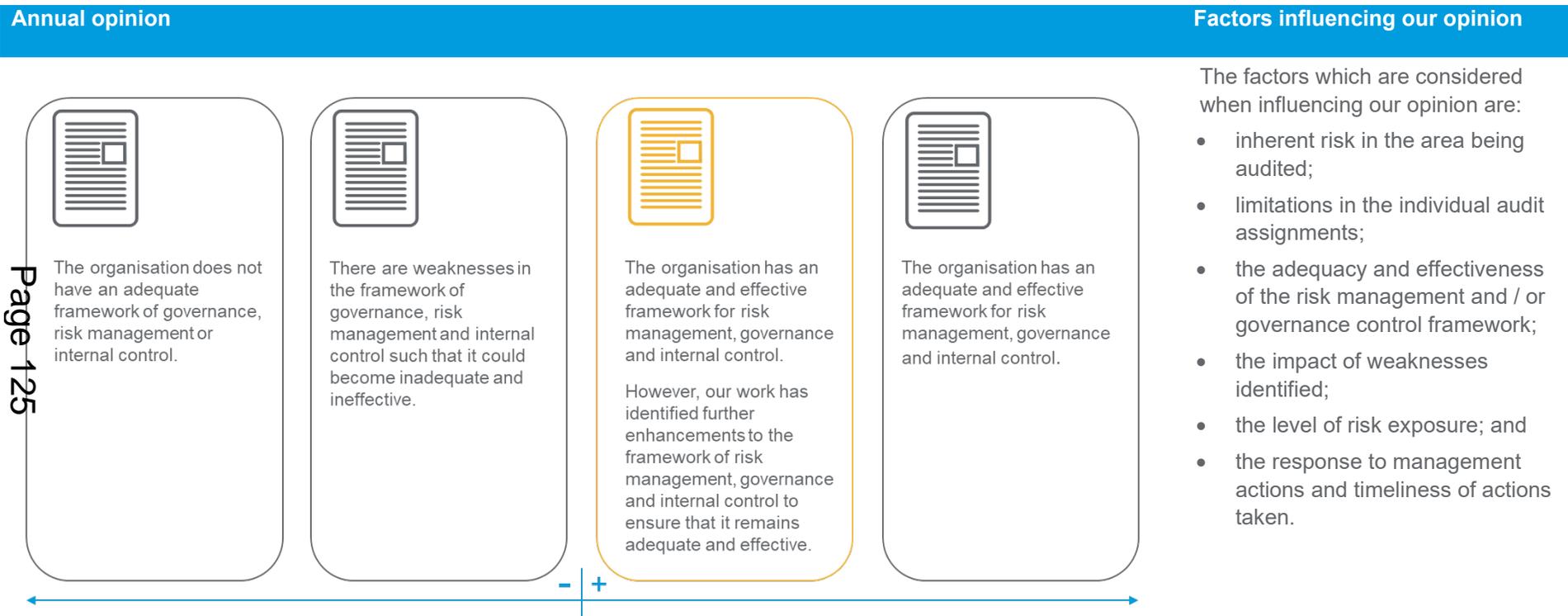
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2 Factors and findings which have informed our opinion	7
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THE ANNUAL INTERNAL AUDIT OPINION

The annual internal audit opinion is based upon, and limited to, the work performed on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. For the 12 months ending 31 March 2025 the Head of Internal Audit opinion for West Lindsey District Council is:



It remains management's responsibility to develop and maintain a sound system of risk management, internal control, governance, and for the prevention and detection of errors, loss or fraud. The work of internal audit is not and should not be seen as a substitute for management responsibility around the design and effective operation of these systems.

1 SCOPE AND LIMITATIONS OF OUR WORK

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the Governance and Audit Committee, our opinion is subject to inherent limitations, as detailed below.



- Internal audit has not reviewed all risks and assurances relating to the organisation.
- The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. The assurance framework is one component that the board takes into account in making its annual governance statement (AGS) to the governing board.
- The opinion is based on the findings and conclusions of the agreed work which was limited to the area under review and agreed with management.
- Where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance.
- Due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention.
- The matters highlighted in this report represent only the issues we encountered during our work. It is not an exhaustive list of all weaknesses or potential improvements. Management remains responsible for maintaining a robust system of internal controls, and our work should not be the sole basis for identifying all strengths and weaknesses.
- This report is prepared solely for the use of the Governance and Audit Committee and Management Team of West Lindsey District Council.

2 FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix A.

Theme – Governance	Theme – Risk Management	Theme – Internal Control
<p>We have taken into consideration the governance and oversight related elements of each of the reviews undertaken as part of the 2024/25 internal audit plan.</p> <p>There is a governance framework in place, and we observed that the Governance and Audit Committee is effective in monitoring and challenging management and holding them to account.</p>	<p>Risk management is reviewed at the Governance and Audit Committees. We have attended all Governance and Audit Committee meetings throughout the year and confirmed the council’s risk management arrangements continued to operate effectively in this forum and were adequately reported to and scrutinised by committee members; with regular updates provided and the risk register shared and reviewed, with appropriate oversight and challenge.</p> <p>Our risk management opinion is informed by our observation of risk management systems and processes throughout the course of all audits within the internal audit plan.</p> <p>We also conducted a specific risk management internal audit review which led to a reasonable assurance opinion being provided.</p>	<p>We undertook eight internal audit reviews in 2024/25 which resulted in an assurance opinion. From three reviews (37.5%) we concluded that substantial assurance could be taken and five reviews (62.5%) reasonable assurance could be taken in relation to the design and application of the control frameworks in place.</p> <p>During the year we agreed a total of 56 management actions across assurance and follow up reviews. Of the actions agreed: zero (0%) were ‘high’ priority, 18 (32%) were ‘medium’ priority, 36 (63%) were ‘low’ priority, and three (5%) were ‘advisory’ priority.</p> <p>Furthermore, the implementation of agreed management actions agreed during the course of the year are an important contributing factor when assessing the overall opinion on control. We have performed two follow-up reviews during the year, both of which concluded in positive opinions (both reasonable progress).</p>

As well as the headline findings discussed above, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at Appendix A.



Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2024/25.



Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place. During the year progress has been reported to the Governance and Audit Committee, with the validation of the action status confirmed by internal audit during two specific follow up reviews.

Follow Up 1

Our follow up of the actions agreed to address previous years' internal audit findings shows that the council had made **reasonable progress** in implementing the agreed 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.

Follow Up 2

Our follow up of the actions agreed to address previous years' internal audit findings shows that the council had made **reasonable progress** in implementing the agreed actions. Of the actions considered, testing found that 16 actions had been implemented or superseded, two actions had been partly implemented and the remaining nine actions were not implemented.



Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.



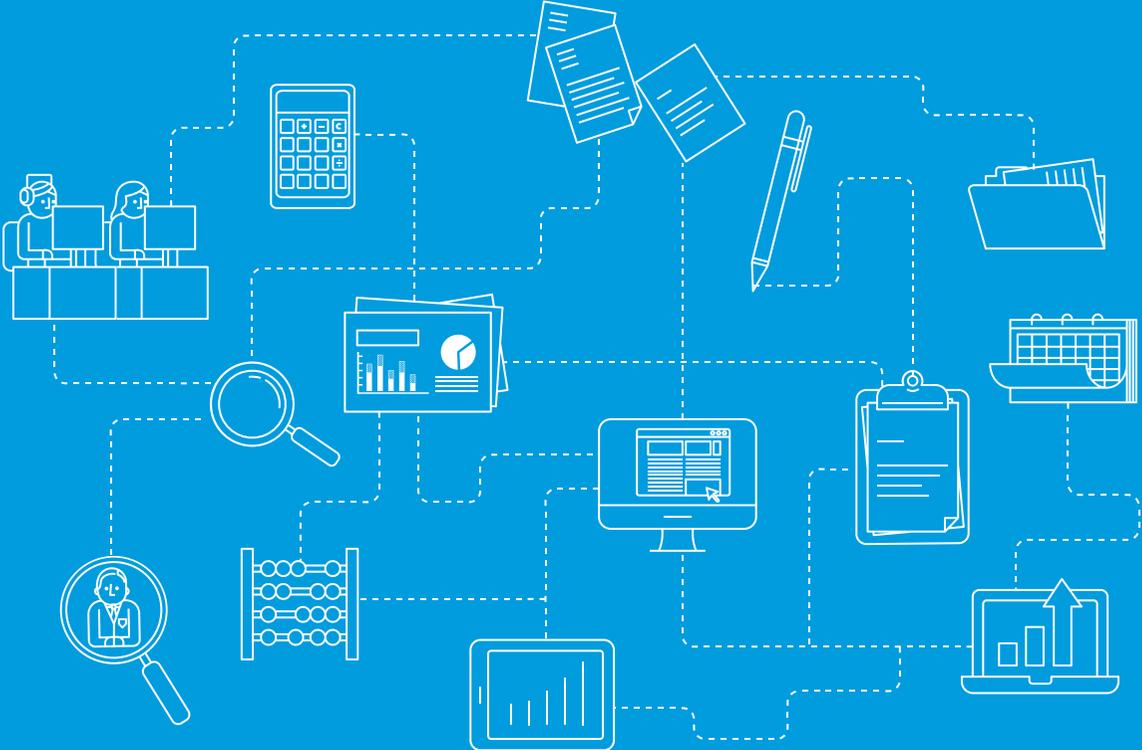
Topics judged relevant for consideration as part of the annual governance statement

There are no specific topics or findings that we feel require consideration as part of the annual governance statement.

Our Performance

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3.1 Wider value adding delivery

Area of work	How has this added value?
Webinars and Briefings	During the year we have issued invites to webinars and briefings including: <ul style="list-style-type: none"> • Procurement webinars • Failure to prevent fraud briefing • Public authorities VAT webinar • Duty to prevent sexual harassment at workplace webinar
Emerging Risk Radar – Spring 2025	We issued our latest Emerging Risk Radar which is a summary of survey responses from over 129 board members across all industries and sectors. The document outlines the key risks emerging and steps for the organisation to follow to react to emerging risks.
Use of Specialists	To support the delivery of the internal audit plan, we have used our Technology Risk Assurance Specialists to conduct the IT Operations internal audit review. We have also used data analytics as part of the Purchasing and Creditors internal audit review to supplement our testing.
1 meetings / discussions	Throughout the year we have continued to liaise with management and held operational meetings where required to obtain an update on the council’s developments. We have attended all Governance and Audit Committee meetings.
Flexible annual planning approach	We have remained flexible with our annual planning approach. This enables us to react to changes in priority and risk, to ensure internal audit is focused in the right areas at the right time, to be the best source of assurance where needed in specific areas of risk or control.

3.2 Conflicts of interest

During 2024/25, RSM has provided software for risk management, and also provide the council with reactive investigation services (where required). These engagements were both conducted by a separate team and under separate Letter of Engagements to the Core Internal Audit Team and therefore we do not regard these as a conflict of interest. We are including these declarations here for transparency and completeness.

Internal audit remains independent and there have been no threats to our independence when delivering the audit plan during 2024/25.

3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS) and the Global Internal Audit Standards.

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2021 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF), and the Internal Audit Code of Practice, as published by the Global Institute of Internal Auditors (IIA) and the Chartered IIA, on which PSIAS is based.

The external review concluded that RSM 'generally conforms*' to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards'.

3.4 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.

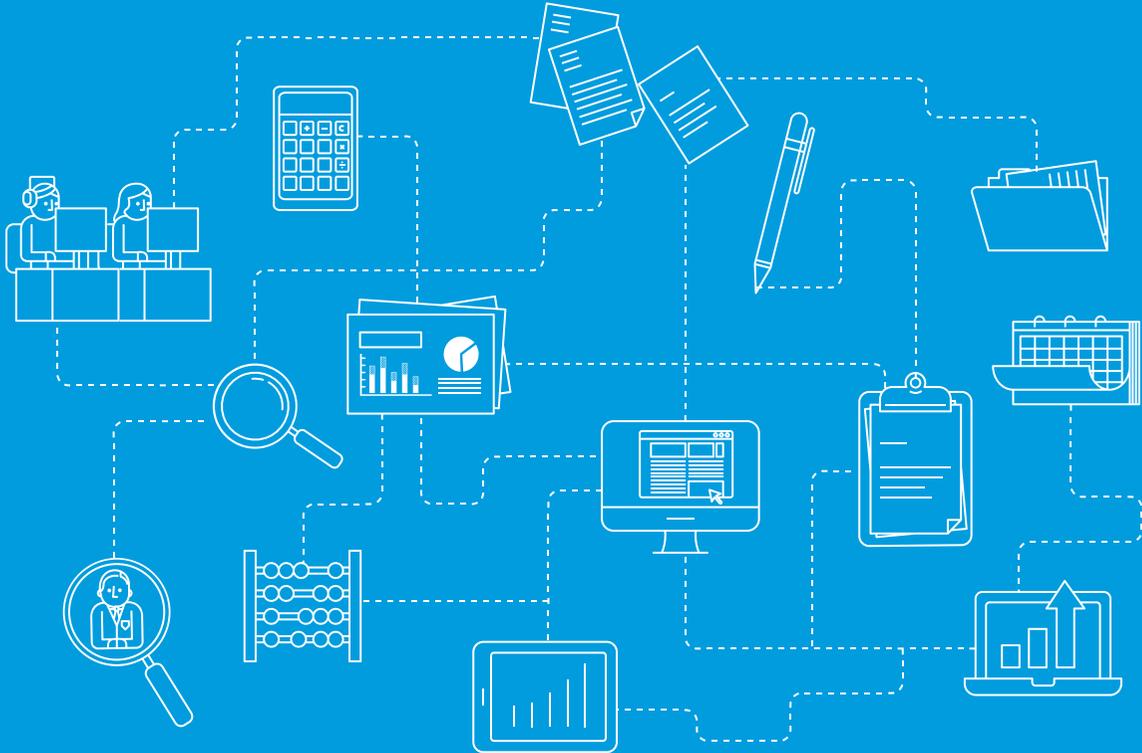
3.5 Performance indicators

Delivery			Quality		
	Target	Actual	Target	Actual	
Audits commenced in line with original timescales*	Yes	Yes	Conformance with IPPF	Yes	Yes
Draft reports issued within 10 days of debrief meeting	10 working days	5 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	15 working days (average)*	Response time for all general enquiries for assistance	2 working days	2 working days (average)
Final report issued within 3 days of management response	3 working days	2 working days (average)	Response for emergencies and potential fraud	1 working day	N/A

*The delay is due to all reports requiring consideration and challenge at Management Team meetings.

Appendices

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APPENDIX A: SUMMARY OF INTERNAL AUDIT WORK COMPLETED

All of the assurance levels and outcomes provided below should be considered in the context of the scope, and the limitation of scope, set out in the individual assignment report.

Assignment	Executive lead	Status / Opinion issued	Actions agreed			
			A	L	M	H
IT Operations	Director, Change Management, ICT and Regulatory Services	Reasonable Assurance	0	2	3	0
Follow Up 1	Assistant Director People and Democracy	Reasonable Progress	0	8	0	0
Staff Appraisal Process	Assistant Director People and Democracy	Reasonable Assurance	0	3	2	0
Risk Management	Assistant Director People and Democracy	Reasonable Assurance	2	6	3	0
Purchasing and Creditors	Director of Finance and Assets and 151 Officer	Substantial Assurance	0	4	0	0
Complaints Handling	Assistant Director People and Democracy	Reasonable Assurance	0	4	2	0
Project and Programme Management	Director, Change Management, ICT and Regulatory Services	Substantial Assurance	0	2	1	0
Procurement	Director of Finance and Assets and 151 Officer	Reasonable Assurance	0	1	2	0
Combined Assurance	Chief Executive	No opinion provided	0	0	0	0
Customer Experience Strategy	Director, Change Management, ICT and Regulatory Services	Substantial Assurance	1	0	0	0
Follow Up 2	Assistant Director People and Democracy	Reasonable Progress	0	6	5	0

APPENDIX B: OPINION CLASSIFICATION

We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the board can take:



Minimal Assurance

Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Reasonable 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).



Partial Assurance

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

Action is needed to strengthen the control framework to manage the identified risk(s).



Substantial Assurance

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

- | +

FOR FURTHER INFORMATION CONTACT

Rob Barnett, Head of Internal Audit

Email: Robert.Barnett@rsmuk.com

Aaron Macdonald, Managing Consultant

Email: Aaron.Macdonald@rsmuk.com

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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.

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**Governance and Audit
Committee**

10 June 2025

Subject: The Regeneration of former RAF Scampton

Report by:

Director of Planning, Regeneration &
Communities

Contact Officer:

Sally Grindrod-Smith
Director Planning, Regeneration & Communities

sally.grindrod-smith@west-lindsey.gov.uk

Purpose / Summary:

To provide an update on the regeneration of
former RAF Scampton and lessons learnt to
date.

RECOMMENDATION(S):

1. That members of the committee note the update provided and the lessons learnt to date.

IMPLICATIONS

Legal: There are no legal implications as a result of this report. Specialist external legal advice was commissioned at each stage and informed all action. All legal action in relation to the former RAF Scampton has ended and has previously been reported as required by the council's constitution.

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial : FIN/24/26/MT/SL

There are no financial implications as a result of this report. Financial updates will continue to be provided to Corporate Policy and Resources (CPR) Committee as part of the quarterly budget monitoring cycle.

Expenditure of £154,500 was made in 2024/2025. This leaves a balance of £40,600 in the reserve for work on Scampton. It was requested during the procurement process that the council are reimbursed up to £300,000 of costs incurred. If this funding is received, then the total balance of the reserve would be £340,600.

Since the year end position was reported an additional £38,000 of funding has been secured through the One Public Estate Programme which will be used to offset some of the expenditure on the procurement exercise. This will be reported in the next quarterly update to CP+R.

(N.B.) All committee reports MUST have a Fin Ref

Staffing : Work to support the regeneration of former RAF Scampton continues to be delivered by existing resource. Where required specialist legal and commercial services are in place.

(N.B.) Where there are staffing implications the report MUST have a HR Ref

Equality and Diversity including Human Rights :

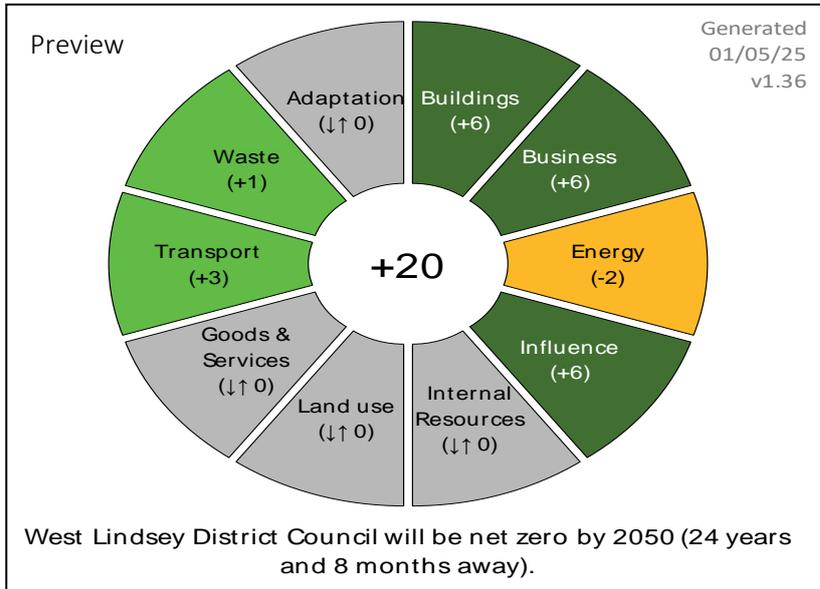
The regeneration of the former RAF Scampton seeks to create a sustainable future and ensure equality of access to services and employment opportunities for those that live, work or visit the site in the future. This report has no specific equality and diversity implications.

Data Protection Implications :

There are no data protection implications contained within this report.

Climate Related Risks and Opportunities:

The regeneration of the former RAF Scampton seeks to deliver improved climate and sustainability related outcomes. The CESIA below was developed and presented to Corporate Policy and Resources Committee on 9th February 2023 as part of previous decisions to select a development partner. This will be updated as required when the development agreement is finalised.



Section 17 Crime and Disorder Considerations:

There are no section 17 Crime and Disorder Considerations in this report.

Health Implications:

There are no health implications from this report.

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

Due to the commercially sensitive nature of reports relating to the regeneration of former RAF Scampton, they remain exempt from publication.

Risk Assessment :

Whilst the site was being developed by the Home Office as a site for asylum accommodation a strategic risk was added to the risk register and updated regularly. As this is no longer underway the strategic risk has been closed.

Work to deliver the regeneration of the site is listed as a mitigating action on the strategic risk register under the Growing the Economy theme. The service level risk of regenerating the site is monitored by the Land Property and Growth Board.

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

1 Introduction

- 1.1 At the meeting of Governance and Audit Committee on 16th April 2024 as part of the discussion regarding the Combined Assurance report a request was made for an update to be provided to the committee on RAF Scampton.
- 1.2 The minutes of the committee state *'Members requested that an update on RAF Scampton and learning from the project be brought to the Governance and Audit Committee for consideration'*.
- 1.3 This matter was assigned to the Director of Planning Regeneration and Communities on 20th February 2025 following the departure of the Director of Corporate Services.

2. Lessons Learnt

- 2.1 On 5th September 2024 Dame Angela Eagle MP in her capacity as Minister for Border Security and Asylum made a written ministerial statement (WMS) to Parliament. The WMS provided an update on plans for the future of RAF Scampton and announced that the Government made the decision to end plans to house asylum seekers at RAF Scampton and exit the site.
- 2.2 The WMS set out that the site would be disposed of in line with due process for disposing of Crown Land.
- 2.3 Upon receipt of this decision officers held lessons learnt / close down sessions with the Multi Agency Group (which was then stood down) the internal team and the legal advisors including the Kings Counsel barrister and his junior.
- 2.4 The Council have received much support for the actions taken to protect the future of this key, strategic site. Lessons learnt from our action to date can be grouped into the following themes:
 - Developing and communicating a clear and compelling vision for change that secured widespread support is essential;
 - A visible, well connected and credible private sector partner prepared to support is invaluable;
 - Bringing together a talented and dedicated team that believed in the mission and was determined to succeed with the appropriate internal and external support where needed was important;
 - ensuring and maintaining an up to date, positive and robust Local Plan policy framework for strategic sites, ensuring comprehensive community support to protect the interest and uniqueness of the site, which in this case included the integral historic value of the site to West Lindsey, Lincolnshire and beyond.
 - Focusing on efficiency and value for money at each stage to ensure only essential costs were incurred;

- The Multi Agency Response demonstrated strength in the public sector in Lincolnshire and created a shared endeavour, local response and resource;
- Political support and leadership from and between all levels (MP, County, District, Ward, Parish) is key;
- Using data and robust local intelligence to inform and shape action delivers results;
- A structured, formal, consistent and documented approach to correspondence ensures a clear audit trail;
- Development of a communication strategy which places the community at its heart and develops relationships with the media delivers positive results;
- Ensuring the council's values, particularly integrity, honesty and public service guide action is essential; and
- Use of plethora of local authority powers and available actions was important together with ensuring the focus was on the end goal not each line of action.

2.5 As a direct result of the enforcement action taken on the site, officers introduced a regular Planning Enforcement update to Planning Committee. This ensures that members of the committee remain formally appraised of official action.

3. Site disposal and acquisition

3.1 In October 2024 the Home Office declared the site surplus and asked West Lindsey District Council (WLDC) to renew its expression of interest for acquisition.

3.2 The site of former RAF Scampton is Crown Land. Government rules for disposal of Crown Land cite use of a process known as ePIMs. The ePIMs process sees public sector assets sold at open market value to another public sector body.

3.3 On 12th December 2024 WLDC submitted an updated expression of interest for the site. The decision to submit was made by the Corporate Policy and Resources Committee subject to a number of conditions, including the joint commissioning of an updated valuation in line with 'Red Book' principles.

3.4 There were no other public bodies interested in the acquisition.

3.5 Following a meeting on 26th February 2025 between Minister Eagle, Hamish Falkner MP, Sir Edward Leigh MP and Cllrs Young and Rollings, the Leader received correspondence from Minister Eagle on 1st April which confirmed that the Home Office is to market the site whilst in parallel continuing to work with West Lindsey District Council to progress our interest in the site. The letter confirmed that the Home Office must ensure that they achieve best value for the site and local

community, while observing managing Public Money Principles and due process for the disposal of Crown Land.

- 3.6 Work has now commenced with the Home Office and Valuation Office Agency to value the site. To date the site has not been openly marketed by the Home Office.

4. Next Steps

- 4.1 Securing the delivery of the £300m investment and regeneration proposal for the former RAF Scampton remains a priority.
- 4.2 As previously reported to CPR, the councils preferred development partner, Scampton Holdings Limited were procured through a competitive tender process, in line with public sector procurement requirements.
- 4.3 The procurement exercise received over 100 initial expressions of interest from a wide range of parties including house builders, developers, development consortia, property agents and contractors. The proposals were narrowed down over an 8 month period of rigorous testing and evaluation to ensure compliance with all essential criteria.
- 4.4 An evaluation team of council officers, supported by an external commercial advisor, a procurement lawyer, a property lawyer and an external financial assessor, assessed each proposal against the following criteria:
- Masterplan and policy alignment
 - Phasing and deliverability
 - Commercial
 - Financial
 - Legal
 - Team capacity and capability
 - Social Value
- 4.5 Scampton Holdings Limited have provided details of the funds available to deliver the regeneration proposed through their submission. This funding position was reviewed again prior to the submission of the expression of interest in December and all final due diligence will completed by the council's external financial assessor prior to sign off of the Development Agreement.
- 4.6 Scampton Holdings Limited remain committed to the delivery of the £300m investment and regeneration programme.

- 4.7 As previously agreed with CPR, Scampton Holdings Limited will deliver a presentation of their masterplan to the committee ahead of the consideration of the final Development Agreement. As and when final terms of acquisition can be agreed with the Home Office, the Development Agreement, which is in draft form can be finalised and presented to the committee for final consideration.
- 4.8 Whilst this work is ongoing officers continue to seek assurance from the Home Office that the important heritage of the site is being maintained, protected and preserved. Concerns have been raised regarding the condition of the Grade II Listed former Officers Mess and the ongoing maintenance of the four listed hangars.
- 4.9 The Special Development Order (the governments' planning approval for use of the site as asylum accommodation) remains in place. Some work has been completed in line with the requirements placed on the consent but to the best of our knowledge there remains work outstanding on the conditions associated with the consent. Officers continue to monitor this matter.
- 4.10 Updates are provided through established communication channels to staff, members and our local community as appropriate. All member update briefings will continue to be delivered as required. Officers continue to attend community drop-in sessions, meetings of Scampton Parish Council and a wider network of local Parish Council's. The local MP receives a regular briefing from officers and the Leader of the Council.
- 4.11 Should the Home Office sell the site to another party, the Council will work with the site owner to ensure that the requirements of the adopted Central Lincolnshire Local Plan Policy S75 are fully understood and complied with. This includes the delivery of a site wide masterplan, adopted through the statutory planning process.

Governance and Audit Committee Work Plan as at 2 June 2025

Purpose:

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

Recommendation:

1. That members note the contents of the report.

Date	Title	Lead Officer	Purpose of the report	Date First Published
10 JUNE 2025				
10 Jun 2025	External Audit Strategy Memorandum Plan 2024/25	Peter Davy, Director of Finance and Assets (Section 151 Officer)	WLDC External audit work plan 2024.25	
10 Jun 2025	Internal Audit Annual Progress Report and Follow-Up Internal Audit Report	Lisa Langdon, Assistant Director People and Democratic (Monitoring Officer)		09 April 2025
10 Jun 2025	Combined Assurance	Lisa Langdon, Assistant Director People and Democratic (Monitoring Officer)	Combined Assurance	18 November 2024
10 Jun 2025	Internal Audit Annual Report	Lisa Langdon, Assistant Director People and Democratic (Monitoring Officer)		
10 Jun 2025	The Regeneration of former RAF Scampton	Sally Grindrod-Smith, Director Planning, Regeneration & Communities	Paper to provide committee with overview and update	09 April 2025
29 JULY 2025				
29 Jul 2025	Annual Voice of the Customer Report 2024/25	Natalie Kostiuk, Customer	To summarise customer feedback	09 April 2025

Experience Officer

received during the year 2024/25 and analyse customer contact demand data to provide a clear view of the voice of the customer.

29 Jul 2025	Quarter one Strategic Risk Report	Katy Allen, Corporate Governance Officer	Quarter one reporting of the Strategic Risk Register	09 April 2025
29 Jul 2025	Draft Statement of Accounts 2024/25	Comie Campbell, Interim Financial Services Manager (Deputy S151)	To receive the draft statement of accounts for 2024/25	09 April 2025
29 Jul 2025	LGA Corporate Peer Challenge - Feedback, Recommendations & WLDC Action Plan	Ellen King, Policy & Strategy Officer – Corporate Strategy & Business Planning	This report presents, for noting, the findings of the Council's recent LGA Corporate Peer Challenge, and the resultant WLDC Action Plan as presented to CP&R Committee on 12th June 2025.	09 April 2025

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30 SEPTEMBER 2025

30 Sep 2025	Local Government and Social Care Ombudsman (LGSCO) Annual Review Letter Report 2024/25	Natalie Kostiuk, Customer Experience Officer	Report on the Local Government and Social Care Ombudsman (LGSCO) Annual Review Letter 2025 covering complaints referred to and decided by them between April 2024 and March 2025. Examining the types and outcomes of complaints referred and benchmarking with other similar local authorities.	09 April 2025
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25 NOVEMBER 2025

25 Nov 2025	Quarter Two Strategic Risk Register	Katy Allen, Corporate Governance Officer	Quarter Two reporting of the Strategic Risk Register	09 April 2025
25 Nov 2025	Audit of the Statement of Accounts 2024/25 Sign Off	Comie Campbell, Interim Financial Services Manager (Deputy S151)	Statement of Accounts 2024/25 Sign off by External Audit	09 April 2025

20 JANUARY 2026

20 Jan 2026	Quarter three Strategic risks	Katy Allen, Corporate Governance Officer	Reporting of Strategic Risk Register for quarter three	09 April 2025
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10 MARCH 2026

21 APRIL 2026

21 Apr 2026	Strategic Risk Register	Katy Allen, Corporate Governance Officer	Year end review of the Strategic Risk Register	09 April 2025
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