



## WEST LINDSEY DISTRICT COUNCIL

MINUTES of a Meeting of the Governance and Audit Committee held in the Council Chamber at the Guildhall, Gainsborough on Tuesday 26 July 2016, commencing at 6.30 pm.

**Present:** Councillor Giles McNeill (Chairman)  
Councillor Jackie Brockway (Vice-Chairman)

Councillor Sheila Bibb  
Councillor David Bond  
Councillor Angela White

Andrew Morriss (Independent Co-opted Member)  
Peter Walton (Independent Co-opted Member)  
Alison Adams (Independent Co-opted Member)

**In Attendance:**

Ian Knowles	Director of Resources and S151 Officer
Tracey Bircumshaw	Team Manager – Financial Services
Michelle Howard	Team Manager – Home Choices
Angela Matthews	Team Manager – Benefits
Lyn Marlow	Team Manager – Customer Strategy and Services
Katie Coughlan	Governance and Civic Officer

**Also In Attendance :**

John Sketchley	Internal Audit, Lincolnshire County Council
Matthew Waller	Internal Audit, Lincolnshire County Council

**Apologies:** Councillor John McNeill

**Membership:** No substitutes were appointed for the meeting

### 17 PUBLIC PARTICIPATION

There was no public participation.

### 18 MINUTES

- (a) Meeting of the Governance and Audit Committee held on 21 June 2016 (GA.10 16/17)

**RESOLVED** that the Minutes of the meeting of the Governance and Audit Committee held on 21 June 2016 be approved and signed as a correct record.

## **19 CHAIRMAN'S ANNOUNCEMENTS**

The Chairman formally welcomed all present to the meeting and advised of two announcements he wished to make. The first regarding daytime meetings, following on from the informal discussion held at the conclusion of the last meeting and having had further discussion at the most recent Chairman's Briefing. The Chairman advised that it was his intention to trial the holding of a daytime meeting of this Committee in January 2017. The meeting was currently scheduled to commence at 6.30pm on 17 January 2017 but would now commence at 2.00 pm on the same day. Members should contact the Chairman or the Governance and Civic Officer at the earliest opportunity if they envisaged this being a problem.

The second related to the date on which mandatory Statement of Accounts Training would be held. This had been arranged for 7 September commencing at 5.00pm and would be open to all Members of the Council. The Governance and Civic Officer undertook to liaise with the Financial Services Team Manager regarding a mop-up session for any Members of the Committee who were unable to attend on this agreed date.

## **20 MEMBERS' DECLARATIONS OF INTEREST**

There were no declarations of interest made at this stage of the meeting.

## **21 MATTERS ARISING SCHEDULE SETTING OUT CURRENT POSITION OF PREVIOUSLY AGREED ACTIONS AS AT 18 JULY 2016 (GA.11 16/17)**

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 18 July 2016.

With regard to the green action entitled "report format" the Chairman advised that in the absence of the Monitoring Officer and the Vice-Chairman, this matter had been deferred at his last Chairman's Briefing. The matter would therefore be brought forward to the next Chairman's briefing.

**RESOLVED** that progress on the Matters Arising Schedule as set out in report GA.11 16/17 be received and noted.

## **22 INTERNAL AUDIT PLAN – MONITORING REPORT – PERIOD 1 (GA.12 16/17)**

The Committee gave consideration to a report which sought to update Members of the progress by the Audit Partner, against the 16/17 annual programmes agreed by

the Audit Committee in March 2016. The report further provided details of the audit work undertaken during the period; the current position with agreed management actions in respect of previously issued reports; and details of other audit activity relevant to the Committee.

The report advised on eight audits having been completed during the period; two having received a high assurance rating, namely, Payroll and Treasury Management, five having received substantial assurance rating, namely, Bank Reconciliation, Creditors, Debtors Contract Management (Follow up) and Land Property and Estate Management, and one having received a limited assurance rating, this being Choice Based Lettings. The outcomes of each audit were outlined to Members in detail and it was noted that the Team Manager – Home Options was in attendance to answer any specific questions Members had on the outcome of the Choice Based Lettings.

The report further advised of the audits currently in progress, Section 7 of the report, and other significant audit work undertaken during the period and going forward.

Debate ensued and Members congratulated Officers on the successful Payroll audit. The Committee asked why the issues with the Choice Based Lettings arrangement had not been dealt with quicker. In response the Team Manager – Home Options, was invited to address the Committee to provide the background to the audit having been requested (which had not been planned) and to give an update on the current position.

The Audit had been requested by the Service as there were a number of ongoing issues which had caused concern around performance of other partners which the team had tried to resolve on an informal basis for a considerable period time. The Audit had put these issues on a formal footing, provided an independent judgement of the current situation and thus helped shape an improvement plan. Running alongside the audit had been a partnership improvement plan which had been put in place by the Team immediately. The Audit recommendations had greatly assisted Officers in raising the profile of the issues. Unfortunately the partnership issues had been compounded by ongoing IT issues but the Committee noted that since the writing of the report, the situation was much improved and the Home Options Team Manager outlined the improvements to date, during which it was noted that: -

- There was much improved strategic and operational relationships – Officers now met weekly with the Directors of ACIS and the two teams were working much more closely together. Both Chief Executives were also meeting.
- Now monitor on a weekly basis every property advertised by ACIS through the CBL System in order that the team are clear about the outcomes of each and every nomination they make.
- Previously nominations were being made and refused outside of the policy with limited audit trails. This was predominately a training issue and ACIS staff were not using the system effectively and had not received the training to do so. Therefore WLDC Staff had undertaken training with them, both group

sessions and 1-2-1s. Significant improvements had been seen since and stats were shared with the committee.

In responding to the Chairman's questions, Officers confirmed the relationship with ACIS was now a much more formalised one. The formal partnership agreement had been reviewed with assistance from legal service. This had not happened since the stock transfer in 1999 and did not reflect current expectations. Furthermore an operating agreement had been developed underneath this which would guide the working relationship between ACIS and the Council, going forward.

In responding to questions, Officers clarified that the legal agreement referred to earlier was one between ACIS and WLDC. There was a separate legal agreement which covered the wider partnership, specifically housing allocations, this was also under review.

West Lindsey were taking the lead in the wider partnership, it was meeting quarterly and was meeting its objectives. West Lindsey had been applying pressure regarding a New Housing Register system. The current system had been awaiting an upgrade by the current provider, had provided little clarity on how effective the system would be post upgrade and whether the stability issues would be resolved. This matter would be addressed through the revised wider partnership agreement which would be submitted to the Prosperous Communities Committee with the revised Housing Allocations Policy. Officers confirmed that unfortunately they had not been successful in recouping monies from Civica however much more assurance had been received that the upgrade would be effective. Officers still however had reservations. The upgrade would include a complete rebuild of servers. Testing would be undertaken through August and September with the new system launched in October. Demand analysis had been undertaken also, and unfortunately over 50% of this was failure demand as a result of the system. As a separate piece of work Officers were looking at if an alternative system was available, what would they want it to look like. This work was being monitored by the Transformation Board.

In relation to Appendix 4 of the report which detailed all outstanding actions, concern was expressed by an Independent Member that two of these related to actions assigned in November 2012 (Change Programme) and August 2013 (Infrastructure). Further information was sought regarding the detail of these two actions. In response, the Director of Resources advised that the Change Programme action related to the reviewing of all HR Policies. As there were a considerable number of such policies, it was accepted that this action would take time to complete in its entirety. However, assurance was offered that all policies were being reviewed, with a number having already been completed following consultation with the Joint Staff Consultative Committee and subsequent approval by the Corporate Policy and Resources Committee. The Infrastructure action related to the development of an IT Strategy. This was currently scheduled for approval by the Corporate Policy and Resources Committee in the Autumn. On adoption the action would be deemed closed.

The Committee indicated that in future reports it would be useful if Appendix 4 could include a short summary setting out the detail of each outstanding action, and any ongoing related activity.

In response to a Member's question assurance was given that bank reconciliations were regularly completed and reviewed by management.

A Member requested that regular reports be submitted to the Committee on the Progress being made with CBL. In response Officers advised that progress reports on how the partnership was being developed would be submitted to the Prosperous Communities Committee.

On that basis it was:-

**RESOLVED** that: -

- (a) the contents of the report be received and noted: and
- (b) having reviewed the content of the report the following identified actions be undertaken in relation to Choice Based Lettings: -
  - (i) Officers continue to maintain formal communications with ACIS Group Ltd;
  - (ii) Officers continue to provide operational and strategic leadership to the wider partnership;
  - (iii) assurance be sought on the new ICT system for Choice Based Lettings; and
  - (iv) the partnership agreement between ACIS and WLDC be completed.

### **23 ANNUAL CUSTOMER FEEDBACK REPORT (GA.13 16/17)**

Consideration was given to a report which reviewed the number, type and results of compliments, comments and complaints made to the Council during 2015/16. The report further advised on any evident trends, areas for learning and future management or feedback.

In opening the debate, Members commented on the relatively low number of complaints, even in high profile services, given the number of transactions and interactions the Council would have with its customers over the course of year. This was deemed a pleasing picture and gave Members confidence.

It was confirmed that those complaints categorised as "MP" did in the main arise from issues brought to the attention of the local MP through his surgeries.

In responding to comments and questions, Officers confirmed that a lessons learnt process was the next area to be developed. Progress and Delivery Reports currently had customer satisfactions targets within them but there was no formalised method by which to collect data.

The Institute of Customer Services was currently undertaking a survey on behalf of the Council.

Discussion ensued regarding surveying and concern was expressed that too many nowadays were directed through e-mail and this could be exclusive. It was suggested that greater use should be made of Ward Members and Parish Councils. Officers undertook to take on the board the comments expressed, however costs had to be a consideration.

**RESOLVED** that the content of report GA.13 16/17 be received and noted.

## **24 SUMMARY OF FRAUD INVESTIGATIONS 2015/16 (GA.14 16/17)**

The Committee gave consideration to a report which reviewed the number, type and results of fraud investigations made by the Council during 2015/16. The report also set out information regarding the revised delivery of Corporate Fraud Work and provided information on the overall effectiveness of the authority's arrangements in relation to counter fraud and corruption.

By way of background and context it was noted that 2015/16 was the first year that the newly established West Lindsey Corporate Fraud Team had dealt with all corporate fraud issues, the staff having evolved from the Housing Benefit Fraud Investigations Unit whose work had now transferred in full to the Department for Works and Pensions.

The Corporate Fraud Team was designed to be a self-financing unit of two officers both with fraud detection experience. The unit traded internally and externally, commissioning work from departments within West Lindsey and neighbouring Local Authorities.

It was noted that West Lindsey had worked in conjunction with City of Lincoln Council and North Kesteven in 2015, undertaking investigations funded by the Lincolnshire County Counter Fraud unit to deliver a pilot scheme detecting and investigating Local Council Tax Reduction scheme fraud. The pilot bid was to achieve savings of £65,000 across the three councils.

Other work carried out by the Corporate Fraud Team during 2015/16 included Stage 3 complaints, staff investigations, investigating referrals from the DWP Housing Benefit Matching Service and making referrals and dealing with information requests from the Department for Works and Pensions fraud team.

The WLDC Corporate Fraud future work would include corporate issues in line with the now disbanded Audit Commission's advice to acknowledge that fraud takes place, to take measures to prevent those frauds taking place and to actively pursue fraudulent activity within the Local Authority.

Sections 3 and 4 of the report analysed further both Council Tax Support Investigations and other Corporate Fraud activity undertaken during 2015/16

In conclusion the Committee noted the work the team would be undertaking during 2016/17 which included looking further at Local Council Tax Support Fraud, Business

Rates discounts, a proactive drive to include other departments looking at empty homes, tenancy fraud (homeless applications), council tax payers/council tax exemptions and new Local Council Tax Support claims.

Furthermore a pilot scheme has been agreed with Boston Borough Council to provide an investigation service looking at their Local Council Tax Supports fraud cases commencing July 2016.

Further promotion of the service internally and externally would be undertaken through the Summer and Autumn months.

The Committee welcomed the report however views were sought as to whether in light of the changed thrust of the report from previous years, whether it was now more appropriate for it to be submitted to the Corporate Policy and Resources Committee, in light of its commercial nature.

The general consensus was that the Commercial element of the report was more appropriate for Policy Committee consideration, however the Committee would still welcome an annual report on the number of cases undertaken.

Members also commented on the reassurance the report offered in that it demonstrated the Authority would pursue non-compliance.

**RESOLVED** that:-

- (a) the 2015/16 results be noted and the plan going forward to include corporate fraud investigations be supported; and
- (b) in the future the commercial element of the report be submitted to the Corporate Policy and Resources Committee.

**25 REVIEW OF THE WHISTLE BLOWING POLICY 2015/2016 (GA.15 16/17)**

Members gave consideration to a report which set out the annual review of Whistleblowing incidents.

The Whistle Blowing Policy provided a method for employees to raise concerns about the running of the Council without the risk of victimisation. All employees had access to the policy.

There had been no Whistle Blowing Procedures carried out during 2015/2016. The policy had been publicised to all staff members and it was also highlighted to new starters in their induction.

In the ensuing discussion, Officers confirmed it was not a “happy measure”. Employees had a number of alternative methods for raising concerns and as such whistle blowing was a last resort. In light that there had been no cases it arguably

demonstrated that these other avenues were working, and a number of these were outlined.

It was suggested that in future the whistle blowing report, if a nil return, should be extended to include the other support packages and measures on offer to employees. It was further suggested that “web page hits” data could be incorporated.

In response to a Member’s question, Officers confirmed that historically a staff survey had been undertaken. However no such survey had been undertaken for around 18 months. Alternatively a Staff Engagement Group had been established to undertake proactive work with the workforce in response to the last survey’s results.

Having reviewed the results of the last survey the Group had identified two areas to focus on, these being “The Council Communicates Well” and “I feel Valued and Recognised”. With regard to communication, which had been selected as the first priority to be addressed, the Group had devised a number of mini-projects aimed at helping to improve communication across the organisation, examples being, providing staff with an opportunity to set an element of the Corporate Update agenda, ask questions and provide feedback post the event; regularising the Chief Executive’s Blog and the introduction of Senior Officer Blogs; making use of newly installed monitors around the Guildhall, to show important and key corporate messages. A number of these had now been implemented and appeared to have been received positively. These mini projects had a formed an action plan and this would be kept under review.

The next area to be addressed by the Group was Reward and Recognition, and the group would again be asked to devise mini-projects for implementation with a view to creating an action plan.

**RESOLVED** that the Committee be assured the Whistleblowing Policy is in place and working effectively.

## **26 ANNUAL GOVERNANCE STATEMENT 2015/16 AND ACTION PLAN (GA.16 16/17)**

Consideration was given to a report which presented the Annual Governance Statement for 2015/16 and associated Action Plan to Members for approval. The report also set out 2014/15 Action Plan for signing off as completed.

The report outlined how the Statement had been developed and the sources of information used in this process.

As previously reported, the Actions relating to Development and Central Lincolnshire Local Plans Team detailed in the 14/15 Statement had been rolled into the 15/16 statement as these areas had not been completed in year.



The issues for inclusion were set out at Section 5.1 of the report and had been identified through those items listed at 2.1 of the report. The associated action plan was also appended for approval.

**RESOLVED** that:

- (a) the Annual Governance Statement for 2015/16 and the associated Action Plan be approved; and
- (b) the Action for 2014/15 be signed off as completed (bar the actions pertaining to the Local Plans Team and Development Management).

## **27 WORK PLAN (GA.17 16/17)**

Members considered their work plan for remaining meetings during the ensuing civic year.

In light of the resolution made by Annual Council in May 2016 regarding investigating alternative governance models, the Chairman requested that a verbal discussion item be added to his next Chairman's briefing and included for the September Committee Meeting in respect of this matter.

**RESOLVED** that the work plan as at 18 July 2016 be noted, subject to the inclusion of the item detailed above.

## **28 EXCLUSION OF PUBLIC AND PRESS**

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

**Note:** The Committee took a short recess to allow Members to consider the information tabled (appendices to the report) and the meeting recommenced at 8.00 pm.

## **29 QUICKLINE BUSINESS PLAN / PAYMENTS – MONITORING REPORT (GA.18 16/17)**

Members received a report for assurance purposes and to give the Committee confidence that Quikline were able to meet the conditions of the loan.

In presenting the report, Officers indicated at present the arrangement was in line with expectations and capital repayments continued to be made.

Members also received information on factors which had been affecting sales and cashflow performance, but a new business plan had been adopted by the company and profit figures for the past two months were shared with Members.

Officers confirmed they did not audit the figures provided by the company but accounts and sales data was received every month.

Some Members expressed concern regarding the data in Appendix B and what they believed it indicated. It was suggested that if explanatory notes could be included against any figure which had a greater variance than 10% this would be of assistance. Members also requested that the cumulative sales figures be expressed as a graph in future reports.

Officers again re-iterated that whilst there were a few areas of concern, no action was considered necessary, as all payments to-date had been met and this was the Authority's primary concern.

The meeting concluded at 8.18 pm.

Chairman