

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Governance and Audit Committee held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 18 April 2017 commencing at 2.00 pm.

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

Councillor Mrs Sheila Bibb
Councillor John McNeill
Councillor Mrs Angela White
Alison Adams
Andrew Morriss

In Attendance:

Ian Knowles	Director of Resources and S151 Officer
Manjeet Gill	Chief Executive
James O'Shaughnessy	Team Manager BI and Corporate Governance
Alan Robinson	SL - Democratic and Business Support
Katie Coughlan	Governance and Civic Officer

Also in Attendance: Mike Norman – External Audit KPMG
John Sketchley - Internal Audit – LCC

Also Present Councillor Jeff Summers
4 Members of the Public

Apologies: Councillor David Bond
Peter Walton

Membership: No substitutes were appointed

79 PUBLIC PARTICIPATION

There was no public participation.

80 MINUTES OF PREVIOUS MEETING

(a) Meeting of the Governance and Audit Committee held on 14 March 2017

RESOLVED that the Minutes of the meeting of the Governance and Audit Committee held on 14 March 2017 be approved and signed as a correct record.

81 DECLARATIONS OF INTEREST

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

82 MATTERS ARISING SCHEDULE

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 6 April 2017.

With regard to the black action No.3 entitled "Internal Audit Plan", the Chairman advised that following his most recent Chairman's briefing he had requested that the Head of Paid Service attend the meeting to address the Committee in order to give her assurance that were strategies in place to address the risks that had been raised regarding capacity particularly in the services areas detailed in the emerging risks section of the report (ref draft internal audit plan March 2017 meeting).

The Head of Paid Service was welcomed to the meeting and thanked the Committee for the invitation and challenge offered.

Assurance was sought and received that capacity and skills across all service areas was continually being monitored and reviewed. With regard to Project and Asset Management, the Head of Paid Service had directly intervened in an ongoing re-structure. A new structure had now been agreed and recruitment was underway. The service was also working more closely with partners and collaborating to ensure the team had capacity and the correct skills.

Regarding stress, the Head of Paid Service outlined the various factors that contributed to stress together with the wide range of mechanisms that were in place across the organisation for such matters to be raised and discussed. Stress Assessments were regularly used.

In concluding, the Head of Paid Service stressed that as a small organisation, with ever reducing grant funding, it was important to continually review how and where resources were being used.

The Committee welcomed and shared this view.

RESOLVED that: -

- (a) progress on the Matters Arising Schedule as set out in the report be received and noted;
- (b) the information received verbally from the Head of Paid Service be noted.

83 INTERNAL AUDIT Q4 MONITORING

Consideration was given to a report which gave Members an update of progress, by the Audit

partner, against the 2016/17 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 four audits having been completed during the period; with another 5 underway. The outcomes of each audit were outlined to Members in detail.

Referring to the outstanding recommendation and detailed contained in Appendix 5, the Committee sought assurance regarding progress with the ICT Strategy.

The Director of Resources addressed the Committee and advised that

Whilst a full strategy had not been agreed during that period the development and progression of the Corporate ICT had continued to be developed. An ICT Strategic Overview was agreed with Corporate Policy and Resources in June 2015. This covered the physical hardware.

Challenge had arisen in the digital side of the strategy which was more around the business need and customer service.

In recent months SOCITM had been undertaking work to review current plans and carry out maturity surveys of IT and Digital provision. Whilst an IT strategy was still intended to be delivered this would now be aligned with the work on our Closer to the Customer (CTTC) programme which was currently being scoped.

Regarding the audit into PCIDDS the auditor confirmed that the authority had been quick to respond to the recommended actions. A policy was now in place and approved and all actions would be completed by the end of the month.

RESOLVED that having considered the content of the report, it be noted with no further actions required at this stage.

84 AGS 15/16 MONITORING REPORT (Q3)

Consideration was given to a report which reviewed the progress made to-date against the Annual Governance Statement 2015/16 Action Plan.

The significant issues that had been identified for development were:

- Strategic & Spatial Planning
- Development Management
- Strategic Programme Delivery
- Information Governance & Security
- Intelligent Clienting
- Selective Licensing

The attached Action Plan referenced the progress made in respect of Development Management and the oversight and scrutiny provided by the Challenge & Improvement Committee who had received regular update reports from the service. The introduction of the Selective Licensing Scheme had been successful; with a greater degree of take-up than previously envisaged. In respect of Information Governance, a follow-up audit into Incident Management had reported a finding of substantial assurance and many associated policies had been revised.

At present it was envisaged that all matters would be appropriately addressed by their respective due dates.

RESOLVED that that having considered the content of the report the Committee be assured that the current position of the Annual Governance Statement Action Plan for 2015/16 would result in the completion of all relevant actions by July 2017.

85 STRATEGIC RISKS - 6 MONTH POSITION UPDATE

Consideration was given to a report which presented Members with the strategic risks identified as facing the Council as at 1 April 2017.

In presenting the report, Members noted that Internal Audit had recently completed an audit into the Council's risk management arrangements which had resulted in a "substantial" assurance rating being received.

Internal Audit's findings were summarised as follows:

"We found there are effective risk management processes in place for managing strategic and service risks. There are clear codes of practice in place which although need a slight update still clearly lay out the Council's expectations for the management of risk.

Strategic and service risks are centrally recorded, regularly reviewed, discussed and reported to management groups and the process is firmly established and understood. Managers showed a good awareness and understanding of monitoring, managing and considering risks as part of everyday service operations.

With firm foundations in place to manage and monitor risks the Council could now look to strengthen its processes by moving the focus of current monitoring from ensuring risks are up to date to include the quality and accuracy of the recorded risks."

Discussion ensued and Members were asked to consider whether there were any further strategic risks they considered should be reflected on the register.

The following suggestions were made: -

- Uncertain outcome of the general election
- County Council's plans regarding unitary authorities

Officers undertook to consider these further.

There was also a suggestion that those areas which were not being audited, referred to in the Internal Audit Plan, considered by the Committee at the March meeting, should be included. In response it was noted that a number of these, whilst not explicit, were included and examples were cited. The remaining issues would be incorporated into 16/17 AGS and thus tracked through that process. The Committee indicated that some form of cross referencing would be beneficial.

Following further discussion the Director of Resources undertook to give this suggestion further consideration.

In response to the Committee comments regarding some of the actions appearing to be out of date, particularly in relation to Devolution, it was noted that the Strategic Risk Register was due to be discussed by the Management Team later in the week and this may result in more actions being identified.

These would be detailed in the next update report to the Committee.

RESOLVED that having reviewed the strategic risks as presented they be noted.

86 GOVERNANCE ARRANGEMENTS T&F GROUP OUTCOMES

Members gave consideration to a report which set out recommendations from the Governance Arrangements Task and Finish Group, which had been established to undertake further detailed evaluation work into the implications of a possible move to the Leader Cabinet model, hybrid or more effective Committee System, following a resolution passed by Annual Council in 2016.

The report set out the work the Task and Finish Group had undertaken in order to be able to form their recommendations and the outcome of the high level consultation they had undertaken.

Task and Finish Group Members who were present, shared with the Committee, experiences they had had whilst undertaking their investigations.

In responding to questions, Officers confirmed that the consultation responses received had been cross party.

RESOLVED that:

- (a) the work undertaken by the Task and Finish Group be noted and accepted;
- (b) in light of the Group's findings, it be **RECOMMENDED** to Council that no further work into a potential change of Governance Arrangements be undertaken for the reasons outlined in the report; and
- (c) Officers be requested to include provision for those suggestions made at Section 5.3 of the report within the annual review of the Constitution report for further consideration by Full Council in May 2017.

87 MEMBERS CODE OF CONDUCT AND OPERATING PROCEDURES - FINAL DRAFT INCORPORATING FEEDBACK RECEIVED TO DATE

Consideration was given to a report which presented a Final Draft version of the revised Members' Code of Conduct and Operating Procedures.

Following previous consideration by this Committee and the Standards Sub-Committee on a number of occasions, a number of proposed amendments and additions had been made.

The proposed amendments were presented for further consideration and agreement was sought for the finalised documents to be submitted to Annual Council in May 2017 for adoption.

It was also noted that an all Member workshop would be held in advance of Annual Council to present the content of the Code to the wider membership in an informal setting.

In presenting the report the Monitoring Officer advised that the report had recently been considered by the Standards Sub-Committee but due to a timing issue with publication, the amendments agreed were not as yet incorporated these were verbally shared with the Committee, as follows:-

- No further amendments required to the Code itself- all suggested amendments accepted;
- Further amendments required to the operating procedure with regard to how formal investigations were conducted, namely: -
 - It be made clear that following an investigation if the MO makes the decision to proceed to a hearing, there will be full disclosure of all witness statements given to all parties;
 - The method for recording any interviews will be a decision for the Investigating Officer, however an audio recording will be taken on request;
 - It be made clear that Hearings can proceed in the absence of the subject member if the MO is not satisfied with their reason for non attendance.
 - The reasons for the MO deciding to proceed to a hearing will be documented and shared with all parties.

Discussion ensued and it was suggested that respect should be added as principle, as it was at the County Council. Officers confirmed that the introduction wording used in the respect section, was the same as that included in the County Council's Code, albeit in a different section of the Code.

In responding to questions Officer clarified what was meant by threshold with regards to complaints about respect.

It was suggested that Local Ward Member engagement at the onset on the process (operating procedure refers), should be chased up at least once, rather than not at all, as currently drafted.

It was also suggested that the ability for the Monitoring Officer to have the final decision regarding whether a Hearing should proceed should be somehow documented in the procedure.

Whilst being agreeable to the suggestions made, some Members expressed concern that in trying to make the operating procedure cover every eventually, they could inadvertently make it unworkable. All were agreement that a degree of flexibility within such a procedure was required.

RESOLVED that:

- a) Having reviewed the final draft version of the revised Code of Conduct and Operating Procedures the Committee's comments and suggestions detailed above be noted and further considered by Officers for inclusion.
- (b) an all Member workshop be held in advance of Annual Council to present the content of the draft revised Code to the wider membership (proposed date of 25 April 2017).
- (c) the Monitoring Officer be granted delegated Authority to incorporate any further amendments required to the Code of Conduct and Operating Procedures, arising from the Governance and Audit Committee Meeting or the above Member Workshop, prior to it being submitted to Annual Council for adoption in May 2017.

88 ANNUAL REVIEW OF THE CONSTITUTION

Consideration was given to a report which proposed a number of amendments to the Constitution for consideration by the Governance and Audit Committee prior to being recommended to Full Council.

In presenting the report the Monitoring Officer outlined the process which had been followed in undertaking the review, as detailed at Section 1 of the report. The changes being proposed as a result, and contained the report were summarised to the Committee.

RESOLVED that:

- (a) the outcome of the Annual Review be noted; and
- (b) it be **RECOMMENDED** to Council that:-
 - (i) the amendments detailed in paragraphs 2.6 to 2.13, and at Appendices 1 and 3 of the report, and the revised Constitution chapters as appended (Appendices 4-6) be approved for immediate implementation.
 - (ii) the amendments detailed at Appendix 2 of the report, as already approved by Council/Committee, be noted;
 - (iii) the Challenge and Improvement Committee new section on Oversight

Commissioning and the Operating Methodology as set out in paragraph 2.10 and Appendix 7 be approved for inclusion.

- (iv) the review of Planning Protocols as set out in paragraph 2.11 and Appendix 8, be approved;
- (v) Given the Council's increased Commercial activity, the Constitution contain a separate section to deal specifically with the Council's Trading Companies, this to be compiled and developed for presentation within the Annual Review in 2018.

89 WORK PLAN

Members considered their work plan for the meetings during the ensuing 17/18 civic year.

This being the last meeting of the 16/17 civic year, the Chairman placed on record his thanks to Vice Chairman, Councillor Jackie Brockway, and all Members of the Committee. Thanks were also expressed to all those Officers who regularly serviced the Committee throughout the year.

RESOLVED that the work plan as at 6 April 2017 be noted.

90 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 10 minute recess to allow Members to consider the information tabled (appendices to the report) and the meeting recommenced at 3.32 pm

91 QUICKLINE BUSINESS PLAN PAYMENTS - MONITORING REPORT PERIOD 4

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 indicated they had no concerns and on that basis it was:-

RESOLVED that the monitoring information as presented be accepted and the Committee be assured.

Governance and Audit Committee- 18 April 2017
Subject to Call-in. Call-in will expire at 5pm on

The meeting concluded at 3.35 pm.

Chairman