

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 25 November 2025 commencing at 2.00 pm.

Present: Councillor Stephen Bunney (Chairman)
Councillor Mrs Angela Lawrence (Vice-Chairman)

Councillor John Barrett
Councillor Trevor Bridgwood
Councillor Christopher Darcel
Councillor David Dobbie
Alison Adams
Andrew Morriss

In Attendance:
Peter Davy Director of Finance and Assets (Section 151 Officer)
Lisa Langdon Assistant Director People and Democratic (Monitoring Officer)
Sue Leversedge Financial Services Manager (Deputy Section 151)
Debra Chamberlain Director - KPMG
Badar Abbas Senior Manager - KPMG
Rob Barnett Partner - RSM
Katy Allen Corporate Governance Officer
Caroline Capon Corporate Finance Team Leader
Darren Mellors Performance & Programme Manager
Katie Storr Democratic Services & Elections Team Manager

Apologies: Alexio Chandiwana

33 PUBLIC PARTICIPATION PERIOD

There was no public participation.

34 MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the meeting held on 30 September 2025 be approved and signed as a correct record.

35 MEMBERS DECLARATIONS OF INTEREST

There were no Declarations of Interest at this point.

36 MATTERS ARISING SCHEDULE

The committee received a report outlining the Matters Arising identified at previous meetings.

An update was given regarding the review of phrasing in the Constitution relating to the public right to record in Committee meetings. It was confirmed that necessary amendments had been made to the constitution.

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

The Committee, at the request of the Chairman, agreed to a change in order so that Agenda Item 6 (c) be heard before Agenda Item 6 (a).

37 EXTERNAL AUDIT COMPLETION REPORT - ISA260

The Committee gave consideration to the External Audit report on the quality of the Statement of Accounts and Annual Governance Statement 2024/25, as presented by KPMG. Members were provided with a summary of the audit findings, with the auditor highlighting areas such as, the valuation of land and buildings, the valuation of investment properties, and the valuation of pension benefits. It was confirmed that no audit misstatements were identified, and control measures had been recommended if required. The Committee heard that previously recommended control measures had been addressed.

Members were invited to comment. The committee indicated their contentment with the report and detail contained within, therefore, by unanimous assent, it was

RESOLVED that the contents of the External Audit Completion Report – ISA 260, be accepted.

38 AUDITED STATEMENT OF ACCOUNTS 2024/25 SIGN OFF

Prior to introducing the report, the Chairman highlighted there had been a training session for Committee Members ahead of the meeting and reiterated that those who had been unable to attend would not be able to vote on the item. The Committee then heard from the Financial Services Manager who presented the 2024/25 Statement of Accounts for scrutiny and approval.

It was explained that the audited Statements of Accounts 2024/25 had been prepared in accordance with proper accounting practices and the requirements of International Financial Reporting Standards (IFRS). This was intended to provide for comparable accounts across all accounting boundaries, public and private, national and international. The Actual Outturn for 2024/25 reported a surplus of £2.057m, of which £0.931m related to budget provision for projects which had approval for carry forward as they spanned financial years. This left a £1.126m surplus which had been transferred to reserves. Members heard that Capital Investment in the year totalled £17.398m.

In respect of Usable Reserves, the Council remained in a healthy position with balances detailed as follows:

- General Fund working balance total £4.478m, (£3.402m 2023/24)
- General Fund Earmarked reserves total £19.558m, (£20.047m 2023/24)
- Capital receipts total £1.480m (£1.460m 2023/24)
- Capital Grants unapplied £3.070m (£3.577m 2023/24)

A number of financial performance ratios were contained within the report which illustrated that the Council remained in a healthy financial position.

Members were advised that there were two material misstatements identified during the audit which had been corrected by officers. The statements were a classification adjustment to correctly categorise the balance from short-term deposit to cash at bank with an amount of adjustment of £0.5m and a classification adjustment to correctly classify accrued interest on short-term investment from cash and cash equivalents to trade and other receivables, the amount of the adjustment being £0.986m.

The Financial Services Manager explained that whilst the Statement of Accounts was available for inspection by the electorate from 27 June to 7 August 2025, no such requests were made. The Committee Members were asked to review the Statement of Accounts and confirm there were no concerns to be brought to the attention of Council; also to approve the Statement of Accounts for 2024/25; and to permit the Section 151 Officer and the Chairman of the Committee to certify the letter of representation to KPMG.

On inviting comments from the Committee, the Chairman noted a discrepancy between a section of narrative report and contents of the table detailing the combined income and expenditure. It was confirmed that the narrative was yet to be updated, the figures contained within the table were accurate and, subject to Member agreement, the narrative would be updated prior to publication. This was accepted by the Chairman and Committee Members. It was also noted that any other identified typographical errors would also be corrected.

The subsequent discussion factored in the understandability of the report and contents, with Members expressing a wish for an enhanced approach to Member involvement with the Statement of Accounts reporting, prior to it being presented at the Committee meeting. The Chairman confirmed such discussions had been held with Officers, and the approach would be reviewed ahead of the 2025/26 accounts being presented.

In response to a question regarding the balance of earmarked reserves and the prudence of maintaining reserves versus using funds, the Section 151 Officer explained the governance process for such reserves, highlighting that an annual report was presented to the Corporate Policy and Resources Committee for review. He also emphasised the importance of striking a balance between spending and holding monies in reserve, noting there was continuous open dialogue between himself as Section 151 Officer, the Administration Group, and ultimately through the policy committees.

With no further comments or questions, the Chairman read aloud the recommendations contained within the report and repeated only those who had been present at the training would be able to vote. Having been proposed, seconded, and voted upon, it was

RESOLVED that

- a) the Statement of Accounts 2024/25 had been reviewed, and it be confirmed there were no concerns arising from the Financial Statements to be brought to the attention of the Council; and
- b) the Statement of Accounts for 2024/25 be approved; and
- c) the Section 151 Officer and the Chairman of the Governance and Audit Committee be permitted to certify the letter of representation to the Auditor, KPMG.

39 ANNUAL EXTERNAL AUDIT REPORT 2024/2025

Members heard again from KPMG, regarding the Annual External Audit Report 2024/2025. It was explained that the report summarised all external audit work carried out pertaining to the 2024/25 financial statements and other returns. Members were directed through the report, with detail previously discussed earlier in the meeting regarding the ISA260 report being reiterated. It was highlighted that no significant risks or weaknesses had been identified. Members heard that the National Audit Office had not concluded its audit regarding the whole of government accounts, meaning KPMG had been unable to conclude their work in this area, however this would happen in due course. Finally, it was highlighted that there was nothing of attention to be noted regarding the wider powers of the External Auditors.

Members were invited to comment or question, however with Members indicating their approval of the report, and having been proposed and seconded, the Chairman took the vote and it was

RESOLVED that the findings from the Annual Audit Report provided by the External Auditors be noted and endorsed.

40 QUARTER TWO REVIEW OF STRATEGIC RISKS 2025/2026

Members of the Committee were invited to review the register of strategic risks for quarter two of the 2025/26 financial year. It was highlighted that three of the registered risks had undergone a change of risk owner, additionally, the risk score of the council's ability to deliver strategic priorities had reduced from 12 to nine. Members were requested to consider the details of the register, consider whether there were any additional risks of a strategic nature, and whether the controls in place and prepared actions were sufficiently robust.

Members requested that the report content be reviewed in favour of prioritising current situations rather than providing older information. This was noted to be taken forward into future reports. It was also enquired whether the impact of the combined authority, and relationships between other authorities and West Lindsey District Council, would be deemed a strategic risk. The Monitoring Officer highlighted that should those areas become impactful on the Council and delivery of the Corporate Plan, there would be a further review of the risk status.

With no further comments, and having been proposed, seconded, and voted upon, it was

RESOLVED that the strategic risk register had been reviewed, and consideration had been given to additional risks and the robustness of current controls and proposed actions.

41 INTERNAL GOVERNANCE ARRANGEMENTS

Members gave consideration to a report regarding the updated approach to internal governance arrangements, aligned to the refreshed Corporate Plan. Presented by the Performance and Programme Manager, it was explained that the council operated five programme boards to oversee project delivery, each reporting into a bimonthly portfolio board. A 2025 audit rating of substantial assurance demonstrated that the framework was established and functioning, however several challenges remained. These included limited alignment with the Corporate Plan, minimal stakeholder engagement and awareness, and high resource demands. To address these issues, a new governance model was being introduced to be more closely aligned to the refreshed Corporate Plan.

Members heard this would involve the creation of three new programme theme boards, each directly linked to the Corporate Plan's strategic themes. Each board would manage a delivery plan which included, as a minimum, project performance and strategic risks. Each board would be chaired by a Director and be supported by subject matter experts from across the council, and include Member involvement with each board having both a Lead and Deputy Member sponsor. It was anticipated that the new arrangements would be operational for April 2026, with work underway with Officers to develop the delivery plans, and a further report scheduled to be presented to the Corporate Policy and Resources Committee in due course.

The Chairman thanked the Officer for his explanation, and Members welcomed the opportunity to understand how the refreshed arrangements would build into the overall governance of the council. In response to a question regarding the alignment with the strategic risk register, it was explained that not only would the strategic risk register also be reviewed to be aligned with the Corporate Plan, each of the three themed boards would feed into, and receive feedback, in line with those strategic risks. This was an enhanced approach to incorporate the review of risks directly alongside the delivery of strategic priorities.

Members of the Committee discussed specifics of the wider governance approach, including the frequency of meetings, how Member sponsors would be identified, and by which route would the review progress. It was explained that many aspects were in draft element at the current stage, however there would be further work progressed through the Corporate policy and Resources Committee, and ultimately Full Council.

Members expressed their support for the overall approach to streamline the overall governance, also requesting that updates be shared with the Governance and Audit Committee as work progressed. It was highlighted that the committee also had requested to receive programme updates, which would cover areas such as this.

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

RESOLVED that the update on internal governance arrangements, for successful delivery of the Corporate Plan be accepted.

42 ANNUAL GOVERNANCE STATEMENT AND CODE OF GOVERNANCE

The Chairman invited the Monitoring Officer to present a report for the Committee to consider the final version of the Annual Governance Statement, and the revised Local Code of Governance. It was explained that the Council was legally required to publish an Annual Governance Statement, to be included within the 2024/25 Financial Statement. Whilst there was no legal requirement to have a Local Code of Governance, it was recommended by CIPFA/SOLACE (Delivering Good Governance in Local Government Framework 2016) that local authorities should produce a Code that illustrated how they achieved good governance across the organisation. The previous version had been in place since 2019, and so revisions included updates to current branding.

In response to a question regarding actions arising from the peer review, it was confirmed that actions were ongoing and aligned with the refresh of the Corporate Plan. Additionally the Annual Governance Statement and Local Code of Governance were reported through the Governance and Audit Committee only, with the draft AGS and final version being an annual report, for inclusion in the Statement of Accounts.

In expressing content that matters were being progressed, and the Committee would be kept up to date with actions as required, the recommendations within the report were duly moved, seconded, and voted upon, and it was

RESOLVED that

- a) the updated Annual Governance Statement 2024-25 had been reviewed and its inclusion within the 2024-25 Financial Statement be approved; and
- b) the revised Local Code of Governance be approved.

43 COMMITTEE WORKPLAN

A Member of the Committee enquired as to the feasibility of there being something of a pre-meeting for Members of the Committee to review papers with Officers and each other, in terms of looking at specific reports. This was also connected with the committee-specific training and Members being able to attend as far as possible.

The Chairman noted the commitment required for reviewing papers as they were published, accepting some items were large, involved documents. Options for earlier review would be considered, and the Democratic Services and Elections Team Manager also highlighted the importance of items of business being included in the work plan with sufficient notice, as this provided Members advance detail of what was to be addressed at each meeting.

With comments taken on board, and no further questions, the work plan was **DULY NOTED**.

44 INTERNAL AUDIT PROGRESS REPORT

The Committee gave consideration to the final public report, that being the Internal Audit Progress report. It was explained that there were two audits which had been completed however the time scales for sign off meant that only the one, cyber security, was reported to the current meeting. Members heard that the highest level of assurance had been issued, which, for an area of high risk, was an excellent result. Only two management actions had been identified, one of medium importance and one of low importance, which also demonstrated the success of the field of work.

With regards to ongoing audits, it was explained that work was on track to complete the full audit plan according to the specified time frame, with subsequent progress reports scheduled in for upcoming meetings.

Members of the Committee praised the outcome of the cyber security audit and extended thanks to the Head of Digital Data and Technology and his team, noting how appreciative Members were for the diligence of the team.

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

RESOLVED that progress to date had been reviewed and the content of the report be agreed.

45 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 involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

46 PROCUREMENT EXCEPTIONS

The Committee heard from the Director of Finance and Assets (S151 Officer) who presented a list of procurement exceptions granted under delegation between 1 October 2024 and 30 September 2025. It was explained that when procuring and extending contracts, the Council's contract procedure rules set out how this should be done, however, there were rare circumstances where following the procedure rules was not practical or possible. Therefore, depending on the value of a contract, either Committee, Management Team or the Section 151 Officer, could exempt the procurement from the Contract Procedure Rules, allowing for a direct award of choice. It was highlighted that this process should only be by exception rather than rule and a report must be compiled for approval. The Governance and Audit Committee was requested to review the report and note the exemptions made under delegations provided within the Council's constitution.

Members examined the details of the procurement exceptions and enquired as to the specific circumstances. Officers provided additional information and reiterated the requirements of a direct award.

Having reviewed the details, the procurement exemptions made under delegations provided within the Council's constitution were **DULY NOTED**.

The meeting concluded at 3.23 pm.

Chairman