

Minutes

Governance and Audit Committee

Wednesday, 20 October 2021, 14:00



SOUTH
KESTEVEN
DISTRICT
COUNCIL

**Council Chamber - South Kesteven House,
St. Peter's Hill, Grantham. NG31 6PZ**

Committee Members present

Councillor Ian Stokes (Chairman)
Councillor Paul Wood (Vice- Chairman)

Councillor Ashley Baxter
Councillor Gloria Johnson
Councillor Jacky Smith
Councillor Mark Whittington
Councillor Sue Woolley

Cabinet Members in attendance

Councillor Adam Stokes (The Deputy Leader of the Council)
Councillor Robert Reid (Cabinet Member for Housing and Property)

Officers in attendance

Alan Robinson (Deputy Chief Executive (Monitoring Officer))
Gary Smith (Director of Commercial and Operations)
Nicola M^cCoy-Brown (Director of Growth and Culture)
Richard Wyles (Assistant Director of Finance (S151 Officer))
Emma Whittaker (Assistant Director of Planning)
Paul Stokes (Head of Corporate Operations)
Gillian Goddard (Senior Financial Accountant)
Tracey Elliott (Governance and Risk Officer)
Rosie Townend (S106 Officer)
Sarah Downs (Democratic Services Officer)

Internal Audit

Rob Barnett (RSM)
Aaron MacDonald (RSM)

External Audit

Paul Cuttle (Grant Thornton)

38. Apologies for absence

There were none.

39. Disclosure of interests

There were none.

40. Minutes of the meeting held on 29 September 2021

The minutes of the meeting held on 29 September 2021 were proposed, seconded and **AGREED** as a correct record, subject to the following amendment:

- That Councillor Breda-Rae Griffin be added to Committee Members present, as she had been acting as a substitute.

41. Updates from the previous meeting

Confirmation was given by the Chairman that the Work Programme had been updated to include a Planning Services Review update, to be considered at the December meeting of the Committee.

(Councillor Baxter joined the meeting at 14:04, during consideration of the above item)

42. Internal Audit Progress Report

A report was presented to the Committee by Internal Auditors, RSM, following completion of a review of; Local Authority Searches, Housing Compliance, Income and Banking and Continuous Assurance, as part of the approved internal audit periodic plan for 2021/22.

The Auditor confirmed five reports had been finalised since the Committee last met.

The review of Local Authority Searches was largely positive, actions had been taken to improve the service delivery turnaround time. Six of the ten Searches sampled were completed within a timeframe of 22 days. There was no clear audit trail on some Searches, when documenting registration and the Authority was found to have no formal Land Charges Policy in place.

The Auditor paused for questions at which point the following points were raised:

- Clarification was requested as to why issues had still been identified as the previous Finance, Economic Development and Corporate Services Overview and Scrutiny Committee, confirmed these issues were largely resolved.

The Auditor clarified that the report findings were made prior to the Economic Development and Corporate Services Overview and Scrutiny Committee meeting, a significant improvement had been made since that time, which showed an average reduction in Searches times to between 2 and 4 days.

- A Member asked for clarification as to why the Committee had received two copies of the report, a revised version had been included within the supplement.

The Committee was informed that an incorrect job title had been included within the original agenda pack, that had been amended to reflect the correct post and was circulated within the agenda supplement. It was requested that it be noted to Members where changes had been made to documents for the changes to be easily identified.

- Why had the Authority's timescale for completing Searches been 22 days, when the Government's target turnaround was 10 days.

The current position indicated a less than 5 days as a turnaround period. Continuous improvement was being made due to temporary increased resources. Processes and procedures had been fully reviewed, including consultations with a neighbouring Authority. A reduction in demand had also contributed to the improvement in turnaround times.

- What continuing gaps were there within the Housing Services Compliance framework and what was being done to improve standards.

Practices had been significantly strengthened, fire risk assessments, legionella prevention and asbestos safeguarding were 100% compliant and that fire door checks were underway. Additional support was being considered within these programmes through IT support and senior officer participation. Gas checks were largely complete and electrical testing was being undertaken by contractors. The electrical testing had been significantly delayed by the pandemic, as time within residential homes for tradesmen had been restricted by the Government, during the lockdown periods.

- A management report on the 'Propeller' system was requested, what progress had been made since it was implemented in July 2021.

Available findings of the strengths of 'Propeller' would be shared at subsequent meetings, some information would be prepared for the 22 December 2021 Committee meeting.

- What the Authority's current status was with the Housing Regulator?

It was confirmed that the Authority had been described by the Regulator as "making a mammoth achievement so far". It was further acknowledged that Improvement Plan updates were readily available, as it was important that the status be known.

- Could Members expect to receive training on the use of Propeller, so they could access live information.

The Committee were informed that Members were to receive training after the completion of officer training.

(The Chairman called a short recess at 14:53, reconvening the meeting at 15:09)

Members continued to discuss the Continuous Assurance report, as follows:

- What was the Authority's process for raising purchase orders?

An Officer informed the Committee that purchase orders were raised by individual departments, not centrally. The process was an organisational responsibility and invoices would only be paid upon receipt of a valid purchase order, Senior Finance Officers were working towards a list of suppliers where no purchase order would be required, so to ensure a more efficient process, which was required in some circumstances.

- What was the process when officers left the Council's employment?

The Assistant Director of Finance was working with the Deputy Chief Executive to update current processes. Currently Human Resources would communicate when an officer had left the employment of the Council, to ensure that access to ICT and the Council offices were deactivated.

AGREED:

That the Governance and Audit Committee noted the Internal Audit Progress Report.

43. EXCLUSION OF PRESS AND PUBLIC

It was proposed, seconded and **AGREED** that the press and public be excluded from the meeting:

DECISION:

Under Section 100(a)(4) of the Local Government Act 1972, the press and public were excluded from the meeting during any listed items of business, on the grounds that if they were to be present, exempt information would be disclosed to them as defined in paragraph 3 of Schedule 12A of the Act.

44. Internal Audit Progress Report - Part 2

The Committee discussed the contents of the exempt part of the Internal Audit Progress Report.

45. Internal Audit Follow Up Report

A review was undertaken to follow up on progress of previously implemented management actions A summary of which was summarised by RSM.

The Auditor confirmed findings of 'reasonable progress'. Most audit actions had been found to be fully implemented, with some actions ongoing.

AGREED:

That the Governance and Audit Committee noted the Internal Audit Follow Up Report.

46. Section 106 Monitoring Update Report

The Director for Growth and Culture presented a report which provided an updated status of Section 106 (S106) funds and the monitoring of contributions and other requirements from S106 agreements for the previous year.

The Committee had requested at its meeting in February 2021 that six monthly updates on S106 funds collected and monitoring of agreements be provided.

The Director informed the Committee that of £100,000 requested from developers, there was currently £16,000 outstanding. During discussion, Members raised the following:

- Disappointed that the entire amount was yet to be received.
- If any funds had been returned due to the expiry of time given.
- It was requested that regular updates be provided on what Section 106 funds were available and where funds had been spent.

The December 2020 Infrastructure Funding Statement report was available to access via the Council's website. The report provided the information which Members had requested regarding data on income and outgoings.

A suggestion was made that as part of a review of the Constitution, The Committee may be required to consider which of the Council's Committees should review S106 funding, in terms of performance monitoring. It was requested that this consideration be passed to the Constitution Committee.

- Clarification was sought by a Member as to why a large amount of S106 was noted as being unspent.

The Committee were informed that this large amount was allocated to the Elizabeth Road area in Stamford.

ACTION 1

The Committee to be provided with further updates following the production of the next Infrastructure Funding Statement. This would include an update on the processes for collecting and monitoring contributions.

ACTION 2

That the Constitution Committee be requested to consider, as part of the Constitution review, which Committee would monitor Section 106 funds.

AGREED:

That the Governance and Audit Committee noted the contents of the Section 106 Monitoring Report.

47. External Audit Annual Governance Report

The Committee were presented with the External Audit Annual Governance Report, year ended March 2021. The report outlined the key findings arising from the Statutory Audit, to ensure fairness and transparency.

- A Member noted that there had been recent changes to the Audit Code which meant an increased amount of checks required as part of the audit. It was requested that confirmation be provided that the audit would be completed to allow the Council's statement of accounts to be published.

The Auditor confirmed that the audit work for the statement of accounts has now been completed and the accounts were now able to be approved.

AGREED:

That the Governance and Audit Committee noted the External Audit Governance Report.

48. Statement of Accounts

The Statement of Accounts 2020/21 were presented to the Governance and Audit Committee for approval.

The report provided covered:

- Accounts and Audit (Amendment) Regulations 2021
- Accounts and Audit Regulations 2015
- Section 21(2) Local Government Act 2003
- Revised Statement of Accounts
- Commentary on the outcome of the audit of the Statement of Accounts

It was noted that the Council had made an achievement by completing their Statement of Accounts, albeit 20 days later than the target deadline of 30 September 2021.

The Assistant Director of Finance confirmed that once agreed, the accounts would be published and made available on the Council website.

It was highlighted to Members that Gravitass Housing Ltd was incorporated within the group accounts of the Council and that LeisureSK Ltd accounts would be within the group accounts for the next year financial year (2021/22).

Members raised the following:

- Why the Committee had not been provided with the financial accounts for the Council owned Companies.

The Assistant Director of Finance informed members that the production of all Council owned company accounts were compliant with legislative requirements, There was no requirement to incorporate Council owned companies in the Council's accounts. The terms of reference for the Committee did not include responsibility for the Council owned companies' accounts, this was included within the terms of reference for the Companies Committee. The accounts of the Companies were submitted to Companies House, in accordance with legislative requirements.

- Clarification was requested on termination benefits in relation to staff that have exited the Council.

It was explained that a new management structure had been approved by Council and the implementation of the structure would have resulted in termination costs being incurred. Statutory officers were required to sign off any exit arrangements that incur a financial cost and there was a process in order to ensure value for money was evidenced. The Deputy Chief Executive added that a Redundancy Policy was in place and would be followed as part of the termination of any officer's employment.

The recommendations were proposed and seconded, following a vote they were **AGREED**.

DECISIONS:

That the Governance and Audit Committee:

1. **Approved the 2020/21 Statement of Accounts and that the letter of representation be signed by management.**
2. **The outcome of the audit work was noted.**

49. Work Programme 2021 - 22

The Committee considered the Work Programme for 2021 – 2022.

ACTION

The following item was to be added:

- **An update to be provided to the Committee on the Planning Service Review at the 22 December 2021 meeting of the Committee**

50. Any other business, which the chairman, by reasons of special circumstances, decides is urgent.

There were no other items of business.

51. Close of Meeting

The Chairman closed the meeting at 16:50.