

Meeting of the Governance and Audit Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Wednesday, 15 March 2023, 2.00 pm

Council Chamber – South Kesteven
House, St Peter's Hill, Grantham, NG31
6PZ

Committee Members present

Councillor Paul Wood (Chairman)
Councillor Kaffy Rice-Oxley (Vice-Chairman)

Councillor Richard Dixon-Warren
Councillor Gloria Johnson
Councillor Murray Turner
Councillor Sue Woolley

Cabinet Members

Councillor Adam Stokes (Deputy Leader of the Council)

Officers in attendance

Richard Wyles (Chief Finance Officer and Section 151 Officer)
Graham Watts (Monitoring Officer and Assistant Director of Governance)
Alison Hall-Wright (Assistant Director of Finance)
Emma Whittaker (Assistant Director of Planning)
Debbie Roberts (Head of Corporate Projects, Policy and Performance)
Craig Spence (Acting Director for Housing and Property)
Julie Martin (Head of Housing Technical Services)
Tracey Elliott (Governance and Risk Officer)
Phil Swinton (Emergency Planning, Health and Safety Officer)
Sarah Downs (Democratic Services Officer)

Lucy Pledge (Assurance Lincolnshire Auditor)

24. Apologies for absence

An apology for absence was received from Councillor Ian Stokes.

25. Disclosure of interests

No interests were disclosed.

26. Minutes of the meeting held on 30 January 2023

The minutes of the meeting held on 30 January 2023 were proposed, seconded and **AGREED** as a correct record, subject to the following amendments:

Councillor Dixon-Warren requested that for clarity, the reasons for his reservations about not carrying the chairmanship recommendation forward were recorded.

This was confirmed as having been updated online by the Democratic Officer.

27. Updates from previous meeting

There were no updates to be noted.

The Chairman confirmed the action from Item 20 of the meeting held on 30 January 2023 had been completed. An email had been circulated to all Members reminding them to complete any outstanding training.

28. Internal Audit Progress Report

The purpose of this report was to provide details of the audit work during the period 1 December 2022 to 28 February 2023 and advise on progress of the 2022/23 plan and to raise any other matters that may be relevant to the Governance & Audit Committee role.

Since the last update report presented to the Governance & Audit Committee in December 2022, the following audits had been completed:

Programme Management – consultancy review

Housing Void Management – substantial assurance for control design and framework.

Limited assurance for operation/implementation of controls and framework.

Health & Safety – substantial assurance

All remaining audits were scheduled for completion by the end of March 2023. The key focus over the next month was to include:

- Key Control Testing – Debtors, Creditors and Capital Monitoring – fieldwork stage
- Combined Assurance – fieldwork stage

As part of the quality assurance process, feedback was received from clients to help support continuous improvement. Whilst Assurance Lincolnshire were on

track to deliver the plan, reflecting on the first year of service there was an acknowledgement that some areas of the audit process could be improved:

- Keeping in touch during the audit
- Communicating results – better debrief and clearance of reports
- Contemporary reporting

The quality assurance improvement plan was to be shared and monitored as part of regular liaison meetings. The Head of Internal Audit would oversee this plan.

The Acting Director of Housing and Property welcomed the split in assurance decisions on the Housing Void Management as it acknowledged that progress had been made. Further positive results were expected in the coming months.

Members raised the following points during discussion:

- As the action plan ratings were broad – rated as green, amber and red, could a ‘direction of travel’ be indicated so progress could be clearly measured? An amber rating could be almost green or very nearly red.
- How many corporate projects were there currently and how many non-corporate projects?
- A suggested area for improvement was ‘the Council should actively promote and monitor compliance with the new framework.’ Shouldn’t this practice happen as a matter of course?
- Was the recommendation of initial risk assessments for projects to be monitored?
- Clear agreed actions to strengthen the risk assessment process were welcomed.
- What was the remit of the Health and Safety Working Group and who would sit on it? Was it expected to report to Governance and Audit Committee?
- Why was there no rating for the findings from the consultancy?

The Auditor informed Members that within the action plan was a current rating and a target rating. Recommendations made gave the extent of what was required to achieve a green rating. The recommendation to actively promote and monitor compliance was added as part of the new framework following the consultancy review. This was to ensure more active governance of compliance as a process. Management had taken the recommendation for initial risk assessments forward and progress was to be reported at a future meeting.

The Head of Corporate Projects, Policy and Performance confirmed there were approximately 20 – 25 projects currently on the Corporate Projects list. These included capital projects and some revenue projects. There were some reputational projects also included. The amount of non-corporate projects was not measured or monitored on a monthly basis as they consisted of smaller projects below a level of financial threshold and were managed by the relevant Head of Service as part of a departmental service plan.

The Auditor confirmed that the consultancy review consisted of giving guidance and advice on new processes, without rating, where suggesting improvements was common practice

The Health and Safety and Emergency Planning Officer confirmed that the Health and Safety Working Group would consist of officers from all service areas across the Authority. The initial meeting had seen the agreement of Terms of Reference which the officer was happy to circulate to Members. The Corporate Team would receive feedback and these findings would be shared with the Corporate Health Committee.

ACTION:

Members were to receive a copy of the Terms of Reference from the Health and Safety Working Group

It was proposed, seconded, and **AGREED:**

- a) **That the Governance and Audit Committee noted the Internal Audit Progress Report**

29. 2022/2023 Accounting Policies and publication date of the Statement of Accounts

The Deputy Leader presented the report.

Required annually as part of its Statement of Accounts, the Council was required to disclose the accounting policies it applied to all material balances and transactions. These are produced in line with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 (The Code). The 2022/2023 CIPFA Code has only minor changes compared to 2021/2022 and so only minor amendments had been made to the 2021/2022 policies. The publication dates for the draft and audited 2022/23 Statement of Accounts subject to government consultation are as follows:

- Publication date from 2022/23 Statement of Accounts Draft Statement of Accounts 31 May 2023
- Audited Statement of Accounts 30 September 2023

During the year end process there may be changes required to the policies arising from changes in circumstances or updated guidance. These were to be agreed with the Section 151 Officer and reported to Governance and Audit Committee alongside the final Statement of Accounts.

There were no points raised by Members.

It was proposed, seconded, and **AGREED:**

That the Governance and Audit Committee:

- a) Approved the Statement of Accounting Policies, as set out at Appendix A to this report to be used in the production of the 2022/23 financial statements.**
- b) Noted the amended dates for the publication of the draft and final audited accounts.**

30. Strategic Risk Register

The Chief Finance Officer presented the report.

The Strategic Risk Register was last reviewed at the 28 September 2022 meeting of Governance and Audit Committee. It was a thematic and responsive document, rather than a specific corporate risk register and regularly reviewed to reflect the current and changing environment of the Council from both internal and external influences. The risk controls were those currently in place across the respective risk area and the 'Action' column captured the emerging and developing actions to further strengthen and mitigate the risk.

The format of the Register consisted of the following:

- Risk Title and Description – brief description of risk
- Effects of Risk Realisation – what would occur should the risk materialise
- Current Circumstances – summary of the present situation
- Risk Controls – summary of all the risk controls that are currently in place
- Residual Risk Score – assessment of risk after risk controls considered
- Actions – list of actions being undertaken along with a progress update.

Officers were happy that all risks were recognised and the action taken was sufficient and proportionate.

In accordance with the Committee's Terms of Reference, the Strategic Risk Register was presented twice a year and was next due in September 2023. An externally facilitated workshop was to be held with Corporate Management Team and Assistant Directors to ensure that the register remained current and provided an opportunity to identify any new risks. The Strategic Risk Register would capture the output from the workshop which was scheduled for June 2023.

During discussion Members made the following points:

- The report was welcomed by Members and considered a 'credit to the Authority'.
- The subject titles were interesting and useful. Did the Officers find the Risk Register a useful tool?

- Was the risk matrix going to be kept as part of the risk register. It was found to be simple and helpful.
- The grouping of risks under 'supporting communities' was perhaps too broad and could be split further into 'Housing and Planning' section and a 'Culture, Leisure and Community' section as a suggestion.

The Chief Finance Officer confirmed that changes in subject groups may need to be considered by Members. As an example, environmental impact on the Authority was a broad term considering the potential impact was wide-ranging whereas financial resilience was relevant and fit for purpose. Accountability was clearer when subject titles were succinct. Going forward, there would be input from many officers and Members to agree what would be included in a future risk register.

It was proposed, seconded, and AGREED that The Governance and Audit Committee:

- noted the progress made of the actions for each of the strategic risks and identified any areas of feedback.**

31. Planning Service Review - Progress Report March 2023

The report was presented by the Assistant Director of Planning.

Following engagement with councillors and officers through workshops and focus groups, in September 2020 the results of an independently commissioned review of the planning service was published. An action plan was subsequently developed, for which Governance and Audit Committee last received an update just over a year ago. Since the Committee was last updated in January 2022, several critical posts had been filled and a review of the overall structure was completed in November 2022. The subsequent restructure allowed the creation of new posts which should be filled in Spring 2023.

The planning restructure and consequent recruitment process was critical to the completion of the Action Plan. Reviews of the Council's pre-application service, including Design Pad, were ongoing and would be completed once the team was fully resourced. The additional resource created in the Planning Support team, along with some improvements to the Information Technology (IT) system would allow the validation of planning applications to be moved from planning officers to the support team to free up Officer time to concentrate on the determination of planning applications.

The Council recently appointed a new Senior Enforcement Planning Officer following the departure of the previous officer in August 2022. The enforcement team would be able to focus on a review of the Enforcement Policy as well as other processes and practices. Quarterly updates on performance to the Planning Committee could be resumed. The new Infrastructure Delivery Officer would, with the senior Development Management team, review the current processes associated with the collection and monitoring of section 106 agreements. Work

included creating a fee structure for monitoring agreements which was to assist in funding this post. This will allow better engagement with our stakeholders including the Parish and Town Council's to ensure better opportunities for local infrastructure provision to meet the needs of development.

Members made the following points during discussion:

- The progress detailed in the report was welcomed.
- What was the expected date of completion for the whole programme?
- Clarity on the role of the Infrastructure Delivery Officer was requested.

The Assistant Director of Planning confirmed that some items in the review were expected to be completed over the next few months. Some items, such as the design pads were expected to be completed within 12 months.

It was proposed, seconded, and AGREED that Governance and Audit Committee:

- a) Agreed to receive a progress update on the remaining items on the Action Plan in 12 months.**
- b) Approved the good progress made on the Planning Action Plan and in particular on the formation of the Planning Enforcement Team.**

32. Work Programme

The Committee noted the Work Programme.

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

There were no other items of business.

34. Close of Meeting

The Chairman closed the meeting at 14:43.