

Present: Councillor Peter Watson (Chairman), Councillor George Cornah (Vice-Chairman), Councillors Tom Ashton, Richard Austin BEM, Anton Dani, Paul Goodale, Stephen Woodliffe and Mr Alan Pickering

In attendance: Councillor Jonathan Noble, Portfolio Holder for Finance

Officers –

Assistant Director - Finance (Deputy S151 Officer), Deputy Chief Finance Officer (Corporate), Monitoring Officer and Matthew Waller

27 MINUTES

The minutes of the previous meeting were agreed by the Committee and signed by the Chairman.

28 APOLOGIES

Apologies of absence were received by Councillors; Katie Chalmers, Martin Howard and Frank Pickett.

29 DECLARATION OF INTERESTS

None.

30 PUBLIC QUESTIONS

None.

31 EXTERNAL AUDIT PROGRESS REPORT

Mark Surridge, Director – Public and Social Sector, Mazars, presented a report, which provided an update on progress in Mazars' delivery of their responsibilities as the Council's External Auditor.

During the presentation, Mr Surridge informed the Committee that this had been a difficult audit and setbacks had occurred throughout the process, including;

- As a result of the review of the accounting for Business rates within the Financial Statements, it was agreed that no adjustments would be made and Mazars were happy with the reasoning as to why there would be no adjustment.
- The Council had undertaken the incorrect accounting treatment to some aspects of Covid Grants, in assuming that the Council was to decide whether the applicant was eligible for the grants.
- An error dating back several years regarding a capital accounting adjustment had been identified which took Officers a significant amount of time to amend, including the impact on prior years balances.

In response to Members concerns the Assistant Director, Finance assured the Committee that an action Plan and Timetable had been drafted for future years to prevent this from happening again.

32 ACCOUNTING POLICIES 2021/22

The Deputy Chief Finance Officer (Corporate) – PSPS Ltd presented the Accounting Policies 2021/22 to the Committee.

The report explained that the Accounting Policies form Note 1 within the Financial Statements, and are the specific principles, bases, conventions, rules and practices applied by an authority in preparing and presenting Financial Statements.

Application of these accounting policies provided information that was relevant to the decision making needs of the users of the Financial Statements, and reliance in presenting a true and fair view of the financial position of the authority. Some presentational changes had been made to ensure compliance with CIPFA's Code of Practice, and a new accounting policy had been added in relation to joint operation.

RESOLVED: That the Accounting Policies for 2021/22 set out at Appendix A be agreed.

33 STATEMENT OF ACCOUNTS 2020/21

The Deputy Chief Finance Officer (Corporate) – PSPS Ltd presented the audited Financial Statements 2020/21 to the Committee. The Financial Statements were required to be approved by the Committee and the Section 151 Officer prior to publishing on the Council's website, as per the Accounts and Audit Regulations.

The Deputy Chief Finance Officer requested that the recommendations be changed to exclude the "non material" adjustments, as it had been confirmed that the adjustments required were material. The Committee agreed the changes.

RESOLVED: It is recommended that Audit and Governance Committee:

- **Approve the Financial Statements 2020/21 and Annual Governance Statement for publication (Appendix A) be approved if no adjustments are required as a result of the ongoing audit by Mazars, and that the Chairman of the Committee and the Section 151 officer sign the letter of Representation (Appendix B).**

Approves that if adjustments to the Financial Statements 2020/21 are required as a result of the audit by Mazars then delegated authority be granted to the Section 151 officer in consultation with the Chairman of the Committee to sign the revised statements.

34 TREASURY MANAGEMENT UPDATE 2021/22

The Deputy Chief Finance Officer presented the Quarter 3 Treasury Management Update 2021/22 which was attached at Appendix A and included;

- An economic update for the first three quarters of the 2021/22 financial year
- The outlook for the remainder of the financial year together with interest rate forecasts
- A review on the Treasury Management Strategy Statement and Annual Investment Strategy

- A review of the Council's investment portfolio for 2021/22
- A review of the Council's borrowing strategy for 2021/22
- Debt rescheduling
- Compliance with Treasury and Prudential indicators

It was noted that the report referred to a key element of the Council's Governance Framework and therefore represented an important contribution to the evidence trail in support of the Annual Governance Statement 2021/22.

Members were reassured by both, the portfolio holder – finance and the Deputy Chief Finance Officer that the Council's finances were secure following questions relating to the impact of inflation and the security of the financial institutions.

35 INTERNAL AUDIT PLAN 2022/23

The Committee considered a report, which set out the Proposed Internal Audit Plan for 2022/23. The plan detailed the activities to be audited and the indicative scope for each audit. The draft plan gave Members the opportunity to comment on the plan and the priorities that had been established.

Members were concerned that the ICT Systems Security Joint Boston Borough Council and East Lyndsey District Council was classed as a Red for the Internal Audit Risk and Amber for the Assurance Map RAG Rating.

Members asked if more staff were required to support the service. The Internal Audit Team Manager assured the Committee that the reviews indicated there was sufficient capacity.

36 MODEL CODE OF CONDUCT

The Monitoring Officer presented to the Committee the Local Government Association (LGA) Model Code of Conduct and associated guidance. The report stated that in accordance with section 27(2) of the Localism Act 2011, every local authority was required to adopt a Code of Conduct, which would deal with 'the conduct that was expected of members and co-opted members of the authority when acting in that capacity'.

The current code of Conduct was adopted by the Council in July 2012. It was amended and re-affirmed in June 2013; and again in January 2019 following policies linked to the Code of Conduct, which made any breaches of those policies a breach of the Code of Conduct.

A member of the Committee felt it was important that there was an addition to the Code which included readily available officer support for members who are being targeted through social media. The Monitoring officer recognised the importance of this issue to Members and assured the Committee that the Code of Conduct made reference to this as far as it was able to.

Following Member comments the Monitoring Officer assured members that; whilst the Code of Conduct would not apply to members of the public in attendance at meetings it did make reference to mutual respect.

Members expressed their thanks to the LGA for developing the Model Code to provide the option of uniformity across all local authorities.

RESOLVED:

To recommend to Full Council that;

- 1. That the Model Code of Conduct at Appendix A be adopted, without amendments, as this Council's Code of Conduct (including those parts shown in square brackets and being relevant to the Cabinet model operated by this Council)**
- 2. That delegated authority be granted to the Monitoring Officer to make amendments to the Protocol on Member and Employee Relations as far as is necessary to ensure consistency with the Model Code of Conduct.**

That the Monitoring Officer be authorised to update the Council's Constitution accordingly.

37 MONITORING OFFICER UPDATE

The Monitoring officer explained that his update was the Model Code of Conduct and that he had nothing further to add.

38 WORK PROGRAMME

Members noted the work programme.

The Meeting ended at 8.06 pm