

Present: Councillor Barrie Pierpoint (Chairman), Councillor Anton Dani (Vice-Chairman), Councillors Richard Austin BEM, Cantwell, Gilbert, Paul Gleeson, Middleton, Mountain, Savickiene and Scoot

1 MINUTES

As there was not a quorate of Members present that were at the previous meeting the minutes were signed as seen

2 APOLOGIES

Apologies were received from Councillor Jyothi Arayambath, Councillor Helen Staples was in attendance as a substitute.

Apologies were also received from Councillor Anne Dorrian.

3 DECLARATION OF INTERESTS

None

4 PUBLIC QUESTIONS

None

5 EXTERNAL AUDIT STRATEGY MEMORANDUM 2022/23

The Director, Public Services - Mazars introduced the Audit Strategy Memorandum which set out the external audit plan for the current financial year.

Following questions from the Committee the Director, Public Services – Mazars confirmed;

- The three significant risks identified as being; management override of controls, valuation of the net identified benefit liability and valuation of land and building assets held valuation were all consistent risks across most Councils.
- If the Audit Strategy was to be amended at any point the report would come back to this Committee.
- If necessary, there were independent valuation teams available to the External Audit Team.

RESOLVED: That the Committee note the report

6 DRAFT FINANCIAL STATEMENT INCLUDING ANNUAL GOVERNANCE STATEMENT 2022/23

The Chief Finance Officer - PSPS presented the Draft Financial Statement including Annual Governance Statement 2022/23 which asked the Committee to review and consider the report.

The Accounts and Audit Regulations 2015 required that;

- The Responsible Finance Officer (Section 151 Officer) sign the unaudited Financial Statements no later than 31st May each year; and
- The Financial Statements be considered and approved by a Committee of the Council no later than 31st July each year.

To continue the Council's good practice, the report presented the unaudited Financial Statements including Annual Governance Statement to the Committee to enable comments and challenge, and to highlight any key areas.

The Chief Finance Officer informed the Committee that a date error had been made – 1.3 of the report currently stated the Section 151 Officer signed the statements on the 30th July 2023, this should have read the 30th May 2023.

It was confirmed that Boston Borough Council were part of the 30% of Local Authorities that had achieved the deadline after it was brought forward to the 31st July.

RESOLVED: That the Committee considered the Unaudited Financial Statements 2022/23 including the Annual Governance Statement.

7 WRITTEN POSITION STATEMENT RESPONSE TO DLUHC LETTER

The Chief Finance Officer – PSPS presented the Committee with a letter received from the Department for Levelling Up, Housing & Communities (DLUHC) which explained that for 2020/21 only 12% of local government bodies audited accounts were published by the 30th November deadline. The Chief Finance Officer used the opportunity to update the Committee on the Council's Audit position.

It was confirmed that the contract with the Council's current External Auditors, Mazars would be coming to an end. A procurement exercise had been undertaken and KPMG would be appointed as the Council's External Auditors from 1st April 2024.

The 2020/21 audit was completed on the 28th March 2022 so currently outstanding was the 2021/22 Audit and the 2022/23 Audit was currently underway. The Chief Finance Officer confirmed a meeting was to take place the next day to discuss finalising the 2021/22 Audit.

RESOLVED: That the Committee note the report

8 ANNUAL TREASURY REPORT 2022/23

The Portfolio Holder – Finance presented the Annual Treasury Management Review and actual prudential and treasury indicators for 2022/23. The report covered the following areas;

- An economic update for the 2022/23 financial year
- A review of the Council's investment portfolio for 2022/23
- A review of the Council's borrowing strategy 2022/23
- The Council's debt position
- Compliance with Treasury and Prudential indicators

The Council approved its Treasury Management Strategy for 2022/23 on 7th March 2022.

RESOLVED: That the Committee approve the contents of the report.

9 COMBINED ASSURANCE

The Monitoring Officer presented a report which provided the Committee with an overview of assurance across the Council making it possible to identify where assurances were present, their source and where there were potential 'unknowns or gaps'. It offered a triangulated view of assurance with opinions provided by management, corporate and/or third party assurance and Internal Audit.

The purpose of the Combined Assurance report was to produce a record of assurance against the Council's critical services, key risks, partnerships and projects.

The report highlighted that the overall level of assurance across activities was similar to the previous report.

It was confirmed that on Page 189 the critical activity highlighted as red was incorrectly listed as corporate governance and should instead have been stated as financial resilience.

In response to performance-based questions the Deputy Chief Executive Corporate clarified these could be considered through the scrutiny process and that role of the Committee was to consider and seek assurance regarding the governance processes and controls in place. The Chairman of the Corporate and Communities Scrutiny Committee confirmed that a workshop would be held to consider its work programme and that any member would be welcome to attend.

Finally it was confirmed that Assurance Lincolnshire was the name of the Lincolnshire County Council Internal Audit Team.

RESOLVED: That the Committee note the report.

10 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2022/23

The Internal Audit Manager – Lincolnshire County Council, presented the Annual Internal Audit report and Opinion for 2022/23, which provided a summary of the audit work undertaken over the past year.

Following questions from Members the Internal Audit Manager, with support from the Deputy Chief Executive, Corporate Development & Section 151 Officer confirmed that;

- The Internal Audit Completion time frame was discussed at Senior Leadership Level before coming to the Committee
- It was Audit & Governance's role to scrutinise the report and make sure recommendations that are agreed by the Committee are withheld
- When paying for services from Lincolnshire County Council and other external companies – the Council pays for services but not that organisations staff wages.

RESOLVED: That the Committee agree with the recommendations and noted the report.

11 LOCAL CODE OF CORPORATE GOVERNANCE

The Monitoring Officer presented a report which outlined the Local Code of Corporate Governance. The Code was designed to support the Council in meeting its commitment to achieving good corporate governance. The Committee was asked to consider whether the revised and updated document accurately reflected the Council's governance arrangements and ensured it is meeting the core principles as set out in the CIPFA guidance for 'Good Governance in Local Government'.

The Monitoring Officer confirmed that the definitions of 'openness' and 'integrity' were described in the Council's Councillor Code of Conduct and that the document would be circulated to Members of the Committee.

RESOLVED: That the Committee approve the revised Local Code of Corporate Governance and recommend the Code for approval at Full Council.

12 Q4 RISK REPORT 2022/23

The Transformation & Insights Group Manager presented the Quarter 4 Risk Report 2022/23 which provided the Committee with an update on Risk Management.

The risk management arrangements are designed to provide the Council with a clearer and fuller understanding of the key risks facing the organisation and how these are being managed. They enable the Council to pro-actively manage its risks taking into account the agreed risk appetite level.

In response to Members questions the Transformation & Insights Group Manager confirmed that the Externally Funded Schemes had been removed from the register as that area was covered under the Capital Programme.

RESOLVED: That the Committee note the report

13 RECRUITMENT OF CO-OPTED INDEPENDENT MEMBERS

The Monitoring Officer presented a report which sought support from the Committee on the recruitment process for the appointment of a new Independent Member to the Committee.

The report also highlighted that CIPFA best practice recommended that Local Authority Audit Committees should contain at least 2 Co-opted Independent Members. Accordingly, the report sought support from Members to recommend to Full Council that the Committee's composition be amended to include 2 Co-Opted Independent Members.

The Monitoring Officer explained that a new Independent Member was not previously recruited as it gave a new Committee the opportunity to decide the specifications of the role. It was further highlighted that there could be no guarantee that two suitable individuals would be recruited but that at another authority individuals undertaking

similar roles had been recruited to independent positions. The Chairman highlighted that it was interesting role and that it would likely appeal to retired professionals and those wishing to develop their experiences in the areas of financial oversight/audit in public bodies.

The Committee were in agreement that two Independent Members should be appointed as it would allow more independent views to be heard.

RESOLVED: That the Audit & Governance committee;

1. Considered and provided feedback on the draft Independent Member Recruitment Pack

2. Determined the appropriate composition of the Interview panel to be Councillors Barrie Pierpoint, Chris Mountain and Lina Savickiene

Recommend to Full Council that the composition of the Audit & Governance Committee be amended to include two Co-opted Independent Members

14 WORK PROGRAMME

The Work Programme was noted.

15 EXCLUSION OF PUBLIC AND PRESS

It was proposed, seconded and;

RESOLVED: That under Section 100(a)(4) of the Local Government Act 1972, the press and public be excluded from the Meeting for the following item on the grounds that, if they were present, there could be disclosed to them exempt information as defined in paragraph(s) 3 of Part 1 of Schedule 12A of the Act (as amended).

16 UPDATE ON PROPERTY FUND

Under section 100(a)(4) of the Local Government Act 1982, as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act this minute is exempt

The Interim Treasury & Investments Manager PSPS presented a report which provided the Committee with an update regarding the M&G UK Property Fund liquidation process that started in November 2021.

RESOLVED:

That Audit & Governance note the contents of the report.

The Meeting ended at 8.00 pm