

Present: Councillor Barrie Pierpoint (Chairman), Councillor Anton Dani (Vice-Chairman), Councillors Richard Austin BEM, James Cantwell, Mike Gilbert, David Middleton, Chris Mountain, Lina Savickiene and Miss Jo Brigham (Co-opted Independent Member)

Officers –

Interim Treasury Manager, Financial Services, Section 151 Officer, Assistant Director - Governance and Monitoring Officer, Insights & Transformation Manager, Matthew Waller and Democratic Services Officer

## **27 APOLOGIES**

Apologies for absence were received from Councillors; Jyothi Arayambath, Paul Gleeson and David Scoot.  
Councillor Stephen Woodliffe was present as substitute for Councillor Paul Gleeson.

## **28 DECLARATION OF INTERESTS**

There were no declarations of interest received.

## **29 MINUTES**

The minutes of the last meeting, held 25<sup>th</sup> September 2023, were agreed.

## **30 PUBLIC QUESTIONS**

There were no public questions received.

## **31 QUARTER 2 RISK MANAGEMENT REPORT 2023/24**

The Leader presented the Quarter 1 Risk Management Report which set out the strategic risks for Quarter 2 as at the end of September 2023. Under its terms of reference, the Audit & Governance Committee is responsible for monitoring the effective development and operation of risk Management.

Following a review of the risk register across the partnership and comments made at the recent peer review follow up, it was confirmed that new capacity risks had been added, these being; Retention of Staff, Service Delivery and Internal Communications. All of which had been marked partnership-wide risks.

A revised Risk Management Framework was also presented which had been drafted for the Partnership. The Framework provided the South & East Lincolnshire Councils Partnership with a common approach to risk management across the three Councils and was based on good practice, including input from Internal Auditors.

Following comments made by the Committee and the Leader, with support from the Group Manager - Insights and Transformation, made the following comments;

- The Leader would be willing to write to the Local Commissioning Board in relation to GP waiting lists and urged any other Elected Members to do the same on behalf of their ward members when issues are brought to their attention.

- The Economic Hardship risk would be reviewed following comments that poverty had already crystallised for some residents.
- The Leader encouraged Members of the Committee to make any comments on the Daft Framework Policy.
- Once the framework and Sub-regional strategy had been agreed the next steps would be to: review risks which would allow the Committee to feed in any issues raised and roll out Officer training to ensure all Officers were aware of risks in their department.
- The Boston Borough Council Maintenance Depot had previously been an operational risk but had since been escalated to a strategic risk.
- Cyber training originally had not been made mandatory for Elected Members, that decision had since been changed and it would now be mandatory for all Elected Members to complete the cyber training.
- There was technology infrastructure backups in place however the risk remained high as the impact would be significant.
- A Communication Strategy had recently been adopted partnership wide, which meant that work was underway to improve the area.
- A senior officer development programme had been created to encourage currently employed staff to move up ranks.
- Target risks had been introduced which meant those risks that can come down will. However some risks would be unable to come down due to the significant impact.

**Resolved: That the report be noted.**

### **32 REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000**

The Leader presented the Regulation of Investigatory Powers Act (RIPA) 2000 report which provided the Committee with an update on the Council's activities in respect of the RIPA 2000 in the past 12 months.

The Council had last been audited in 2021 by Investigatory Powers Commissioners Office. Since then the Council had not used any kind of surveillance. However, it was a requirement of the Act that a report would be brought to the Audit & Governance Committee once a year to ensure compliance.

Members expressed their satisfaction with the additional expertise in the team as a result of partnering with neighbouring authorities and were relieved that more surveillance would now be undertaken, in particular relation to fly tipping.

**RESOLVED: That the report be noted.**

### **33 INTERNAL AUDIT PROGRESS REPORT**

The Internal Audit Manager, LCC presented the Internal Audit Progress report, which detailed progress with Internal Audit work as at November 2023.

It was outlined that the report was presented with revised terminology around assurance categorisation. This aligned with terminology more widely used across the public sector.

The Internal Audit Manager was content with the position of the Audit, although a postponement of one of the Audit reports may be required due to delays. This would not affect the ability for an Annual Opinion to be provided by Internal Audit.

Members' attention was drawn to actions that had passed their due date. The Internal Audit Manager made reference to the fact that the two limited assurance actions had dates that had only just past.

Members made reference to their surprise as to how many overdue actions there were. In response, the Internal Audit Manager confirmed that setting realistic timeframes were covered in closure interviews.

The Deputy Chief Executive – Corporate Governance & Section 151 commented that the timescale be neither too long nor too short in order for it to be realistic and reasonable. One department that received medium assurance had seen a high level of churn in terms of staffing, which had since been resolved. Members were also assured that there was a high focus on the Limited Assurance actions. All actions were reviewed by the Senior Leadership Team on a regular basis.

The Assistant Director – Governance and Monitoring Officer confirmed that the Complaints Policy was in the process of being reviewed. The Local Government and Social Care Ombudsman was undertaking a new code for complaints across the sector, as such, the Council was unable to bring a new policy forwards which could then be mandated upon.

Members agreed that Managers responsible for Limited Assurance areas would be invited to future Audit & Governance meetings to allow the Committee to ask questions, understand the process to rectify and ensure that it is on track.

The Chairman asked that Officers present ensure all service Managers are reminded and encouraged to co-operate with the Internal Audit team in a timely manner to allow the Audit team to complete their work.

**RESOLVED: That the report be noted and that Managers responsible for Limited Assurances be invited to future Audit & Governance meeting.**

#### **34        PREMATURE REPAYMENT OF THE PWLB BORROWING**

The Interim Treasury & Investment Manager PSPS presented a report which informed the Committee of a delegated decision on 5<sup>th</sup> October 2023 taken by the Deputy Chief Executive – Corporate Development and Section 151 Officer, in consultation with the Portfolio Holder – Finance to prematurely repay all of the Public Works Loan Boards (PWLB) borrowing.

The Council had borrowed £15.449Million from the PWLB in 2018 and 2019 to purchase additional property fund investment. The decision, at the time was taken to borrow external rather than use cash balances.

The impact of UK interest rates and the way PWLB worked meant a discount of £6.417Million would be achieved should the full amount be repaid at a cost of

£9.032Million. The discount would result in annual reserve savings of between £569k and £717k a year for the next 10 years.

Members commended the agile move made by Officers to secure the discount on repayment.

Following questions from Members, the Deputy Chief Executive – Corporate Development & Section 151 Officer explained that as the Council had a loan on its balance sheet for £15.5Million and redeemed it at £9Million it had created a surplus to then put through the accounts as a discount on a loan which was due in full.

**RESOLVED: That the report be noted.**

### **35 MID TERM TREASURY MANAGEMENT UPDATE**

The Interim Treasury & Investment Manager PSPS outlined the Mid Term Treasury Management Update report. It was a requirement of the Council to produce treasury reports and the Committee had been delegated to review and scrutinise the reports ahead of them being referred to Full Council.

Members were informed that; due to the rise in electricity and gas prices being over a year ago they were no longer included in the economic and interest rate calculation, meaning inflation had gone down to 4.6%. Also, the interest rate forecast had peaked at 5.25%.

The Interim Treasury and Investment Manager PSPS updated the Committee on treasury prudential indicators; the authorised limit and operational boundary for borrowing had not changed and remained at £28million and £25million. The Capital financing requirement which, based on the original budget was £21.172million, as at the latest approved indicator that had been changed to £18.141million.

The Committee was updated on the Council's Capital position; the original budget of £33.33million had been amended to £35.8million. The actual expenditure to the 30<sup>th</sup> September was just under £1.6million and the estimated overrun was £12.2million due to slippage on major development for the Towns Funding.

Following a request by the Chairman the Interim Treasury and Investments Manager PSPS confirmed that he had no concerns over any areas in the report.

The Deputy Chief Executive – Corporate Development and Section 151 expressed her thanks to the Interim Treasury and Investments Manager PSPS for his work carried out during a highly inflationary period.

**RESOLVED: That the report be noted and approved for consideration at Full Council on 15<sup>th</sup> January 2024.**

### **36 AUDIT AND GOVERNANCE ANNUAL REPORT 2022/23**

The Assistant Director – Governance and Monitoring Officer presented the Audit and Governance Annual Report 2022/23. As part of the Committee's terms of reference, and

best practice, the Committee is required to consider an annual report on the previous year's activities.

In response to a comment made regarding the introduction being from the current Chairman of the Committee rather than the previous year's; the Chairman confirmed that the issue had been raised and, as the previous years' Chairman was no longer an Elected Member the decision was made that he would create the introduction.

The Internal Auditor made a suggestion that the Annual report could, in future come to the same Committee meeting as the Annual Audit statement, in order to aid context.

**RESOLVED: That the report be noted and approved for review at Full Council.**

### **37 WORK PROGRAMME**

The Assistant Director – Governance and Monitoring Officer confirmed that the items had that been struck through with a line would be coming to future meetings. These included;

- The Information Governance Annual report which would come to the next meeting in January
- The Audited Financial Statement including Annual Governance Statement 2022/23, would also be coming to the meeting in January
- The External Auditors reports was also expected to be coming to the meeting in January

**RESOLVED: That the Committee note the work programme.**

The Meeting ended at 8.24 pm