

ACTIONS

<u>ACTIONS FROM THE GOVERNANCE AND AUDIT MEETING HELD ON 17 MARCH 2022</u>			
Item No.	Item Title	Officer Responsible	
33 21/22	Minutes (13 January 2022)		
✓	Contract with Link Group – A further update to be provided to the Committee when more information was available. RESPONSE: The contract for the provision of Treasury Management Support currently provided by Link Asset Services is currently being renewed. An open competition for the provision of Treasury Management Support is now underway through an ESPO Framework for a three year contract with the option to extend for a further two years. The contract will provide services across all three members of S&ELCP. The deadline for tender submissions is Monday 11 th July at which point an assessment of applications received will be undertaken.	Sam Knowles	
✓	Contract with Link Group – The Committee to be advised of any future contract renewal earlier in the process. RESPONSE: This has been noted by officers, and the Committee will be advised towards the end of the proposed three year contract whether the option to extend for a further two years is to be taken or not.	Sam Knowles	
35 21/22	Approval of Financial Statements 2020/21		
✓	That the S151 Officer and Chairman of the Committee sign the Letter of Representation to EY. RESPONSE: This has been done.	Sam Knowles	
36 21/22	Financial Statements 2021/22 – Accounting Policies		
✓	2021/22 unaudited Financial Statements to be completed by 31 July 2022 and presented to the Committee when completed. Accounting policies to be included within the Statements, and any minor changes made during the Statements production process to be agreed with the S151 Officer and highlighted to the Committee on that date. RESPONSE: The 2021/22 unaudited Financial Statements will be presented to the meeting of the Governance and Audit Committee on 22 September 2022.	Ellie Stacey/Sam Knowles	
37	Q3 Risk Report		

ACTIONS

21/22		
	<p>✓ S&ELCP Community Lottery - A recent decision had been to set up a S&ELCP Community Lottery – was there any risk to the Council surrounding this, for example any financial risks, or that a private firm would be employed to undertake this (and if so, had the bid been competitive)? - Officers to provide a response to this raised issue, to be circulated to the Committee prior to the next meeting.</p> <p>RESPONSE:</p> <p>The following information was included within the original Portfolio Holder Decision (Portfolio Holder for Communities and Facilities) published on 23 February 2022</p> <p>On behalf of the South and East Lincolnshire Councils Partnership, South Holland District Council will contract with Gatherwell to provide external lottery management and this will be closely monitored.</p> <p>Gatherwell Ltd are the principle External Lottery Managers (ELM), supporting over 90 local authorities across the country and have extensive experience and track record of success in the public sector. Alternative ELM providers do operate but do not have the specialism of local authority run schemes or only deal with charities and not local good causes or do not provide the administration of the scheme</p> <p>Having completed research and established Gatherwell Limited as a suitable supplier of a lottery service, an exemption is required to appoint Gatherwell Limited as no tender process has been undertaken. The Contract Procedure Rules allow Cabinet to waive the requirements of the Contract procedure Rules as follows:</p> <p>Except where the Public Contracts Regulations 2006 apply, the Cabinet has the power to waive any requirements within these Contract Procedure Rules for specific projects. An exemption under this Rule 3 allows a contract to be placed by direct negotiation with one or more suppliers rather than in accordance with Rule 9. (See the Log of Delegations to Officers for details of officers who may action this Rule.)</p> <p>The value of this contract is below the threshold for services (£213,477 incl. VAT) in the Public Contracts Regulations 2015 (which have superseded the 2006 regulations quoted in the Contract Procedure Rules). However, it is likely that the contract would fall under the definition of being a concession. The Concession Contracts Regulations 2016 would apply to a contract such as this and are similar to the Public Contracts Regulations 2015. However, the value of this contract falls well below the threshold for concessions (£5,336,937 incl. VAT).</p>	<p>Emily Spicer</p>

ACTIONS

		<p>Cabinet via Executive Decision have therefore waived the requirements of the Contract Procedure Rules to allow a contract to be directly awarded to Gatherwell Limited.</p> <p>The contract with Gatherwell Limited has a minimum term of 1 year and then rolls on automatically with the Council able to then give three months' notice to end the agreement at any time. The agreement will be kept under review and officers will monitor the market to determine if there are other providers who enter the market that would allow a competitive process to be undertaken in the future.</p>	
	✓	<p>Staff retention - could the current risk score be backed up as there appeared to be a number of vacancies. The employment market was currently very competitive - was the staffing situation in line with other Councils and were there sufficient incentives in place to retain staff within the Partnership? – Full response requested from officers.</p> <p>RESPONSE:</p> <p>Across the partnership we currently have 10 roles we are actively recruiting to. None of those active are in the areas we find more challenging to recruit – being Environmental Health; Planning (Dev Mgt); Project/Programme Management. However, I know from experience that these roles are challenging for all employers including other Local Government employers. Our resourcing team are more networked locally and confirm that other Lincolnshire Councils have reported similar issues with increased levels of turnover and struggling to recruit to core roles.</p> <p>The Great Resignation is not looking to slow, recent CIPD survey found that 20% of workers surveyed would likely quit their current role in next 12 months, up from 16% in 2021. Pay and incentives are part of the picture, but Harvard Business/Gallup and other notable research companies are looking at what employees value:</p> <ul style="list-style-type: none"> • Flexibility • Outcomes over outputs – being able to see impact they have to organisation • Diverse and Inclusive employers • Learning & Development offering – ability to grow skills and develop • Stability/Security 	Corey Gooch
	✓	<p>Staffing costs - Members followed up by asking whether there could be an increase in staff costs if there were vacancies – was there a contingency for this? - The Assistant Director – Finance responded that, as part of the budget setting process, there were a number of assumptions made on the national pay increase. With regard to individual recruitment issues, it was possible to add a</p>	Corey Gooch

ACTIONS

		market supplement for difficult to recruit posts. A fuller response would be provided to members. RESPONSE: The HR manager has confirmed there are currently no active vacancies in positions that we are struggling to recruit to and this is not leading to increased staffing costs at this time. The Assistant Director – Corporate has advised that there are a number of very technical posts that sometimes pose a challenge to recruit to due to the skill set/qualification required but the Partnership, on the whole, doesn't have any recruitment challenges.	
	✓	Parkwood leisure contract - Members asked that, following discussions at the meeting of the Performance Monitoring Panel the previous evening, closer scrutiny over the next reporting period be applied to the Parkwood leisure contract, and to the performance of the PSPS contract. It was felt that there were potential underlying issues, and risks around these areas did not appear to have changed. RESPONSE: This will be reviewed and reflected on the next iteration of the risk register.	Corey Gooch
38 21/22		Progress Report on Internal Audit Activity	
	x	Outstanding recommendations – Hackney Carriage and Private Hire Licensing Policy - At Appendix 2 under Issues to be Addressed (previous audit recommendations), it was stated that 'the audit reviewed the previous internal audit recommendations, of which two remained outstanding relating to updating of the Hackney Carriage and Private Hire Licensing Policy.....'. How long ago had the previous audit been, and why had these not been dealt with by Licensing? - Head of Internal Audit to check on progress of this item and report back to the Committee. RESPONSE:	Faye Haywood
	x	At Appendix 2 under Issues to be Addressed (other issues noted), members asked why the statement 'Digital licence applications are now received by the Licencing Team via email and processed in the same way as hard copy applications' was included? - The Head of Internal Audit to check a reason for this with the auditor. RESPONSE:	Faye Haywood
	✓	The Chairman did not like the layout used for the Payroll audit, and did not feel that it was very user friendly and the difference in the various ways of reporting made comparison difficult. Head of Internal Audit to feed back Committee's views. RESPONSE: This was noted and the Chairman's views would be fed back.	Faye Haywood

ACTIONS

	x	<p>With regard to the Payroll Audit (Key Messages), it was stated that there was a snag list of actions to be implemented – what was the timescale for this? - The Head of Internal Audit to obtain and share this information.</p> <p>RESPONSE:</p>	Faye Haywood
	✓	<p>At Appendix 2 under Issues to be Addressed (Positive Findings), it was stated the Council had an up-to-date Gambling Act 2002 policy dated January 2022, which adhered to guidance issued by the Gambling Commission. In light of the issue raised earlier in the meeting regarding the Community Lottery, members requested that it be confirmed that this adhered to the Council’s Gambling Policy – A response to this question to be sought from officers.</p> <p>RESPONSE:</p> <p>The Gambling Act 2005 Statement of Principles adopted by the Council relates to SHDC exercising its functions in relation to the Gambling Act 2005. This lottery is not within the scope of the licensing authority therefore the current policy would not be applicable. The Gambling Commission are the licensing body and the regulator for this lottery.</p> <p>The Council will be required to register a local authority lottery with the Gambling Commission and run under an operating licence in accordance with the Gambling Act 2005. A licensed local authority may then use an External Lottery Manager (ELM) to manage all, or part, of the lottery. An ELM is defined in section 257 of the Act as someone that is a person or a body who makes arrangements for a lottery on behalf of a local authority but is not a member, officer, or employee of the authority. Gatherwell Ltd, is a registered External Lottery Manager certified by the Gambling Commission.</p>	Emily Spicer/Donna Hall
41 21/22		Audit Committee Self-Assessment Exercise	
	*	<p>Question 4 - Is the role and purpose of the audit committee understood and accepted across the authority? - A member-style bulletin to be considered to highlight the work of the Committee. The Head of Internal Audit commented that the Committee should discuss this and potentially add the suggestion to its programme of work. She also advised of an example of a good leaflet that had been used by other authorities a number of years ago which the Committee could consider using.</p> <p>RESPONSE:</p> <p>To be considered as part of the training plan being developed.</p>	Christine Morgan/Andrea Tait in liaison with Sam Knowles/Faye Haywood/Chairman

ACTIONS

	*	<p>Question 6 – Are the arrangements to hold the committee to account for its performance operating satisfactorily? - This response had moved to a yes, following research of the approach taken at other Councils. It was confirmed that in line with the guidance, the Committee reports to full Council and produces a report annually as an assessment of their performance. The Head of Internal Audit confirmed that by producing an annual report to Council, this area would be satisfied.</p> <p>RESPONSE: To be introduced. Governance and Audit Committee 19 January 2023 to consider what information to include within the annual report.</p>	Christine Morgan/Andrea Tait, in liaison with Sam Knowles and Chairman
	*	<p>Question 18 – Has the Committee obtained feedback on its performance from those interacting with the committee or relying on its work? - The Committee considered the answer to be ‘yes’ to this question however, it had been agreed that feedback would be requested at year end from officers interacting with them. The Head of Internal Audit commented that surveys could be undertaken at end of year – Internal Audit would send a survey to the Chairman of the Committee to obtain feedback on Internal Audit’s work, and they would also send out a survey to officers to obtain feedback on their interaction with the Governance and Audit Committee. The results would then be shared with the Committee. The Chairman asked for confirmation that this action would sit with Internal Audit and the Head of Internal Audit responded that it would, and that the action would be passed over to the new auditor in due course.</p> <p>RESPONSE: It was noted that Internal Audit would undertake this function at end of year.</p>	Faye Haywood/Internal Audit
	*	<p>Question 15 – Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory? - It had been suggested that the CIPFA Audit Committee Core Knowledge and Skills Framework be circulated to Committee members annually, and that if any gaps were identified, training should be requested.</p> <p>RESPONSE: To be incorporated as part of the Training Plan.</p>	Sam Knowles
42 21/22		Governance and Audit Committee Work Programme	
	✓	<p>2022/23 Schedule of Meetings – Work Programme to be populated with dates in 2022/23, along with items for consideration at each of those meetings.</p> <p>RESPONSE:</p>	Andrea Tait in liaison with Christine Morgan and Sam Knowles

ACTIONS

		This action has been completed – dates of meetings and items for consideration are included within the Work Programme report at all meetings.	
	*	<p>Training package:</p> <ul style="list-style-type: none"> • List of future training topics appended to the report was correct and where possible (for common areas), should be aligned across the three authorities within the S&ELCP. • Training to be opened up to all other interested members. • Pensions and cyber security to be the first areas for training <p>RESPONSE: Development of the Training Plan is in progress, and these areas to be taken forward.</p>	Sam Knowles