



To be submitted to the Council at its meeting on 24th July 2025

AUDIT AND GOVERNANCE COMMITTEE

3rd April 2025 at 9.30am.

Present: Mr. T. Render (in the Chair)

Councillors Aisthorpe, Boyd, Hasthorpe, Holland, Mickleburgh, Patrick, Parkinson, Shutt and Silvester.

Mr W. Leschenko (Second Independent Member)

Officers in attendance:

- Katie Brown (Director Adult Social Care)
- Paul Ellis (Strategic Lead Business Practice and Performance)
- Peter Hanmer (Head of Audit and Assurance)
- Guy Lonsdale (Assistant Director, Finance and Deputy Section 151 Officer)
- Leah Parsons (Audit Senior Manager)
- Jo Paterson (Scrutiny and Committee Advisor)
- Joanne Robinson (Assistant Director Policy Strategy and Resources)
- John Shepherd (Lead Officer Fraud)
- Mark Watson (Strategic Procurement and Contract Management Lead)

Also in attendance:

- Councillor Harness (Portfolio Holder for Finance, Assets and Resources)

AC.52 APOLOGIES FOR ABSENCE

No apologies for absence were received for this meeting.

The committee wished to express their thanks to Mr Tim Render, having recently announced his resignation, for his hard work during his time as Chair on the Audit Committee.

AC.53 DECLARATIONS OF INTEREST

There were no declarations of interest made with regard to any items on the agenda for this meeting.

AC.54 MINUTES

RESOLVED – That the minutes of the Audit and Governance Committee meeting held on 30th January 2025 and the special meeting held on 13th February 2025 be agreed as an accurate record.

AC.55 TRACKING OF RECOMMENDATIONS

The committee considered a report from the Executive Director Place and Resources tracking the recommendations of the Audit and Governance Committee.

RESOLVED - That the report be noted.

AC.56 HEALTH AND SOCIAL CARE PARTNERSHIP ANNUAL REPORT TO AUDIT COMMITTEE

The committee received a presentation from the Director of Adult Social Care on the above.

Ms. Brown outlined the current position with integrated arrangements with the Section 75 Health and Care partnership (HCP). The presentation focused on:-

- Joint Audit between Integrated Care Board (ICB) and North East Lincolnshire Council (NELC)
- Review of 2024/25 delivery plan
- Agreed priorities for 2024/25
- Challenges
- Health and Care Partnership
- Four Priority Groups within the HCP

Members were given the opportunity to ask questions, the following information was confirmed:-

In terms of the joint committee and where it reported into, it was confirmed that the Integrated Care Board (ICB) requested reports from the joint committee. Members asked where the accountability sat within the council, and suggested reports needed to go through Cabinet. The Chair would raise this with the Monitoring Officer to take forward.

Members felt the role of the council in supporting the ICB in understanding North East Lincolnshire (NEL) integration arrangements could be much stronger. Ms Brown hoped this could be improved, however, the delivery model in NEL was so different to the other ICB places that this would remain a challenge.

A member asked about the impact of Local Government Reorganisation (LGR) on Adult Social Care, particularly around the bigger key areas. Ms

Brown advised that the council needed to consider practicalities of a bigger unitary, there was also an opportunity where best practice could be shared.

A member queried any potential split of two ICB's and how this would work in practice. Ms Brown noted that many councils were working across multiple ICB's, and there was some learning to take from that. Ms Brown suggested we needed to understand what the long-term plan was from ICBs and how that would work in the context of LGR.

The committee felt that scrutiny played an active role in Section 75 discussions and so should Cabinet.

Members asked about timescales for finalising the Joint Contractual Venture. Ms Brown noted they had agreed a contractual venture, however, there was still a lot of work and clarity needed.

Members also asked about Joint Contractual Ventures seeking clarification on where the accountability sat. Members also asked about contractual management and how the council ensured it gained value for money (VFM). Ms Brown explained how contract monitoring worked and what measures were in place to ensure VFM.

RESOLVED – That the presentation be noted.

AC.57 ANNUAL FRAUD REPORT 2024-45

The Committee considered a report from the Executive Director Place and Resources that highlighted the work that had been undertaken for the prevention and detection of fraud, corruption and financial misconduct within North East Lincolnshire Council for the period April 2024 to March 2025.

Mr Shepherd set out in detail some of the key highlights within his report and drew members attention to the Chartered Institute of Public Finance and Accountancy (CIPFA) Checklist Self-Assessment of counter fraud arrangements.

Members asked about council tax single residency discounts and whether the council was allowed to share information from the Department for Work and Pensions (DWP). Mr Shepherd confirmed that where there were more complex cases, the DWP would investigate these matters. He further explained how they used data matching where discrepancies were found.

A member referred to the CIPFA Checklist Self Assessment at Appendix 1, noting that four areas had only been partially met, one of these being the level of resource invested into counter fraud and queried whether a business case had been put forward for this. Mr Shepherd explained that the fraud team was relatively small and in order to increase resource, evidence to support this was required. It was felt more resource within counter fraud would increase revenue for the council.

Mr Hanmer outlined the process that would need to be undertaken to

present a business case for additional resources. Any request for increase in resource would need to be considered in line with the council's budget envelope and the council's other priorities. The committee supported additional resources in principle but subject to the council's budget envelope and other priorities.

Mr Leschenko noted that the CIPFA self-assessment was a good step forward as this was a national standard the council could measure itself against. He suggested looking at converting this into something business case orientated, that outlined potential benefits to the community and the council from a monitoring point of view.

Another member asked about deterrents and how we could look to measure this. Mr Shepherd advised that an indicator was used to inform the council how many adults resided in a household and there was balance around what cases warranted investigation.

Overall members felt a more effective deterrent was needed to manage this.

Members asked whether the council was applying a different approach to landlords rather than individual residents. Mr Shepherd advised that in terms of empty properties work was underway on empty property fraud.

Another member was concerned about fraud committed during the Covid pandemic in relation to business rate grants. Mr Hanmer assured members that the council did what they could at the time to put relevant controls in place to mitigate the inherent risks around the grants.

The Chair felt this area warranted further publicity and suggested a press release around prevention and detection of fraud within the council.

RESOLVED –

1. That the contents of the annual fraud report be noted, and steps taken to raise further publicity about its content.
2. That the Self-Assessment Checklist according to the Chartered Institute for Public Accountancy and Finance, as detailed at Appendix 1 of the report now submitted, be noted.
3. That the Annual Fraud Plan for 2025/26 at Appendix 2 of the report now submitted, be noted.

AC.58 ANNUAL INFORMATION GOVERNANCE REPORT

The committee received a report from the Executive Director Place and Resources that outlined the key information governance and security activities undertaken by the council in 2024.

A member asked if there had been any difficulties with elected members undertaking mandatory information governance training. Mr Ellis noted that

he worked closely with Democratic Services to identify any of these cases.

Mr Leschenko asked whether the NHS data security toolkit had thrown up any areas the council could look at. Mr Ellis noted that his team had completed the toolkit for many years and there were changes planned to the toolkit going forward. Mr Ellis continued to work closely with colleagues in the ICB to link in with information governance groups.

A member asked about potential risks around data management. Mr Ellis noted that Artificial Intelligence (AI) was a significant risk for information governance. He further noted that a working group had been set up to monitor this risk going forward.

A member referred to the incidents and breaches reported in 2024, noting there had been an increase and what was being done to prevent this. Mr Ellis noted that 190 incidents were relatively low in relation to the number of emails sent out. This would continue to be addressed through raising awareness through training and updating the council's ICT Information Security Policy regularly.

A member was concerned about private work groups being used for work discussions outside of the workplace. Mr Ellis advised that any work-related discussion should take place on a council approved platform, noting this was a grey area. The expectation was that people should not use non council platforms for these discussions, and if non-work-related discussions became work related they should transfer to a council platform.

RESOLVED - That the Annual Information Governance and Security Report for the calendar year 2024, as set out in Appendix 1 of the report now submitted, be approved.

AC.59 VALUE FOR MONEY - ANNUAL REPORT 2024/25

The committee received a report from the Executive Director for Place and Resources seeking approval of the council's audited annual accounts.

A member asked how the council could guarantee best VFM with the Equans contract that was due to end soon. Mr Lonsdale noted the council was reviewing the in-source of Equans services to ensure greater visibility in service delivery. This would include looking at cost performance and satisfaction across a range of services and would be an opportunity to improve the VFM that Equans provided.

Mr Lonsdale noted challenges within VFM and allocation of resources in such a vast organisation and in particular a unitary authority that delivered all services.

A further discussion ensued with members regarding dedicated funding allocations for things such as the bus services and Grimsby central library. Mr Lonsdale noted that the business development process determined these decisions.

Members also asked about LGR and how the council would look to provide better VFM for residents. Mr Lonsdale advised that work had taken place but at an early stage and there would be opportunities to get some economies of scale, particularly around management arrangements within a larger organisation.

Mr Lonsdale assured members he would look to dedicate enough resources to focus on the business case that would need to be developed for the organisation.

RESOLVED – That the report be noted.

AC.60 ANNUAL PROCUREMENT REPORT

The Committee considered a report from the Executive Director Place and Resources that outlined the key procurement activities undertaken by the Council during the calendar year of 2024.

Mr Leschenko asked about the exceptions instances logged and suggested looking at data around contract spend through the contract register to help identify these in future. Also, in terms of the VFM element he suggested the council could look at how it could best achieve economies of scale in its Capital Programme.

Mr Watson noted that with more collaboration he could look at opportunities to combine spending and take a more strategic approach on this going forward.

A member felt it positive to see the changes in contract management, which had long been a weak area. Members also sought clarification on which training was mandatory. Mr Watson set out the thresholds over which mandatory training by managers was required.

Councilor Holland recommended that all contract holders have appropriate mandatory training.

A discussion ensued about training and officers assured members that this was monitored via a range of indicators and there were controls in place to support VFM.

RESOLVED –

1. That the Annual Procurement Report for the calendar year 2024, as detailed at Appendix 1 of the report now submitted, be noted.
2. That it be recommended that all contract holders have appropriate mandatory training.

AC.61 ANNUAL REPORT OF THE AUDIT AND GOVERNANCE

COMMITTEE 2024/25

The Committee considered a report from Chair of the Audit and Governance Committee designed to inform the full Council of the Committee's activities during the Council year (May 2024 to April 2025).

Mr Hanmer noted an error within the report (table 1, attendance at Audit Committee meetings) noting that the attendance figure should have been nine for 13th February meeting and not seven as stated within the report. It was positive to report that there had been virtually full attendance at this year's audit committee which showed the commitment from members to their roles.

One member challenged some of the assumptions made in the audit findings particularly where there had been improvements, it was suggested an improvement plan be devised. Mr Hanmer noted that an initial self-assessment was undertaken with members which focused on any training required, it was hoped this could be done before the next committee in the new year.

RESOLVED –

1. That the self-assessment, as shown in Appendix 2 of the report now submitted, be noted.
2. That the Annual Report of the Audit and Governance Committee 2024/25 be approved for presentation to full Council.
3. That delegated authority be given to the Chair and Deputy Chair to make additions or amendments to the report resulting from the outcomes of this meeting.

AC.62 LOCAL PARTNERSHIPS

The committee considered a report from the Executive Director Place and Resources that sought to bring to the committee's attention an informal inspection report carried out by local partnerships around capital project governance.

It was noted that the Monitoring Officer was unable to present the report at the meeting. The Chair felt this topic required more discussion and suggested it be dealt with in a working group setting. Members were happy with this approach.

RESOLVED

1. That the report be noted.
2. That the Chair discuss the topic of local partnerships further with the Monitoring Officer with a view to bringing this back to a working group setting.

AC.63 INTERNAL AUDIT UPDATE APRIL 2025

The committee received a report from the Executive Director for Place and Resources that provided an update on the delivery of internal audit work up to 28th February 2025.

The Chair was concerned that there was still a high number of actions not complete and asked whether it sat with one auditee. The Chair reiterated that if there were issues with implementing agreed actions, relevant officers would need to be held accountable at the committee.

The Chair sought assurance that with the completion of the audit plan there would be sufficient audits completed and other supporting considerations by the end of May to give an opinion. He reiterated that there should be specific reasons provided in the Annual Report and opinion as to why some items in the original programme had not been completed.

Mr Hanmer would send a clear communication around audit deadlines to Assistant Directors and their teams.

RESOLVED – That the report be noted.

AC.64 AUDIT COMMITTEE WORK PROGRAMME 2025-26

The Committee considered the proposed work programme for 2025/26. Mr Hanmer noted that the consideration of the Internal Audit Plan for July 2025 needed to be included.

The Chair asked that the work programme be circulated to all relevant managers for report awareness.

RESOLVED –

1. That the Audit Committee work programme for 2025/26 be approved, subject to inclusion of consideration of the Internal Audit Plan.
2. That it be requested that the Audit Committee work programme be circulated to senior managers for report awareness.

AC.65 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be requested to leave on the grounds that discussion of the following business was likely to disclose exempt information within paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

AC.66 ISSUES FOR DISCUSSION WITH THE INTERNAL AND EXTERNAL AUDITORS

There were no issues for discussion with the external auditors.

AC.67 STRATEGIC RISK REGISTER

The Committee received a report from the Executive Director for Place and Resources providing the Strategic Risk Register, as of 24 March 2025.

Mr Hanmer noted that the risk register was always changing and summarised some of the controls in place to deal with these.

RESOLVED – That the Strategic Risk Register be noted.

There being no further business, the Chair declared the meeting closed at 12.04 p.m.