

<b><u>ACTIONS FROM THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON WEDNESDAY 15 MARCH 2023.</u></b>			
<b><u>MIN NO.</u></b>	<b><u>AGENDA ITEM</u></b>	<b><u>OFFICER</u></b>	<b><u>ACTION TAKEN</u></b>
<b>57.</b>	<b>ELDC DRAFT 2023/24 INTERNAL AUDIT PLAN:</b>		
	✓ CORP004 on the Risk Register 'Failure to comply with Health and Safety Requirements', page 114 of the Agenda refers – to be included within Internal Audit's Annual Audit Plan.	<b>Internal Audit Manager</b>	<b>The audit plan has been agreed, we will cover risk management in 23/24 and can pick up key strategic risks as part of our testing.</b>
<b>58.</b>	<b>AUDIT PLANNING UPDATE AND PROGRESS REPORT - MARCH 2023:</b>		
	✓ Assurances to be provided that the Council was taking action to address concerns raised with regards to Invest East Lindsey (IEL).	<b>Section 151 Officer</b>	<b>Additional resources have been deployed to address the accounting issues needing to be addressed.</b>
<b>60.</b>	<b>Q3 TREASURY MANAGEMENT UPDATE:</b>		
<b>(a)</b>	✓ Information to be provided with regards to two investments that had matured in January and March 2023 (UK Debt Management Office and Credit Industriel et Commercial) and at what return they would have been reinvested, page 101 of the Agenda refers.	<b>Interim Treasury Manager</b>	<b>The Council placed £5m with Standard Chartered Bank on 13<sup>th</sup> January 2023 for 6 months at a rate of 4.24%. The remaining repaid money was held with the UK Debt Management Office short term for cash flow purposes at rates between 3.3% and 3.82% during January to March for cash flow purposes.</b>
<b>(b)</b>	✓ Invest East Lindsey (IEL) – Information to be provided on when the 2-year £1.5m Housing Development Loan started and finished and also what	<b>Interim Treasury Manager</b>	<b>Invest EL – In relation to the Housing Development Loan Invest EL received £500k on 31/3/21, £500k on 30/6/21 and £500k on</b>

		period the 'short-term' cash flow loan for £1.25m referred to, page 102 of the Agenda refers.		<b>16/11/21. These loans are for two years and the first £500k has been repaid.</b>  <b>The short-term cash flow loans of £500k on 7/2/22, £200k on 19/5/22, £300k on 12/7/22 and £250k on 20/9/22 will be repayable 2 years after the date of issue.</b>
<b>61.</b>		<b>RISK MANAGEMENT REPORT:</b>		
<b>(a)</b>	✓	Information to be provided as to whether now the office relocation project was complete whether there had been a best value assessment, particularly protection against the estimated cost and the actual cost of the move.	<b>Group Manager - Insights &amp; Transformation</b>	<b>No end of project report has yet been compiled; we await settlement of a number of compensation events in order to settle the final account with the contractor, after which an end of project report can be formally produced. We anticipate final account by September.</b>
<b>(b)</b>	✓	Members' comments on the lack of risks on the register that related to current risks, for example the economic risks as a result of the war in Ukraine, Brexit, high inflation and climate change to be fed back.	<b>Group Manager - Insights &amp; Transformation</b>	<b>Included in Q4 review.</b>
<b>(c)</b>	✓	The Group Manager – Insights and Transformation to keep Members informed on the progress of the development and progress for the new version of the risk register.	<b>Group Manager - Insights &amp; Transformation</b>	<b>Update in Q4 risk report.</b>
<b>(d)</b>	*	CORP0002 – Uncertainty of future Lincshire flood defence scheme', page 113 of the Agenda refers - The Group Manager – Insights and Transformation to feed back for consideration Members' concerns with the likelihood	<b>Group Manager - Insights &amp; Transformation</b>	<b>Action with Mike Gildersleeves.</b>

		of flooding in the coast and to re-assess the score.		
(e)	✓	CORP0012 'Technology infrastructure failure', page 114 of the Agenda refers - The Group Manager – Insights and Transformation to refer the comments back in relation to the current score and associated wording and that it be incorporated within the audit scope as well to look at in terms of technology failing.	<b>Group Manager - Insights &amp; Transformation</b>	<b>Included in Q4 review.</b>
(f)	✓	Any amendments to the risk register to be highlighted in bold text and the font size on the RR increased for ease of reading.	<b>Group Manager - Insights &amp; Transformation</b>	<b>This will be done in the next and future reports.</b>
(g)	✓	The matrix table be included on the next report as in previous reports.	<b>Group Manager - Insights &amp; Transformation</b>	<b>This will be done in the next and future reports.</b>
<b><u>ACTIONS FROM THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON WEDNESDAY 01 FEBRUARY 2023.</u></b>				
<b>45.</b>		<b>INTERNAL AUDIT PROGRESS REPORT – DECEMBER 2022:</b>		
(a)	*	In relation to a credit note raised for £195k for the incorrect amount, page 44 of the Agenda refers. The Assistant Director, Finance to provide further information outside of the meeting to avoid identifying the business concerned.	<b>Chief Finance Officer (PSPS)</b>	<b>Further information has been requested from the service department and will be circulated separately.</b>
(b)	*	The Assistant Director, Finance to provide a response as to why Subscription (Recurring) Invoices were	<b>Chief Finance Officer (PSPS)</b>	<b>Further information has been requested from the service department and will be circulated separately.</b>

		issued (in relation to an invoice valued in excess of £100k), page 44 of the Agenda refers.		
(c)	*	Further to the low assurance awarded, consideration to be given that S106 Agreements should be linked to the enforcement and non-enforcement of planning conditions.	<b>Assistant Director – Planning and Strategic Infrastructure</b>	<b>Forwarded to Mike G (26 June 2023)</b>  <a href="http://e-lindsey.gov.uk">East Lindsey District Council (e-lindsey.gov.uk)</a> – Minute No. 45 c refers.
46.		<b>ANNUAL BUDGET REPORT, MEDIUM TERM FINANCIAL STRATEGY, FINANCIAL STRATEGIES &amp; COUNCIL TAX:</b>		
(a)	✓	Following queries raised on Kingfisher Caravan Park (relating to the commentary for targets set versus the numbers achieved for Kingfisher Caravan Park (KCP) and the disappointing figures which would reduce the budget), the Section 151 to ask the budget holder to provide a response to all Members of the Committee.	<b>Section 151 Officer/ Assistant Director - Assets</b>	<b>Response supplied by the Managing Director of Invest East Lindsey Limited.</b>  <b>2022/23 was another difficult year for Invest East Lindsey Limited in trading terms with sales in each of its principal trading activities failing to achieve baseline Company forecasts.</b>  <b>The cost-of-living crisis, particularly linked to energy and fuel price inflation, hit the Parks customer base hard. In terms of caravan sales, the stock in hand at the beginning of the period, the Company’s forward order commitments, its access to stock during the period and the occupation terms prescribed by the Shareholder, arguably mismatched the Company’s offer to customer demand. The Company considers that the ‘cost of living crisis’ born by unprecedented change in food prices, fuel prices and energy prices during the year squarely drove that mismatch and it will be</b>

				<b>working with the Shareholder seeking to review a number of system conditions it considers affects its ability to drive revenues through its Kingfisher operation.</b>
<b>47.</b>		<b>AUDIT PLANNING UPDATE AND PROGRESS REPORT:</b>		
<b>(b)</b>	✓	In relation to a concern raised on the lateness of government accounts, the Section 151 Officer to draft a letter to the National Audit Office with the Committee's concerns.	<b>Section 151 Officer/Chief Finance Officer</b>	<b>A copy of the response letter from DHLUC is attached to the Agenda and a verbal update will be provided by the Chief Finance Officer, PSPS Limited.</b>
<b>49.</b>		<b>ANNUAL UPDATE INFORMATION GOVERNANCE:</b>		
<b>(a)</b>	✓	The Data Protection Officer to provide Members with some guidance on how to seek further information through an internal process, rather than submitting a FOI.	<b>Data Protection Officer</b>	<b>Work is currently underway, leading on an approach in terms of managing Councillors' expectation in terms of access to information. When available this will be made available to all Councillors.</b>
<b>(b)</b>	✓	Further to the update provided, information to be provided on how secure the data was across the three organisations and also how accessible the information was, pages 11 to 12 of the Agenda refer.	<b>Data Protection Officer</b>	<b>A response to these queries is contained within Appendix A attached to the Action Sheet.</b>