

29 External Audit Update Report

The Chair welcomed Gareth Winstanley from the council's external auditors, Grant Thornton to the meeting and invited him to present their progress update report.

Work to deliver the Audit Plan was now underway following receipt of the council's 2023-2024 accounts with the Value for Money (VfM) work also progressing. This, and an update on recommendations from last year would be included within the Auditors Annual Report and presented to the committee at its November meeting.

The Committee's attention was drawn to a number of useful updates within the report concerning the local government sector and included local audit backlogs, Code of practice on good governance, homelessness and housing targets and devolution.

A query was raised in relation to tighter backstop dates for audited accounts to be completed. As all previous years' accounts for Chorley had already been completed and the 2023-2024 accounts on track and expected to be signed off in the coming months, no issues with the revised dates were anticipated. It was acknowledged that deadlines were always challenging but both the external auditors and officers were confident that they can be met.

Members wished to commend the work of the finance teams and the external auditors on their work to prepare the accounts and have them completed on time.

Resolved – that the report be noted.

30 Internal Audit Interim Report

The Chair invited the Head of Audit and Risk to present the interim report which included the findings of two internal audit reviews that had been completed and an update on implementation of agreed actions on previously reported internal audits undertaken.

The first audit review, into United Kingdom Shared Prosperity Fund (UKSPF) Funding had received a substantial assurance rating. The second completed audit review, looking at the council's vulnerability management had however received a limited assurance rating. The Committee were informed that progress was being made on the actions that had been agreed to rectify the issues highlighted within the report.

Two further reviews included on the current Internal Audit Plan had been completed and issued as draft but would be presented to a future meeting.

Pleasing progress was noted on agreed actions from previous reviews, with only a few now outstanding and all expected to be completed.

Members wished to congratulate the Internal Audit Team on recently retaining their ISO 9001:2005 accreditation which demonstrated the quality of the work carried out and the assurance the committee could have in their findings.

Whilst it was pleasing to see actions being implemented, questions were asked whether the anticipated outcomes could now be seen. The committee were informed that each action was inputted onto the Council's risk management system, GRACE,

where responsible action owners are required to provide responses and updates. This was then monitored by the internal audit team and additionally, reviewed as part of any future audits carried out.

On the phishing exercise carried out as part of the review of the council's vulnerability management arrangements, it was confirmed that elected members had been included and any members identified as needing further training had been contacted by the Digital Services team.

Resolved – that the report be noted.

31 Internal Audit Plan October 2024 to March 2025

The Chair invited the Head of Audit and Risk to present the report which outlined the internal audit teams proposed work programme between October 2024 and March 2025 and sought the committee's approval of the plan.

The Committee were informed that despite a reduction in audit days, as a consequence of an imminent retirement within the team, delivery of the proposed plan would result in fifteen audit reports and would provide sufficient evidence for the annual auditor's opinion.

Members noted that recruitment was ongoing to fill the vacancy through the addition of a trainee auditor role, with the current trainee, who was nearing completion of the relevant qualifications, in a position to take on greater responsibilities within the team.

Resolved: (Unanimously)

That the Internal Audit Plan October 2024-March 2025 be approved.

32 Strategic Risk Review

The Head of People, Policy and Partnerships presented the report which provided members with the annual update to the Strategic Risk Register that sets out the strategic risks to the Council, control measures and new actions planned to manage risk.

A number of changes were highlighted, including new risks added and other amalgamated. Members attention was also drawn to several risks where inherent risk scores had increased, R5 – Failure to Respond to External Legislation and Policy Change and R13 – Breakdown in Political Relationship with both being affected as result of the recent General Election and potential changes that could impact the council.

Responding to an enquiry whether any risk scores had reduced, it was confirmed that none had and was a result of the challenging and unpredictable environment local authorities currently operate in.

The Committee welcomed the report, noting the changes were sensible and appropriate and were happy to endorse the updated Strategic Risk Register.

Resolved – that the report be noted.

33 Health and Safety Annual Report 2023/2024

The Head of Audit and Risk presented the Health and Safety Annual Report for 2023/2024 which provided a summary of the service over the year and included key activities, training, performance, staff development and plans for the year ahead. The report forms part of the wider Governance Framework of the Council and would be presented to the Governance Committee on an annual basis.

A number of questions were asked about the role of the health and safety team with the leisure company, and more widely health and safety arrangements for the leisure company as a separate, but wholly owned company of the council. It was clarified that the council's health and safety team do not cover the leisure company, with the company having responsibility for this area. The Committee were reassured that there are external health and safety advisors providing guidance to the Leisure Company's Board of Directors. Although the company and its directors would ultimately be liable should an incident occur, members raised concerns that the council would still suffer reputational damage as a result and requested further consideration for either the Governance Committee or Overview and Scrutiny Committee having an oversight of arrangements at the leisure company.

On whether mental health first aider training would be included in future training programmes, members were informed that this was a project for the coming year with plans already progressing to identify and train mental health first aiders.

Clarification was sought whether the use of Solo Protect devices was available to a wider range of staff or just those undertaking the highest risk roles. Members were advised that Solo Protect was just one control measure that can be utilised by staff. Each service will assess the risks associated with roles they are responsible for and include control measures in place to reduce risk on their risk register. A piece of work was being carried out by the health and safety team to ensure all staff have the appropriate tools to carry out their work safely.

It was commented that language within the report concerning requirements for training could be strengthened. In response, it was noted that a new health and safety budget had been established with the health and safety team responsible for arranging general training for staff, as well as its recording and logging upon completion. Job specific training was the responsibility of each service to arrange and fund.

Differences in the reporting of accidents and near misses between Chorley and South Ribble were raised and whether Chorley's comparatively low number of near misses was a concern. It was acknowledged that improvements were needed around the reporting of near misses and was something that the Senior Leadership Team were aware of and taking steps to resolve. A key reason for differences between South Ribble and Chorley was due to the profile of the respective staff, as South Ribble included waste services which accounted for a proportion of the near misses reported.

Resolved – that the report be noted.

34 Review of Financial Regulations

The Director of Finance and S151 Officer presented the report which set out proposed changes to the financial regulations and financial procedure rules and sought the Committee's approval to present to Full Council for adoption.

Members were advised that the existing Financial Regulations and Financial Procedure Rules (at appendix 2) were last reviewed in 2019, and the proposed changes sought to simplify the document and make it clearer and more accessible to colleagues when they need to identify the correct procedure. Best practice from other councils and feedback from officers on how to structure the document had been considered and incorporated within the proposed amendments. Much of the information hadn't significantly changed, but had been reformatted, reconfigured, reworded or strengthened to be concise, clear and where appropriate, repeated so officers can easily find the information they require.

Other changes include a new regulation introduced for VAT to reflect the potentially significant implications this could have on the council. In addition, Financial Regulation Number 6, which concerns budgetary controls, now covers instances where in-year budget adjustments are required and outlines the required decision makers for different financial thresholds. The Committees attention was also drawn to changes and strengthening to the sections concerning external funding and partnership arrangements, irrecoverable debts and how grant funding transactions and budgets are handled.

Whilst decisions that have a financial impact of £100,000 or more are considered by Full Council, clarity was sought whether a decision to 'write off' this amount would also need to be taken by Full Council. Members were informed that the current regulations did not specify exact amounts that would be reported, only up to 'an approved limit' with larger sums determined by the relevant Executive Member or Executive Cabinet. Following further discussion, members were unanimously minded to amend the decision maker for the write off of irrecoverable debts above £50,000 from the Executive Cabinet to Full Council.

Resolved: (Unanimously)

That the Governance Committee approve the proposed changes and recommend their adoption by Full Council, with the recommendation that the decision maker for the write off of irrecoverable debts above £50,000 be amended from the Executive Cabinet to Full Council.

35 Charities & Trust Funds Final Accounts 2023/24

The Principal Financial Accountant and Deputy S151 Officer presented the report that provided an update to members on the closure of a number of charity and trust fund accounts administered by the Council.

At its meeting in May 2024, the Governance Committee had endorsed the closure of the accounts outlined in the report, and final balances being redistributed appropriately in accordance with the general purpose of the funds when they were established. The recipients of each of the final balances had been agreed at a meeting between the Executive Member, the Chair of the Governance Committee and senior officers, and were included within the report.

Resolved – that the report be noted.

36 Work Programme

The Committee noted the work programme for the remainder of the 2024-2025 municipal year.

37 Any urgent business previously agreed with the Chair

There was no urgent business.

Chair

Date