

**Minutes of Governance Committee**

**Meeting date Wednesday, 27 November 2024**

**Members present:** Councillor Alan Platt (Chair), Councillor Mark Clifford (Vice-Chair) and Councillors Christine Heydon, Dedrah Moss, Chris Snow, Neville Whitham and Michelle Beach

**Officers:** Chris Moister (Director of Governance), Louise Mattinson (Director of Finance), Neil Halton (Principal Management Accountant), Tasneem Safdar (Head of Legal and Procurement), Daryl Cassidy (Principal Financial Accountant/Deputy S151 Officer), Alison Wilding, Jaqueline Sanderson (Procurement Manager), Jacqui Murray (Senior Auditor), Georgia Jones (Grant Thornton UK LLP), Gareth Winstanley (Grant Thornton UK LLP) and Ben Storey (Democratic and Member Services Officer)

**Apologies:** Councillor Julia Berry and Samantha Martin

**Other Members:** Councillor Charlotte Fitch (Independent Person) and Peter Ripley (Independent Person)

**38 Apologies**

Apologies for absence were received from Councillors Samantha Martin and Julia Berry. Councillor Michelle Beach was in attendance as a substitute for Councillor Julia Berry.

**39 Declarations of Any Interests**

No interests were declared.

**40 Minutes of meeting Wednesday, 25 September 2024 of Governance Committee**

**Resolved: (Unanimously)**

That the minutes of the last meeting, held on Wednesday 25 September 2024, be signed by the Chair as an accurate record.

**41 External Audit Findings Report**

The Chair invited Gareth Winstanley, of the Council's external auditors Grant Thornton, to present their findings report.

Members heard that the 2023/2024 audit was substantially complete with only a number of small amendments of no significant impact expected. Key points within the report were highlighted and included updates on previous year's recommendations, that the external auditor had not needed to exercise any of their statutory powers or duties, identified risks and financial journals being in line with expectations, despite some procedural issues noted.

On the testing of journals referenced within the report, it was confirmed that a sample of 46 journals had been tested against the assessment criteria and was a sufficient number to provide assurances for the purposes of the audit. It was added that recommendations to improve journal arrangements had been accepted and actions to address this underway.

The Committee asked about the new finance system that was mentioned in the report. Members were informed that this was still being procured with a decision expected from Cabinet in December. It was noted the new system would allow greater flexibility to build control measures into a number of processes.

In response to a question, the Committee heard that the External Auditors were satisfied with the management responses to their recommendations.

**Resolved – that the report be noted.**

## **42 Auditors Annual Report**

Georgia Jones, of the Council's external auditors Grant Thornton, presented the report which summarised the work they had undertaken during 2023/2024 and includes findings on the council's financial sustainability, governance environment, how the council improves economy, efficiency and effectiveness and its Value for Money assessment of the council's arrangements. Where appropriate, a number of improvement recommendations had been made, with agreed management responses outlined within the report.

The Committee welcomed the improved position compared to previous years and commended the council's officers for their work in implementing agreed actions that had resulted in a positive report.

On arrangements in place to ensure agreed actions are implemented, members were reassured that actions and associated deadlines would be monitored through the council's risk management system (GRACE) with many already being progressed. The Senior Management Team would continue to drive completion of these actions with updates on performance being presented to the Governance Committee.

**Resolved – that the report be noted.**

## **43 Statement of Accounts 2023/24**

The Chair invited the Director of Finance and S151 Officer to present the report which sought the Committee's approval of the 2023/2024 Statement of Accounts, subject to any amendments identified during final stages of their External Audit, delegate authority to the Director of Finance, in consultation with the Chair of the Governance Committee, to make such amendments, and authorise the Director of Finance and the Chair of the Governance Committee to sign the Letter of Representation.

Members thanked the officers for delivering a training session for committee members prior to the meeting to support a greater understanding of the extensive report and background work in producing the finished document, the undertaking of which was commended by the External Auditor as good practice.

Following a suggestion from the Committee, it was agreed that the sections within the report concerning the Council's Corporate Governance and Governance Environment would be a useful area for further training for both committee members or members more widely.

Responding to a query on the presence of a 'Covid' line on the Income and Expenditure Statement, it was clarified that was connected to the Household Support Fund that was introduced during the pandemic and had been continued into subsequent years, though had now been reclassified within the Communities directorate.

### **Resolved:(Unanimously)**

That the Committee:

1. Approve the Statement of Accounts for 2023/24, subject to any amendments identified during the final stages of the completion of the External Audit by Grant Thornton, which in the opinion of the Director of Finance (Section 151 Officer) are minor in nature, i.e. defined as non-material to the finance position of the council;
2. Delegates authority to the Director of Finance, in consultation with the Chair of the Governance Committee, to make such amendments;
3. That if amendments are identified by Grant Thornton during the final stages of the completion of the External Audit which the Director of Finance considers to be material to the financial position of the council, the Governance Committee will be reconvened to approve the new Statement of Accounts;
4. Authorises the Director of Finance and the Chair of the Governance Committee to sign the Letter of Representation at Appendix B.

## **44 Update on Sundry Debts**

The Chair invited the Head of Customer Services to present the report which provided an update following an internal audit review last year and progress on implementing agreed actions.

Members were pleased to hear that improvements had been made with a streamlined process now established, further training and workshops carried out across the council and regular aged debt reports being presented to Directors and Heads of Service.

The success of changes implemented since the review were demonstrated by a reduction of around 33% in aged debt, resulting in a much-improved position compared with the previous year. The Committee also heard about plans to embed the recently adopted payment strategy which would support further improvements to debt recovery processes.

**Resolved – that the report be noted.**

#### **45 Annual Review of Counter Fraud Policies**

The Chair invited the Senior Auditor to present the report which contained the review suite of council policies relating to anti-fraud and bribery measures, response plans, whistleblowing procedures and money laundering.

All the policies set out in the report had been reviewed against current legislation and best practice with members pleased to hear that no significant changes had been required. The Committee noted ongoing efforts to maintain awareness of these policies and demonstrate arrangements in place to ensure probity and propriety in the conduct of the council's business.

On the risk of money laundering, the committee heard that most control measures relate to the receipt of cash, however the majority of the council's transactions are undertaken electronically and would fall under the threshold for money laundering. For larger transactions, the committee were reassured that relevant steps and checks were carried out as required by the council's legal services team. Members also noted a number of other financial controls in place to mitigate for any risk. It was though confirmed that no instances of money laundering had been identified.

**Resolved – that the report be noted.**

#### **46 Review of Contract Procedure Rules**

The Head of Legal and Procurement presented the report which set out proposed updates to the council's Contract Procedure Rules to ensure their compliance with the Procurement Act 2023 and sought the Committee's approval to recommend their adoption by Full Council.

Key changes highlighted included the streamlined approach to procurement routes for businesses, enhanced transparency, thresholds regarding VAT being updated and strengthening of control measures around approval processes, waivers and decision making more broadly. The Committee also noted that preparation for the implementation of the new procedures was underway, with training of staff planned in the new year.

On the risk of supplier's poor performance, the Committee heard that measures would be in place to monitor key performance indicators throughout the duration of the contract so intervention was more likely to bring performance back on target. In response to another query, it was also confirmed that low-value thresholds had been prescribed by the Government as part of the Act. Further work was also planned to

align procurement thresholds with key decision levels as part of an ongoing review of the Council's Constitution.

**Resolved: (Unanimously)**

That the Committee:

1. Recommend and approve the revised Contract Procedure Rules to Full Council to be implemented on the same date that the Procurement Act 2023 goes live.
2. Supports the request that Council grants delegated authority to the Director of Governance to update any minor changes to the Contract Procedure Rules, if any subsequent changes are identified.

**47 Treasury Mid Year Review 2024/25**

The Principal Financial Accountant & Deputy S151 Officer presented the report which provided a mid year review on the council's treasury management performance, compliance with prudential indicators for the period ending 30 September 2024 and updated monitoring and forecasting around interest rates.

Points highlighted within the report included the council's current position, which had seen long term debt reduced and short term debts increase. Members were reassured however that current borrowing remained within the set borrowing boundaries already agreed. An update was also provided with regards to the consistent performance on investment returns and a pleasing increase in average yields from last year.

Members noted the positive performance in complying with prudential indicators, remaining with agreed borrowing levels and securing returns on investments.

**Resolved – that the report be noted.**

**48 Work Programme**

The Committee noted the work programme for the remainder of the 2024-2025 municipal, with the addition of a review of the council's Risk Management Strategy being added at a future meeting.

**49 Any urgent business previously agreed with the Chair**

There was no urgent business.

The Chair, on behalf of the Committee thanked the Director of Finance and S151 Officer for all her hard work in supporting the committee and wished her well for the future on what was her final meeting before her retirement.

Chair

Date