



**MINUTES OF GOVERNANCE COMMITTEE**

**MEETING DATE** Wednesday, 11 March 2015

**MEMBERS PRESENT:** Councillor Paul Leadbetter (Chair), Councillor Peter Goldsworthy (Vice-Chair) and Councillors Julia Berry, Margaret France, Anthony Gee, Matthew Lynch, June Molyneaux and Mick Muncaster

**OFFICERS:** Gary Hall (Chief Executive), Chris Moister (Head of Governance), Garry Barclay (Head of Shared Assurance Services), Dawn Highton (Principal Auditor) and Dianne Scambler (Democratic and Member Services Officer)

**APOLOGIES:** Peter Ripley (Independent Person)

**OTHER MEMBERS:** Councillor Fiona Blatcher (Grant Thornton UK LLP) and Gareth Winstanley (Grant Thornton UK LLP)

**15.G.52 Minutes**

**RESOLVED – That the minutes of the Governance Committee meeting held on 14 January 2015 be confirmed as a correct record for signing by the Chair.**

**15.G.53 Declarations of Any Interests**

There were no declarations of any interests.

**15.G.54 Governance Committee Update - year ended 31 March 2015**

The External Auditors provided the Committee with a report on the progress made in delivering their responsibilities to the Council. It also included a summary of the relevant emerging national issues and developments and included a number of challenge questions for Members to consider.

The interim audit was still on track and the auditing of the authorities final accounts for 2014/15 would commence at the start of the summer for presentation to this Committee at the end of September along with the Value for Money conclusion, work on which had just commenced.

In December 2014, the External Auditor had published a national report - Rising to the Challenge, the Evolution of Local Government. The overall message was encouraging as local authorities have navigated the first round of austerity measures well and most Chief Executives were confident of their medium term financial strategy. Some

authorities were exhibiting strong leadership as was evident here at Chorley. There did however remain much to be achieved if the sector is to become sustainable in the long term. And a number of suggested actions were contained within the report for consideration.

The CIPFA Code has adopted a new suite of standards of accounting for subsidiaries, associates and joint arrangements. These changes affect local authorities account for those services delivered through other entities and joint working with partners. The partnership arrangements with our housing providers and potentially the future delivery of the Friday Street Health Centre would fall into these new arrangements.

DCLG has just agreed proposals to bring forward the audit deadline for 2017/18 to the end of July 2018. Although four years away, both local authorities and their auditors will need to make real changes in how they work to ensure that they are match –fit to achieve this deadline.

In preparation for this change, Chorley Council's accountants have attended Grant Thornton workshops on Final Accounts and have visited Oldham Council who had been chosen to trial these new arrangements.

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

#### **15.G.55 Chorley Council Audit Plan 2014/15**

The Committee received the External Audit Plan for the Council as at 31 March 2015 that had been submitted by Grant Thornton, the authority's external audit providers.

A risk based audit of the Council had been undertaken that focused on those areas where there was a potential risk of material misstatement in the accounts and no specific risks had been identified for Chorley. The two risks that were listed in the report were generic to other Local Authorities and Members were assured that the necessary controls for Chorley already existed.

The findings of their interim audit work were summarised and no material weaknesses had been identified. The Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources in its Value for Money (VfM) conclusion.

The Committee discussed the work that the Council was currently undertaking to explore different ways of delivering services to its residents. A recent Commission consisting of a panel of experts had been held at the Council looking at the future of public services in the borough and to investigate whether or not to pursue unitary status for the borough instead of the current two-tier system. The Chief Executive explained that the dialogue between our partners had prompted the Council to discuss different alternatives to that of the unitary model. The only thing that was certain was that the current arrangements had to change and it could be that it may just be a staging post to something bigger but that any change would be specific to Chorley.

**RESOLVED – That the report be noted.**

#### **15.G.56 Internal Audit Plan 2015-16**

The Head of Shared Assurance Services submitted a report to remind Members of the respective roles of managers and Internal Audit to maintain a sound system of governance and internal control within the Council and sought the Committee's approval of the 2015/16 Internal audit Plan.

The 2015/16 Internal Audit Plan contained the programme of reviews that had been highlighted for the next financial year and had been constructed following a risk assessment that covered a range of risk factors, such as items in the Corporate Risk Register, significant changes in staffing and procedures and the length of time since an area had been last audited. There had also been extensive consultation within each service and by Strategy Group which had taken an overview of audit requirements.

In the main this plan would stay the same, however some reviews may change or evolve dependent any unforeseeable changes to the service. A total of 165 days had been allocated to the Plan which was a reduction of 10 days that would be used to cover the insurance work in shared services.

**RESOLVED – That the report be noted.**

#### **15.G.57 Members Code of Conduct: Members discharging the role of a Councillor**

At the last Committee meeting, the Monitoring Officer had submitted a report that sought guidance from the Committee about the point at which Members are deemed to be discharging their role as a Councillor.

The report had prompted detailed discussion by the Committee and it was proposed to pursue the matter further with all Councillors through their group meetings.

The Monitoring Officer had received a collective view from the Conservative Group but as none had yet been received from the Labour Group the item was deferred to the next meeting of the Committee to allow that dialogue to take place before a decision was taken.

**RESOLVED – to defer the decision to the next meeting of the Governance Committee**

#### **15.G.58 Annual Governance Statement 2104 - Update Report**

The Committee received a report of the Head of Governance updating them of progress made in implementing the Council's Annual Governance Statement which provided improvements to the Council's Governance arrangements.

In June 2014, the Committee had approved the Statement that included a number of pieces of work which if implemented would enhance the Council's Governance arrangements; the report contained a position statement against each project.

Most actions were rated Green, however there were two action points currently rate as Red and an explanation was given against each one. The first related to clear document retention guidelines. This action had been postponed pending the updating of the Council's Microsoft software packages, in particular, My Share which is the Council's document management system, these updates would now take place in

2015/16 but it was considered that guidance available on the Loop was currently fit for purpose.

The second action point marked as Red was to review the consistency and compliance with the Council's Equality Scheme that had slipped due to capacity issues. Work was continuing to support services in undertaking impact assessments and ensuring that they are in place for new policies, changes in service and decisions such as the Council's budget. Although the Committee were satisfied that the Council would have good equality standards across the authority, the Council needed to guard itself against complacency and asked for this work to be undertaken in a timely fashion.

Two action points were listed as Amber, relating to updating the Council's Disaster Recovery Plan and Whistleblowing Policy. In both matters the amber allocation was due to slippages in the implementation timetable; however work in relation to both was substantially complete and should be delivered by the end of March 2015 with risk implications for these delays being considered low.

**RESOLVED**

**That the report be noted.**

**That a date be agreed with the Chair of Governance Committee for completion of the Review of the implementation of the Equality Scheme across the Council.**

**15.G.59 RIPA Application Update**

The Monitoring Officer reported that there had been no RIPA applications made.

Chair

Date