



MINUTES OF GOVERNANCE COMMITTEE

MEETING DATE **Wednesday, 21 November 2018**

MEMBERS PRESENT: Councillor Paul Leadbetter (Chair), Councillor Anthony Gee (Vice-Chair) and Councillor Gordon France, Steve Holgate and Kim Snape

OFFICERS: Gary Hall (Chief Executive/Statutory Finance Officer), James Thomson (Interim Financial Services Manager), Chris Moister (Head of Legal, Democratic & HR Services/Monitoring Officer), Michael Jackson (Principal Financial Accountant), Janice Bamber (Interim Audit and Risk Manager) and Ruth Rimmington (Democratic and Member Services Team Leader)

APOLOGIES: Councillor Jean Cronshaw, Alan Cullens and Yvonne Hargreaves

EXTERNAL REPRESENTATIVES: Peter Ripley (Independent Member), Mark Heap (Grant Thornton UK LLP) and Doreen Dickinson

18.G.38 Minutes of meeting Wednesday, 25 July 2018 of Governance Committee

Decision: That the minutes of the Governance Committee meeting held on 25 July 2018 be confirmed as a correct record for signature by the Chair.

In accordance with minute 18.G.32 training will be provided on identifying what expenditure the Council can and can't capitalise once the related CIPFA guidance has been published.

18.G.39 Declarations of Any Interests

No declarations of any interests were declared.

18.G.40 Audit Progress and Update

Mark Heap, Grant Thornton, presented the Audit Progress Report and Sector Update for information. The audit of the Council's 2017/18 financial statements is completed and the audit opinion, including value for money conclusion and certificate of audit closure was issued on the 31 July 2018. This includes an unqualified opinion on the Council's financial statements and an unqualified value for money conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.

Grant Thornton have begun the planning processes for the 2018/19 financial year audit and the plan will be presented to the meeting in January. Detailed work and audit visits will take place in February and March 2019.

The current focus of work relates to the certification the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the DWP.

Decision: That the Audit Progress Report and Sector Update be noted.

18.G.41 Chorley Borough Council Annual Audit Letter 2018

Mark Heap, Grant Thornton, presented the Chorley Borough Council Annual Audit Letter 2018.

The Letter provides a commentary on the results of work undertaken for the Council and external stakeholders, and highlights issues that Grant Thornton wish to draw to the attention of the public, of which there are none.

Grant Thornton gave an unqualified opinion on the Council's financial statements on 31 July 2018, a Value For Money (VFM) conclusion and have certified completion of the audit of the accounts of the Council in accordance with the requirements of the Code of Audit Practice.

Decision: That the Chorley Borough Council Annual Audit Letter 2018 be noted.

18.G.42 Internal Audit Interim Report as at 28 September 2018

Janice Bamber, Interim Audit and Risk Manager, presented the report of the Head of Shared Assurance Services which advises Members of the work undertaken in respect of the Internal Audit Plans for Chorley Council and Shared Services for the period April 2018 to September 2018.

Work is currently in progress on the risk registers and the team is supporting a number of key projects for the Council. An update report will be presented to the next meeting.

Members noted a typographical error relating to the risk rating for Astley Hall. Under the new Controls Assurance key a rating of 6 is green, rather than amber. In relation to Environmental Permitting Regulations Members noted that information will be updated on the website and the equipment which needs to be inspected will be undertaken. The impact of this is considered low.

Decision: That the report be noted.

18.G.43 Treasury Management Activity Mid-Year review 2018/19

Michael Jackson, Principal Financial Accountant, presented the report of the Statutory Finance Officer which reports on Treasury Management performance in financial year 2018/18 to the end of September.

Updated Prudential Indicators will be presented in the Treasury Strategy report to Full Council on 26 February 2019 which will take account of the latest CIPFA guidance.

The average interest earned is 0.52% to the end of September, which is more than the target of 0.49%. As in 2017/18, cash balances have been used as a source of internal borrowing to minimise external borrowing at higher rates of interest, thereby achieving revenue budget savings.

Members noted that the current CNAV Money Market Funds (MMF) will convert to Low Volatility Net Asset Value (LVNAV) MMFs in early 2019, so their use needs to be approved so that the Council can continue placing cash sums in MMFs.

CIPFA continue to publish guidance on the new Prudential Code and statements to take account of the increased commercialisation of local authorities.

The advice of Link Asset Services, the Council's Treasury Consultant is unlikely to be achievable because the Council cannot commit cash for term deposit investments and the highly liquid accounts used pay a lower rate of interest than the Link target.

Decision:

- 1. That the report be noted.**
- 2. That Council is recommended to add Low Volatility Net Asset Value (LVNAV) Money Market Funds to the list of approved Investment Counterparties with a limit of £3m per fund.**

18.G.44 General Data Protection Regulations (GDPR) Update

Chris Moister, Monitoring Officer, presented the report of the Director (Policy and Governance) which informs Members of the implementation of the General Data Protection Regulations.

The General Data Protection Regulations came into force on 25 May 2018. The aim of the Regulations is to give control to individuals over their personal data and provide a simplified regulatory regime. As a local authority, Chorley Council has been compliant with both Data Protection and Freedom of Information legislation for many years. There are already strong policies and processes in place which demonstrate how the Council discharges its obligations.

It has been challenging to ensure the identified differences with the old legislation were communicated properly with staff and to embed new roles within the organisation and ensure an understanding of the new responsibilities that went with them. The role of the SIRO (Senior Information Risk Owner) is retained and the responsibilities attached to that role continue. The Council have appointed the Monitoring Officer to the role of Data Protection Officer.

Data Controllers have been identified within services and work has been done with each service to prepare an Information Asset Register which details the data held by each team, what it is used for and the period it needs to be retained. This included both digital and paper based data. No distinction was drawn between personal data caught by the Regulations and none personal data. It is entirely consistent with the Council's information management approach to reduce all unnecessary data held so the strict approaches directed by the Regulations meet the Council's priorities.

Training has been undertaken by staff and Councillors and this will be included on the induction programme. Compliance has been confirmed with third party contracts and processes have been introduced to enable residents to "opt in" to receive information about other Council services. The vast majority of the personal data held by the Council has been provided under legislation or in order for the Council to deliver a service.

Compliance will be monitored by the Data Protection Officer and performance indicators will be introduced to assist with this. The focus initially will be high risk areas, such as Customer Services. A report will be presented to the next meeting with a further update.

Members thanked Chris Moister for his support to Town and Parish Councils in the implementation of GDPR.

Members noted that it is easy for residents to "opt out" if they no longer wish to receive information. In their role Members receive a lot of personal data, but noted that as long as they are using it for the purposes it has been given and take reasonable steps to keep the information safe this is compliant.

Decision: That the report be noted.

18.G.45 RIPA Application Update

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

Decision: That the update be noted.

18.G.46 Work Programme

The Committee considered the work programme which set out the reports to be considered at each Governance Committee meeting throughout the Council year.

Decision: That the work programme be noted.

Chair

Date