

## **GOVERNANCE COMMITTEE**

WEDNESDAY, 22ND JANUARY 2020, 2.30 PM  
COMMITTEE ROOM 1, TOWN HALL, CHORLEY

### **AGENDA**

#### **APOLOGIES**

- |          |   |                        |
|----------|---|------------------------|
| <p>1</p> | <p><b>MINUTES OF MEETING WEDNESDAY, 20 NOVEMBER 2019 OF GOVERNANCE COMMITTEE</b></p>  | <p>(Pages 3 - 8)</p>   |
| <p>2</p> | <p><b>DECLARATIONS OF ANY INTERESTS</b></p> <p>Members are reminded of their responsibility to declare any pecuniary interest in respect of matters contained in this agenda.</p> <p>If you have a pecuniary interest you must withdraw from the meeting. Normally you should leave the room before the business starts to be discussed. You do, however, have the same right to speak as a member of the public and may remain in the room to enable you to exercise that right and then leave immediately. In either case you must not seek to improperly influence a decision on the matter.</p> |                        |
| <p>3</p> | <p><b>CHORLEY BOROUGH COUNCIL CERTIFICATION LETTER 2018/19</b></p> <p>To receive and consider the Chorley Borough Council Certification Letter 2018/19 from Grant Thornton, the External Auditor (to follow).</p>   |                        |
| <p>4</p> | <p><b>EXTERNAL AUDIT PLAN 2019/20</b></p> <p>To receive and consider the report from Grant Thornton, the External Auditor (to follow).</p>  |                        |
| <p>5</p> | <p><b>INTERNAL AUDIT PROGRESS REPORT AS AT 31 DECEMBER 2019</b></p> <p>To receive and consider the report of the Interim Head of Shared Assurance Services.</p>   | <p>(Pages 9 - 14)</p>  |
| <p>6</p> | <p><b>STANDARDS COMPLAINTS 2019 UPDATE</b></p> <p>To receive and consider the report of the Director of Legal / Monitoring Officer.</p>   | <p>(Pages 15 - 18)</p> |
| <p>7</p> | <p><b>RIPA APPLICATION UPDATE</b></p> <p>The Monitoring Officer will present a verbal report at the meeting.</p>  |                        |

8 **WORK PROGRAMME**

(Pages 19 - 20)

To receive and consider the work programme for the Committee.

9 **ANY URGENT BUSINESS PREVIOUSLY AGREED WITH THE CHAIR**

GARY HALL  
CHIEF EXECUTIVE

Electronic agendas sent to Members of the Governance Committee Councillor Debra Platt (Chair), Councillor Anthony Gee (Vice-Chair) and Councillors Eric Bell, Jean Cronshaw, Yvonne Hargreaves, Steve Holgate, Roy Lees and Kim Snape.

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**MINUTES OF GOVERNANCE COMMITTEE**

**MEETING DATE**                    **Wednesday, 20 November 2019**

**MEMBERS PRESENT:** Councillor Debra Platt (Chair), Councillor Anthony Gee (Vice-Chair) and Councillors Jean Cronshaw, Yvonne Hargreaves and Steve Holgate

**OFFICERS:** Gary Hall (Chief Executive/Statutory Finance Officer), Chris Moister (Chief Legal Officer), Janice Bamber (Interim Audit and Risk Manager), Michelle Brennan (Auditor), Tony Furber and Ruth Rimmington (Democratic and Member Services Team Leader)

**APOLOGIES:** Councillor Eric Bell, Roy Lees and Kim Snape

**OTHER MEMBERS:** Charlotte Fitch (Independent Person), Peter Ripley (Independent Person) and Simon Hardman (Grant Thornton UK LLP)

**19.G.87            Minutes of meeting Wednesday, 24 July 2019 of Governance Committee**

**Decision – That the minutes of the Governance Committee meeting held on 24 July 2019 be confirmed as a correct record for signature by the Chair.**

**19.G.88            Declarations of Any Interests**

There were no declarations of any interests.

**19.G.89            Treasury Management Activity Mid-Year review 2019/20**

Tony Furber, Principal Financial Accountant, presented the report of the Chief Finance Officer which sets out Treasury Management performance in financial year 2019/20 to the end of September.

During the first six months of 2019/20, the Council had an average daily cash balance of £9.75m and earned interest of £32.6k, (return of 0.67%). The investment balance at the end of September was £5.5m.

During the second quarter of 2019/20 the Council undertook a major asset purchase. This had a significant impact on average daily cash balance, required temporary amendments to the approved Counterparty list and new long-term borrowing of £39.5m. A revised set of Prudential Indicators for 2019/20 was approved to incorporate the implications for the capital programme and borrowing limits.

In October 2019, the Public Works Loans Board (PWLB) unexpectedly announced an increase of 1% in the margin of its lending rates above gilt yields. The effect of this significantly increases the potential cost of future borrowing and raises the possibility of sources of borrowing other than the PWLB being a more affordable option in the future.

Members noted that there are no current plans for new major investment, but that the previous approach of generating revenue from commercial ventures is likely to continue. Other sources of borrowing will be investigated.

**Decision: That the report be noted.**

#### **19.G.90 Update on the Chorley Council Capital Strategy**

Gary Hall, Chief Executive and Chief Finance Officer, presented his report which updates Members on the Capital Strategy that was approved at Full Council on 26 February 2019.

Governance Committee are responsible for receiving an annual update on the strategy. The Capital Strategy's prudential indicators have been updated and the report sets out the income from the Council's investments. The Council will continue to be increasingly reliant on the net income (after borrowing costs) from its capital investments to fund its revenue expenditure budgets.

Capital expenditure has increased by £28m due to the purchase of the Logistics House site. Borrowing has increased, however it is all supported through income generated by the assets purchased as there is a 15 year lease.

Members noted that the performance indicators to measure the extent to which the Council's borrowing repayments are reliant on income (Council Tax, Business Rates, New Homes Bonus and net income from investments) is designed to highlight the impact of the level of debt to the net revenue budget. Currently the income has to be discounted which skews the performance when borrowing has been undertaken to generate income. The measure was designed prior to Council's undertaking commercial activity.

The Council has over £5.5m of reserves that can be used to manage potential revenue risks surrounding its capital programme. The risks undertaken by the Council are managed. Simon Hardman, Grant Thornton, highlighted that the Capital Strategy is considered as part of the Value for Money conclusion, particularly in relation to the arrangements to mitigate risks.

Members queried the figure of £300k to support local businesses and corporate priorities during the potential disruption caused by the UK's exit from the EU. The impact of Brexit is not yet known and there is potential to use this money for different schemes, such as Business Rate support.

**Decision: To note the updates provided in the report including the four updated prudential indicators.**

**19.G.91 Chorley Borough Council Annual Audit Letter 2019**

Simon Hardman, Grant Thornton, presented the Annual Audit Letter for Chorley Borough Council. The Letter is intended to provide a commentary on the results of External Audit work to the Council and its external stakeholders.

60 % of the opinions were given by 31 July and this was achieved due to the positive work undertaken by the Council in conjunction with the External Auditors. There were no matters which required the External Auditors to exercise their additional statutory powers.

Grant Thornton have given an opinion on the Council's financial statements and assessed the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion). The audit was closed on 31 July.

Members queried the fees set out on page 39 of the report. The Financial Reporting Council has highlighted that the quality of work by audit firms in respect of IAS 19 and PPE valuations needs to improve across local government audits. Grant Thornton have increased the level of scope and coverage to reflect this. Assessing the impact of the McCloud ruling has also had an impact on the fees. The total fees are a significant reduction when compared with fees charged previously. The need for quality audit and scrutiny was supported by Members.

Members noted the excellent work undertaken by the Finance officers, but noted that the projects undertaken by the Council, such as the Market Walk extension, Primrose Gardens extra care facility and the purchase of Logistics House, extend the range and scope of audit required.

It was noted that issues with PPE valuations and pensions will be raised as early as possible going forward to enable solutions to be found in a timely manner.

**Decision: That the Annual Audit Letter for Chorley Borough Council 2019 be noted.**

**19.G.92 Audit Progress Report and Sector Update**

Simon Hardman, Grant Thornton, presented the Audit Progress Report and Sector Update.

The opinion on the 2018/19 Statement of Accounts was issued on 31 July 2019. Planning for the 2019/20 audit has begun and a detailed audit plan, setting out the proposed approach to the audit of the Council's 2019/20 financial statements will be brought to the next meeting.

There is currently an issue with workbooks which are needed to complete the Housing Benefit Subsidy claim, but this should be resolved shortly.

Invitations for the annual workshop for the finance team have been sent and will take place early in 2020.

An independent review of local authority financial reporting and auditing is being undertaken by Sir Tony Redmond. Members highlighted the need for training for

newly elected Members to ensure robust decision making. The agenda item relating to plans for Induction later in the agenda was noted. The quality of reports, open Cabinet style of decision making and effective Scrutiny at Chorley Council were noted. Each Member has a responsibility to challenge and statutory officers can report issues directly to Council if necessary.

**Decision: That the Annual Audit Letter for Chorley Borough Council 2019 be noted.**

#### **19.G.93      Audit Plan Progress Report April - October 2019**

Janice Bamber, Interim Audit and Risk Manager, presented the report which provides a summary of Internal Audit work undertaken for Chorley Council and the Shared Services element for the period 1 April 2019 to 31 October 2019.

A number of resource issues arose last year in the Shared Assurance Service which impacted on the Internal Audit Service, initially relating to long term sickness and latterly relating to an investigation and Governance work for South Ribble BC.

The '% of audit plan completed' for this period (April – October 2019) currently stands at 10.2% (total of planned and unplanned work against the audit planned work). The level of completion of the audit plan is now being closely monitored and reviewed by the Interim Head of Shared Assurance and a plan has been put in place to address the shortfall in the planned work at Chorley BC. Two of the auditors have been assigned a number of audit reviews taken from the Chorley Audit Plan. This impact will lessen as the benefit of the temporary arrangements put in place comes to fruition. The completion of some major pieces of work including Creditors and GDPR Compliance review at SRBC along with the investigation work coming to a close will aid with the lessening of the current impact.

Two changes to the plan have been requested by officers. These are the deletion of the Time Credits review as this was not considered to be of significant risk. However, this is being replaced with a review of the funding and operation of the Syrian Resettlement funding.

Secondly, the Chief Legal Officer has requested the postponement of the Elections Audit, due to the impact of the imminent General Election, the Boundary review and all out elections in March as well as PCC elections at the same time would make it difficult to deliver in Q4.

The Environmental Permitting Regulations – follow up has been given a rating of adequate. Payroll has been given a rating of limited. Management actions have been agreed and the audit will be followed up in the next 3-6 months with an update reported to Governance Committee.

Members noted that where processes are aligned in Shared Services a joint audit could be undertaken.

**Decision:**

- 1. To consider and note the contents of the report.**
- 2. To note and approve the minor changes to the Audit Plan for 2019/20.**

Councillor Holgate left the meeting at 3.30pm.

**19.G.94 Electoral Review update**

Chris Moister, Chief Legal Officer, presented the report of the Returning Officer which outlines progress on the electoral review of Chorley Council, following the announcement of new warding arrangements being published by the Local Government Boundary Commission for England (LGBCE).

The LGBCE conducted an electoral review of Chorley Council in its 2018/19 work programme to correct voter equality throughout the borough. The LGBCE's final recommendations were announced on 26 March 2019 and resulted in -  
The size of the council being reduced to 42 (from 47)

- 14 new borough wards
- Elections being held by thirds
- 3 councillors per ward

The draft order has now been confirmed by Parliament giving effect to the final recommendations. Since the LGBCE's announcement, work has been carried out to create new polling districts, which will be implemented with the new ward boundaries at the local election on 7 May 2020. As this election will be the first on the new warding arrangements, a whole of council election will be held. The Council will revert to electing its membership by thirds from 2022.

At the Council meeting on 21 January 2020, Members will have the opportunity to consider a report which will put forward recommendations of the preferred polling station premises for each ward. There is an expectation that most of polling stations used at present will remain as part of the polling station stock. However, due to changes to polling districts, a significant number of voters will have to attend a different polling station which may not necessarily be the closest to them.

**Decision: To note the report.**

**19.G.95 Member Induction plans for May 2020**

Ruth Rimmington, Democratic and Member Services Team Leader, presented the report of the Director of Policy and Governance setting out the plans for Member Induction following the all-out elections in May 2020.

At the meeting in June this Committee noted risk 14 on the Strategic Risk Register "Failure to build and maintain strong relationships of trust and confidence between officers and each party to promote good and open relationships between political parties". This impacts on relationships with officers at all levels and inexperienced Members making decisions where robust decisions are essential.

The Council has a strong history of Member Development. The Member Support Working Group (a cross party working group) oversees the Member Development Programme and this includes the Induction for new Councillors.

Induction Day includes reference to the organization's expectation that new Members will undertake member development as part of their role and information about the opportunities the Council will provide to do that. It also includes advice about Member support from Democratic Services officers; IT support and training for iPads; and use of My Account to report ward/service problems.

The Induction also includes information on the new Councillor PDP process which starts around six months after election and is a one-to-one session to review their training needs after a short period in the role. At the end of the Induction Day new Councillors are given a pro forma to indicate those areas where they would like a one-to-one briefing with the relevant officer - for example a ward walk with a neighbourhood officer or the opportunity to shadow a member of staff in the Council's Contact Centre to understand those issues raised most by the public. All Members have access to the Induction handbook.

A new session will be held to meet key officers that newly elected Councillors may come into contact with and a tour (route yet to be determined).

Members noted the range of Member Learning Sessions and types of training available. A request for some specific training will be followed up by officers.

**Decision: To note the report.**

**19.G.96 RIPA Application Update**

Chris Moister, Chief Legal Officer, reported that no RIPA applications had been made.

Chair

Date





Report of	Meeting	Date
Interim Head of Shared Assurance Services	Governance Committee	22 January 2020

## **INTERNAL AUDIT PROGRESS REPORT AS AT 31<sup>ST</sup> DECEMBER 2019**

### **PURPOSE OF REPORT**

1. To provide the Governance Committee with a summary of Internal Audit work undertaken for Chorley Council and the Shared Services element for the period 1<sup>st</sup> April 2019 to 31st December 2019.

### **RECOMMENDATION(S)**

2. Members are asked to consider and note the contents of the report.

### **EXECUTIVE SUMMARY OF REPORT**

3. Governance Committee are required to be informed of and review Internal Audit work as part of their review of the Council’s internal control environment and overall Governance arrangements. To that end the report outlines the work undertaken for the period, the individual opinion of the internal control environment of those pieces of work completed, the progress of work to 31st December 2019 and the status of planned and ongoing work.
4. The detailed information in regard to progress against individual areas of work / auditable areas has been provided at Appendix 1.

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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### **CORPORATE PRIORITIES**

5. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	<b>X</b>

### **BACKGROUND**

6. This is the progress report of work undertaken for the 2019/20 Plan, which was previously agreed with the Governance Committee

**Audit Plan Progress**

7. This is the report in respect of the period 1<sup>st</sup> April 2019 – 31<sup>st</sup> December 2019; it includes those items carried forward from 2018/19, that are now completed, progress against the 2019/20 plan and the status of individual auditable areas. Appendix 1 outlines the actual time spent against the planned time for each area and the assurance opinion where work is completed.
8. A number of reviews have commenced in this reporting period namely;
  - Council Tax
  - NNDR
  - Housing Benefits
  - Sundry Debtors
  - Bereavement Services
  - Refuse Collection – Contract Management / Compliance
  - Procurement (Shared Financial Services)
9. In addition a number of reviews are either in progress or at draft report stage at this time, these are outlined below:-
  - Corporate Credit Cards
  - GDPR Compliance Review
  - Syrian Resettlement Programme
  - Car Park Management & Enforcement
  - NFI Report on Creditor & Payroll Data Matches
  - Shared Services Accounts Review
  - Creditors
10. The following table outlines the main pieces of work completed during this reporting period:-

Audit Area	Assurance Rating	Comments
<b>Chorley Council</b>		
Asset Management – repairs & maintenance	<b>N/A</b>	A Gap analysis has been completed for each of these service areas identifying the actual processes / controls against the defined expected processes / controls. Areas of control weakness have been identified and an action plan to address these issues have been agreed with Management. Internal Audit will review the progress against the action plan at the end of quarter 4.
Commercial Properties	<b>N/A</b>	

11. Whilst the ‘% of audit plan completed’ for this period April – December 2019 currently stands at 21.09% (total of planned and unplanned work against the audit work plan), the combined % of audit plan work which has now either commenced, is in progress, is at draft report stage or complete currently stands at 68%.
12. The significant number of days spent on investigation and governance work for SRBC has impacted on the level of work completed at both SRBC and Chorley BC. The investigation work is now concluded and will therefore lessen the impact on the audit staff and allow them to focus on the work within the audit plan. In addition, the previously reported temporary arrangements with regards to the recruitment of 2 temporary auditors and 1

auditor acting up into the Principal Auditor role have been extended until the end of March 2020 which will ensure that the audit plan is completed.

- 13. The re-focus of the audit team on the work within the audit plan is now evident by the number of reviews which have recently commenced, are in progress and at draft report stage, as per Appendix 1. The progress of audit work against the plan is being closely monitored and reviewed by the Interim Head of Shared Assurance.

**IMPLICATIONS OF REPORT**

- 14. The matters raised in the report are cross cutting and impact upon those individual services reviewed and the Internal Control environment of the Council.

Finance	x	Customer Services	
Human Resources		Equality and Diversity	
Legal	x	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

- 15. Failure to report the progress of the Audit Plan to the Governance Committee would result in the lack of awareness of those charged with the responsibility for the Governance of the Council of issues in regard to the Council’s overall control environment. This could result in financial, legal and / or reputational harm to the Council.

**COMMENTS OF THE STATUTORY FINANCE OFFICER**

- 16. The audit plan will be delivered within the approved budget.

**COMMENTS OF THE MONITORING OFFICER**

- 17. There are no legal implications

Gary Hall  
Chief Executive

<b>Background Papers</b>		
<b>Document</b>	<b>Date</b>	<b>File</b>
Chorley Council Internal Audit Plan 2019/20	March 2019	
Shared Financial Services Audit Plan 2019/20	March 2019	

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>
Janice Bamber	5470	10/01/20

INTERNAL AUDIT PLAN 2019/20  
CHORLEY COUNCIL

WORK AREA	RISK	EST (Days)	ACT	BAL	REVIEW STATUS	ASSURANCE RATING	STATUS
<b>AUDIT PLANNED WORK</b>							
<b>FINANCE</b>							
Income Collection & Receipt	High	25	0	25			
Corporate Credit Cards	High	10	12.5	(2.5)	Draft Report		Draft Report with Interim Head of Shared Assurance for Review
<b>POLICY &amp; GOVERNANCE</b>							
<b>Legal, Democratic &amp; HR Services</b>							
GDPR Compliance Reviews	High	15	5.2	9.8	In Progress		Scope agreed / Testing commenced
Whistleblowing Policy & Review	Medium	10	0	10			
Elections	High	15	0	15	DELETED		Due to impact of the General Election in December 2019, the outstanding Boundary review and all out elections in March 2020 the elections team have limited availability to co-operate with IA, it is therefore proposed to move review to Q3 2020/21.
<b>Performance &amp; Partnerships</b>							
Performance Management Information	Medium	15	0	15			
<b>Communications &amp; Events</b>							
Events	Medium		0	0			
<b>CUSTOMER &amp; DIGITAL</b>							
<b>Transformation</b>							
Council Tax	High	10	0.8	9.2	Commenced		Audit scope to be decided
NNDR	High	10	0.1	9.9	Commenced		Audit scope to be decided
Housing Benefits	High	10	0.1	9.9	Commenced		Audit scope to be decided
Sundry Debtors	High	10	0	10	Commenced		Audit scope to be decided
<b>Waste &amp; Streetscene</b>							
Bereavement Services	Medium	15	1.1	13.9	Commenced		Scope agreed / Testing to commence
Refuse Collection – Contract Management/Compliance	High	15	1.1	13.9	Commenced		Scope agreed / Testing to commence
<b>ICT Services</b>							
ICT Review (TBD)	High	20	2.3	17.7			Areas for review determined. Work to be undertaken in Q4 by Mersey Internal Audit
<b>EARLY INTERVENTION</b>							
<b>Health &amp; Wellbeing</b>							
Time Credits	High				DELETED		Audit no longer required replaced with Syrian Resettlement Programme as greater risk.
Outdoor Leisure Contract	Medium	10	0	10			
Syrian Resettlement Programme	High	10	6.1	3.9	In Progress		Scope agreed / Testing Commenced
<b>Regulatory Services</b>							
Housing Standards - enforcement & immigration inspections	High	15	0	15			
<b>BUSINESS DEVELOPMENT &amp; GROWTH</b>							
<b>Market Walk &amp; Town Centre</b>							
Car Park Management & Enforcement	Medium	15	10.9	4.1	Draft Report		Audit work completed and Draft Report prepared. File and Report with Acting Principal Auditor for review.

<b>Property Services</b>							
Asset Management - repairs & maintenance	High	10	4.4	5.6	<b>GAP ANALYSIS COMPLETED</b>		Gap Analysis for both services completed, an action plan to address areas of risk agreed with Service Manager / Director, Audit to follow up in Q4
Commercial Properties	Medium	8	5.2	2.8	<b>GAP ANALYSIS COMPLETED</b>		As above.
<b>TOTAL PLANNED WORK</b>		<b>248</b>	<b>49.8</b>	<b>198.2</b>			<b>20.08% of planned work completed</b>
<b>UNPLANNED WORK</b>							
Environmental Permitting Regulations Follow Up	High		2.5	(2.5)	<b>COMPLETED</b>	ADEQUATE	Follow up as previous report classified as Limited. Audit opinion has improved however, not all recommendations fully implemented therefore further timescales agreed for the outstanding actions.
<b>TOTAL WORK (PLANNED &amp; UNPLANNED)</b>		<b>248</b>	<b>52.3</b>	<b>195.7</b>			<b>21.09% of work plan completed (planned &amp; unplanned)</b>

WORK AREA	RISK	EST (Days)	ACT	BAL	REVIEW STATUS	ASSURANCE RATING	STATUS
<b>ONGOING WORK THROUGHOUT THE YEAR</b>							
<b>CORPORATE AREAS</b>							
Annual Governance Statement	N/A	10	9.3	0.7	<b>COMPLETED</b>	<b>N/A</b>	Work for 2018/19 AGS is completed, reported to Governance Committee 24/07/19
Assurance Mapping	N/A	5	0.5	4.5	In Progress		Work to identify all assurance provided and provide assurance map to ensure audit work is complementary to other assurance work and does not duplicate.
Anti-Fraud & Corruption	N/A	10	0.1	9.9	<b>Ongoing</b>	<b>N/A</b>	
National Fraud Initiative (NFI)	N/A	10	1.1	8.9	<b>Ongoing</b>	<b>N/A</b>	Data Matching upload requests for Single Person Discount
Governance Committee	N/A	10	5.3	4.7	<b>Ongoing</b>	<b>N/A</b>	Producing reports
<b>TOTAL CONTINUOUS WORK</b>		<b>45</b>	<b>16.3</b>	<b>28.7</b>			
<b>WORK OUTSIDE AUDIT PLANNING PROCESS</b>							
<b>GENERAL AREAS</b>							
GRACE System Administration	N/A	10	1.2	8.8			
Post Audit Reviews	N/A	5	4.4	0.6	<b>Ongoing</b>	<b>N/A</b>	Recommendations for last 2 years to be issued to Directors / Service Managers to ensure implemented. Outcomes to be reported to Governance Committee.
Project Support	N/A	10	0	10			No work requested at this time
<b>Residual Work 2018/19</b>							
Maintenance & Inspections	N/A		0.8		<b>COMPLETED</b>	<b>ADEQUATE</b>	Previously reported
Choice Based Lettings	N/A		3.6		<b>COMPLETED</b>	<b>SUBSTANTIAL</b>	Previously reported
Governance Financial Arrangements	N/A		19.8		<b>COMPLETED</b>	<b>ADEQUATE</b>	Paper to be presented to SMT Programme Board
Early Intervention H & S	N/A		4		<b>COMPLETED</b>	<b>ADEQUATE</b>	Previously reported
Total Residual Work		<b>10</b>	<b>28.2</b>	<b>(18.2)</b>			
<b>Contingency / Consultancy &amp; Investigations</b>							
Contingency / Consultancy			6.9				Advice, Support & Issues arising that require Internal Audit input
Investigations / Irregularities			0				No irregularities / investigations
Total Contingency / Irregularities		<b>12</b>	<b>6.9</b>	<b>5.1</b>			
<b>TOTAL ONGOING WORK &amp; WORK OUTSIDE PLAN</b>		<b>92</b>	<b>57</b>	<b>35</b>			<b>62% of ongoing work &amp; work outside plan completed</b>

**SHARED FINANCIAL SERVICES**

WORK AREA	RISK	EST (Days)	ACT	BAL	REVIEW STATUS	ASSURANCE RATING	COMMENTS
<b>AUDIT PLANNED WORK</b>							
Creditors	High	20	29.6	(9.6)	<b>Draft Report</b>		Audit work completed and Draft Report prepared. File and Report with Interim Head of Shared Assurance for review.
Financial Systems; ~ Payroll	High	20	0	20			
~ Main Accounting							
Procurement	High	30	0.7	29.3	<b>COMMENCED</b>		Audit scope to be decided.
Money Laundering	High	20	0	20			
NFI Data Matching Reviews of Financial Matches inc. Creditors / Payroll / Housing Benefits		10	10.2	(0.2)	<b>Draft Report</b>		Work undertaken on Creditors & Payroll matches re employees, Draft Report to be reviewed by Interim Head of Shared Assurance
<b>Total Planned</b>		<b>100</b>	<b>40.5</b>	<b>59.5</b>			
<b>General Areas</b>							
GRACE System Administration	N/A	5	0.2	4.8	<b>Ongoing</b>		
Post Audit Reviews	N/A	5	0	5			
<b>Total General Areas</b>		<b>10</b>	<b>0.2</b>	<b>9.8</b>			
<b>Residual Work from 2018/19</b>							
Cash & Bank	N/A		12.1		<b>COMPLETED</b>	<b>SUBSTANTIAL</b>	<b>Previously Reported</b>
Treasury Management	N/A		1.1		<b>COMPLETED</b>	<b>SUBSTANTIAL</b>	<b>Previously Reported</b>
<b>Payroll</b>			<b>2.1</b>		<b>COMPLETED</b>	<b>LIMITED</b>	<b>Previously Reported</b>
<b>Residual Work Total Days</b>		<b>5</b>	<b>15.3</b>	<b>(10.3)</b>			
<b>Contingency / Irregularities</b>							
<b>Total Contingency / Irregularities</b>		<b>5</b>	<b>0</b>	<b>5</b>			
<b>Unplanned Work</b>							
Shared Services Review of Accounts	N/A		7	(7)	<b>Draft Report</b>		Audit work completed and Draft Report prepared. File and Report with Interim Head of Shared Assurance for review.
<b>Total Unplanned</b>		<b>0</b>	<b>7</b>	<b>(7)</b>			
<b>TOTALS</b>		<b>120</b>	<b>63</b>	<b>57</b>			<b>52.5% of Shared Financial Services Plan completed</b>



Report of	Meeting	Date
Director of Governance	Governance Committee	22 January 2020

## STANDARDS 2019 REVIEW

### PURPOSE OF REPORT

- To update members of the Committee on activities undertaken in relation to Standards and the code of conduct in 2019.

### RECOMMENDATION(S)

- That the content of the report be noted.

### EXECUTIVE SUMMARY OF REPORT

- Each year, the Committee review activity undertaken in relation to the standards matters and the code of conduct. Considering complaints received, changes to the code of conduct and their impact and any other relevant factors. This provides the Committee with confirmation that behaviour and probity in decision making is taken seriously by Chorley Council

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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### CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	

### BACKGROUND

- Chorley Council not only have a code of conduct for members and are responsible for its application, we also have the responsibility to receive complaints against parish councillors within our borough boundaries. We also support parish councils and their clerks in matters of standards of behaviour.

### THE CODE OF CONDUCT

- Following a review by the Committee on Standards in Public Life, Local Government Ethic Standards, the Governance Committee undertook a detailed review of both the code of conduct and the processes in place for receiving and considering complaints. A working group considered the recommendations of the report in detail, and supported by the Independent Person resolved to adopt the best practice recommendations where required.

This was supported by Full Council with the new code of conduct and associated procedures being adopted.

7. As a consequence of one of the adoption of one of the recommendations a recruitment exercise was undertaken and a second Independent Person has been appointed to the role in accordance with best practice. This assists in preventing any single appointee losing their independence by becoming overly familiar with members or the council environment.

**TRAINING**

8. Training was provided to all new members and was offered to all existing members of the council. This was well received with positive feedback being given both from newly elected and established councillors.
9. A session was also provided to Parish Clerks at the liaison meeting which concentrated particularly on the changes to best practice brought forward by the report. The working groups consideration of the proposals was also shared with clerks.

**COMPLAINTS**

10. There have been no complaints about the conduct of Chorley Council councillors this year.
11. Two complaints have been received about Parish Councillors. The first related to a matter where the conduct whilst likely to be a breach of the code, was undertaken when not acting as a councillor. The complaint itself suggested that the act was performed by a volunteer group of which this councillor was a part. Whilst best practice is to provide an presumption that the subject of the complaint was acting as a councillor at the time, this is a rebuttable presumption.
12. The second complaint is ongoing as the complainant has brought further matters to the Monitoring Officers attention to support the allegations.
13. The volume of complaints received does not suggest there are any standards issues within Chorley, although this should not mean the council should be complacent.

**FUTURE PLANNING**

14. It is not expected there will be any significant national changes to the code of conduct in the next 12 months however there are some local factors which will need to be planned for.
15. From December 2019, Chorley Council and South Ribble Borough Council have a shared Monitoring Officer. It is proposed therefore to align where appropriate the codes of conduct and processes. This is not perceived to have a significant impact for either council as the codes of conduct are already very similar.
16. It should also be noted that in May this year, the council will be having all out elections with a number of experienced councillors indicating they will not be standing for election. This is likely to mean a higher than usual number of new councillors being elected. The Monitoring Officer is working with Democratic Services on the induction for these new members to ensure that they are properly trained on the code of conduct.

**IMPLICATIONS OF REPORT**

17. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal	X	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	



18. Risk is identified in the body of the report where appropriate.

**COMMENTS OF THE STATUTORY FINANCE OFFICER**

19. None.

**COMMENTS OF THE MONITORING OFFICER**

20. Contained in the body of the report

CHRIS MOISTER  
MONITORING OFFICER

Report Author	Ext	Date
Chris Moister	5160	13 January 2020

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## Governance Committee work programme 2019/20

### 5 June 2019

Report	Officer
Draft Statement of Accounts 2018/19	Michael Jackson
Charity and Trust Accounts 2018/19	Martin Fisher
Outcome of the Primrose Gardens Homes England Audit	James Thomson
External Audit Progress Update	Grant Thornton
Internal Audit Annual Report 2018/19	Janice Bamber
Strategic Risk Update Report	Rebecca Huddleston
Annual Governance Statement 2019	Chris Moister
Ethical Governance Review – report from working group	Chris Moister
RIPA Application Update	Chris Moister

### 24 July 2019

Treasury Management Annual Report 2018/19 and Monitoring 2019/20	Michael Jackson
Statement of Accounts 2018/19	James Thomson
External Audit Progress Update	Grant Thornton
Internal Audit Annual Plan 2019/20 Progress Report Q1	Janice Bamber
RIPA Application Update	Chris Moister

### 20 November 2019

Chorley Borough Council Annual Audit Letter 2019	James Thomson
Treasury Management Activity Mid-Year review 2019/20	James Thomson
Update on Chorley Council Capital Strategy	James Thomson
Internal Audit Annual Plan 2019/20 Progress Report April to October 2019	Janice Bamber
Electoral Review update	Cathryn Filbin
Member Induction plans for May 2020	Chris Moister
RIPA Application Update	Chris Moister

### 22 January 2020

Chorley Certification Letter 2018/19	Grant Thornton
External Audit Plan 2019/20	Grant Thornton
Internal Audit Annual Plan 2019/20 Progress Report April –December 2019	Janice Bamber
Annual Standards Report	Chris Moister
RIPA Application Update	Chris Moister

**18 March 2020**

External Audit Plan 2019/20	James Thomson
Audit Progress and Sector Update Report	James Thomson
Internal Audit Plan 2020/21	Janice Bamber
Internal Audit Plan 2019/20 Progress Report April 2019 – February 2020	Janice Bamber
Annual GDPR Report	Chris Moister
RIPA Application Update	Chris Moister