



**MINUTES OF GOVERNANCE COMMITTEE**

**MEETING DATE** Wednesday, 1 July 2020

**MEMBERS PRESENT:** Councillor Debra Platt (Chair), Councillor Anthony Gee (Vice-Chair) and Councillors Mark Clifford, Jean Cronshaw, Gordon France, Yvonne Hargreaves, Roy Lees and Kim Snape

**OFFICERS:** Gary Hall (Chief Executive/Statutory Finance Officer), James Thomson (Deputy Director of Finance), Janice Bamber (Interim Audit and Risk Manager), Chris Moister (Director of Governance) and Ruth Rimmington (Democratic and Member Services Team Leader)

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

**OTHER MEMBERS:** Charlotte Fitch (Independent Person) and Mark Heap (Grant Thornton UK LLP)

**20.G.9 Minutes of meeting Wednesday, 22 January 2020 of Governance Committee**

**Decision – That the minutes of the Governance Committee meeting held on 22 January 2020 be confirmed as a correct record for signature by the Chair.**

**20.G.10 Declarations of Any Interests**

There were no declarations of any interests.

**20.G.11 Update on 2019/20 Closure of Accounts**

James Thomson, Deputy Director of Finance, presented the report of the Chief Finance Officer which updates the committee on the closure of accounts for Chorley Council.

Due to CV-19 the government published revised deadlines for the closure of accounts in April 2020, the key dates remain:

- The public inspection period must start on or before the first working day in September, this meaning that the draft statement of accounts must be produced by 31 August.
- The audit of the accounts will, subject to confirmation with Grant Thornton, take place between 1 September and late November 2020.
- The audited financial statements are to be published by 30 November 2020.

The revised working arrangements in place since the second half of March have inevitably affected a range of tasks in a variety of ways, to date good progress has been made.

However, the council's valuers have been furloughed and have now begun working on the valuation to the council's assets. It is hoped this will not delay the publication of the draft statement of accounts.

The Chair and Vice-Chair will be kept informed of the progress.

**Decision:**

- 1. To note the progress on the closure of accounts for 2019/20 including the revised deadlines for submission of the draft accounts and sign off of the final accounts.**
- 2. To note the issues officers are experiencing regarding the valuation of council assets.**

**20.G.12 Charity and Trust Account 2019/20**

James Thomson, Deputy Director of Finance, presented the report of the Chief Finance Officer which present for approval the accounts for the year ended 31 March 2020 for charities and trusts for which the Council is the sole trustee.

The Council's Statement of Accounts 2019/20 does not include the previous Trust Funds disclosure. As an alternative, figures are presented in the report, which therefore provides an opportunity of providing more detail about each charity or trust.

A typographical error was noted - Appendix A Assets should be £5,391.47 not £5,394.47. The Committee discussed the restrictions around the charities and trusts.

**Decision: That the accounts presented in Appendix A to E be approved.**

**20.G.13 Audit Progress and Sector Update Report**

Mark Heap, Engagement Lead from Grant Thornton, the External Auditor, presented the report which had been due at the cancelled March meeting.

Grant Thornton are conducting their audit work remotely for their clients and overcoming the challenges brought by this.

The revised timescales due to the Covid-19 pandemic were referenced and it was noted that Grant Thornton will be working with officers to deliver the audit of the accounts.

The enclosed email to Section 151 officers and the PSAA review were noted.

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

**20.G.14 External Audit Plan**

Mark Heap, Engagement Lead from Grant Thornton, the External Auditor, advised that plan will be available for discussion at the next meeting.

**Decision: that the update be noted.**

#### **20.G.15 Internal Audit - Head of Audit Annual Report 2019/20**

Janice Bamber, Interim Head of Shared Assurance Services, presented the report which summarises the work undertaken by the Internal Audit Service from 1 April 2019 to 31 March 2020 relating to the 2019/20 Audit Plan.

The report also provides the Head of Internal Audit's overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk and control and an appraisal of the Internal Audit Services performance throughout the period.

The report and summary show that 70% of the Planned work has been completed in the year. Changes included Elections where the review was deferred to 2020/21 Audit Plan and Time Credits where the review was no longer required.

Two unplanned pieces of work requested and added to the plan were Syrian Resettlement and Environmental Permitting Regulations Follow Up. A number of pieces of work had commenced in March 2020, which have not been completed, due to the Internal Audit team being seconded into the Community Hub at South Ribble.

There is one area at Chorley Council which received a Limited Assurance, which was the Syrian Resettlement Programme. It was identified that whilst there are some areas of good practice, there are significant weaknesses in the governance arrangements and the application of controls which put at risk the achievement of the system objectives.

There are two areas where the Assurance opinion has been determined to be Limited, in regard to the service areas that sit within Shared Services, this is in relation to Creditors and Payroll, the details of findings are outlined at paragraph 5.7 - 5.9 of the report. The review of Payroll was a review carried forward into 2019/20 and was reported in the 2018/19 Audit Plan, however, the follow up will be undertaken as part of the 202/21 Audit Plan relating to Shared Services. The Creditors review, has been issued without Management Actions as further work is required to determine the extent of the failures and the potential impacts of the lack of control in those areas reviewed.

Internal Audit achieved a 100% acceptance level for recommendations / agreed management actions.

**Decision: To note**

- 1. the Internal Audit Annual Report for 2019/20.**
- 2. the progress of work undertaken against the 2019/20 Annual Plan.**
- 3. the Head of Internal Audit's opinion on the adequacy and effectiveness of the Council's framework of governance, risk and control.**

#### **20.G.16 Strategic Risk Register**

Rebecca Aziz-Brook, Transformation Programme Co-Ordinator, presented the report of the Deputy Chief Executive which provides members with an updated Strategic Risk Register (SRR). The SRR includes 16 strategic risks to the Council, including actions in progress as well as new actions planned to further mitigate identified risks.

The risk register is continually reviewed and considered a 'live' register. The majority of risk categories remain stable for 2020 with nine of these identified as 'high risk', five 'medium risk' and one 'low risk'. Two risks have shifted from 'medium' to 'high' compared to last year. One new risk has been added for this year and is rated as 'high risk': R16 Not managing the recovery after COVID-19 effectively.

The majority of risk levels remain static as mitigating actions have ensured that the risks have been effectively managed and have therefore not escalated across the year.

All the risks within the strategic risk register this year have been reviewed in the context of the COVID-19 pandemic and associated impacts on service delivery.

Members discussed the need to work with partners on the recovery from Covid-19 and to take forward any lessons learned.

**Decision: to note the strategic risks, controls in place and actions planned to further mitigate the strategic risks as set out in Appendix 1.**

#### **20.G.17      GDPR Update**

Chris Moister, Director of Governance, presented the report which updates Members on the period following implementation of the General Data Protection Regulations.

The Council implemented the obligations under the GDPR in May 2018. All relevant training, policies and procedures were prepared and in place.

In addition, a significant data audit and cleansing exercise was undertaken in order to minimise risk to the Council held data.

Due to recent organisational changes the centrally held list of Data Controllers is being reviewed to ensure it is up to date and correct.

The council have reviewed how Freedom of Information and Data Protection Act requests are being received and dealt with. A new post has been established with specific responsibility for co-ordinating and formulating responses to the requests. Training has been provided to the post holder to ensure the Council continue to comply with our obligations.

Five data breaches were identified in 2019. None of the data breaches concerned sensitive data and none were deemed sufficiently serious to report to the Information Commissioners Office. The breaches related to staff error and use of data held which was incorrect.

Members noted that the breaches had been identified by the council and not by a third party.

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

#### **20.G.18      Draft Annual Governance Statement**

Chris Moister, Director of Governance, presented the report which included the Draft Annual Governance Statement. Chorley Council are required to continuously review

our system of Governance. As part of this review we publish an Annual Governance Statement (AGS) alongside the annual financial statements.

The CIPFA SOLACE Framework defines proper practice for the form and content of the AGS. The assessments which have informed the preparation of the AGS demonstrate that the Council have strong governance arrangements.

The AGS includes a corporate self-assessment and Service Assurance Statements. The Council was found to have strong governance arrangements with few identified areas for improvement. These are issues that have been highlighted as needing improvement, the issues are not in themselves significant. They are areas which suggest partial compliance with requirements or where there is insufficient evidence to demonstrate full compliance. There are no areas of significant none compliance by the Council.

The Business Continuity plans and Emergency Plans have been reviewed in light of Covid-19.

Members noted that the Head of Paid Service, Monitoring Officer and Statutory Finance Officers are all working across two sites; Chorley and South Ribble. All three officers have deputies and are experienced officers and members commented on the professionalism of the officers in question.

**Decision: That the draft Annual Governance Statement appended to this report be approved and referred to the Executive Leader of the Council and the Chief Executive for signature.**

#### **20.G.19 New model Code of Conduct 2020**

Chris Moister, Director of Governance, presented the report which shared a draft Model Code of Conduct prepared by the Local Government Association (LGA).

In 2019, the Office for Standards in Public Life published a report reviewing the current standards regime. The report made a number of recommendations for changes. The Committee considered this report and implemented the recommendations where appropriate. One of the recommendations was a national review of the Code of Conduct for Members.

The draft code departs little from the existing adopted document, however, it does incorporate changes proposed by the review into standards in public life. The changes are beneficial providing greater clarity on how the code is to operate. The principles remain the same and there are no changes which would prevent the adoption of this code.

The draft Model Code of Conduct is currently out for consultation and conversations have already taken place with the two Independent Persons for their views. Committee members were requested to feed back any comments on the draft Code to the Monitoring Officer and a draft response will be prepared in consultation with the Chair and Vice-Chair. This will be shared with the Group Leaders and submitted to the LGA.

Members noted that there were no changes to the sanctions available following a breach of the Code.

**Decision: That the Committee respond to the consultation accepting the new draft document.**

**20.G.20 RIPA Application Update**

Chris Moister, Director of Governance, reported that no RIPA applications had been made.

**20.G.21 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.

Chair

Date