



MINUTES OF GOVERNANCE COMMITTEE

MEETING DATE Wednesday, 13 January 2016

MEMBERS PRESENT: Councillor Paul Leadbetter (Chair), Councillor Anthony Gee (Vice-Chair) and Councillors Alan Cullens, Gordon France, Margaret France, Matthew Lynch and Debra Platt

OFFICERS: Gary Hall (Chief Executive), Chris Moister (Head of Governance and Property Services), Janet Hinds (Principal Procurement Officer), Dawn Highton (Principal Auditor) and Dianne Scambler (Democratic and Member Services Officer)

APOLOGIES: Councillor Margaret Lees

OTHER MEMBERS: Councillor Peter Ripley (Independent Member), Fiona Blatcher (Grant Thornton UK LLP), Mark Heap (Grant Thornton UK LLP) and Gareth Winstanley (Grant Thornton UK LLP)

16.G.26 Minutes

RESOLVED – That the minutes of the Governance Committee meeting held on 23 September be confirmed as a correct record for signing by the Chair.

16.G.27 Declarations of Any Interests

There were no declarations of any interests.

16.G.28 Introduction and Thanks

Fiona Blatcher (External Auditor) was attending her last meeting of Governance Committee at the authority as legal requirements did not allow for any auditor to continue working with the same Council for more than seven years and introduced her successor Mark Heap who was a Director at Grant Thornton UK LLP.

The Chair on behalf of the Committee and officers of the Council welcomed Mark and thanked Fiona for her hard work and invaluable contribution to the work of the authority and Governance Committee over the years.

16.G.29 Annual Audit Letter 2015/16

The Committee received a report of our external auditor that provided a summary of the work carried out by them at Chorley Council for the year ended 31 March 2015.

The letter communicated key messages to the Council and external stakeholders, including members of the public. The report includes the audit conclusions which were provided in relation to 2014/15.

Arrangements for the recording of and billing of income from developers in respect of Section 106 monies had now been strengthened and would continue to be monitored.

RESOLVED - That the report be noted

16.G.30 Governance Committee Update Report

The Committee received a report that showed the progress made by our External Auditors in delivering their responsibilities. The report also provided a summary of emerging national issues and developments that may be relevant to the Council and included a number of challenge questions in relation to these issues that the Committee may wish to consider.

The 2015/16 Audit Plan was still on track to be issued by the end of March and would be presented at the Committee's next meeting. Interim fieldwork visits included, a review of the authority's control environment, updating and understanding of financial systems, review on core financial systems, early substantive testing and a proposed Value for Money conclusion.

The scope of their work to inform the 2015/16 Value for Money conclusion has been revised based on national guidance and the areas of focus would not be around informed decision making, sustainable resource development and working with partners and other third parties.

Grant Thornton had produced a report of audit committee effectiveness that gave a cross-sector review, encompassing the corporate, not for profit and public sectors. It provided an insight in to the ways in which audit committees can create an effective role within an organisations governance structure and help to understand how they are perceived more widely. As the authority had conducted its own review using CIPFA guidance on this matter, the Chief Executive asked that the head of Shared Assurance Services cross reference the two documents so ensure the effectiveness of our Committee.

RESOLVED

- 1. That the report be noted.**
- 2. That the Head of Shared Assurance Services cross reference the two reports on Audit Committee Effectiveness Review produced by Grant Thornton UK LLP and Chorley Council using guidance from CIPFA.**

16.G.31 Contract Procedures and Rules and the Contract Regulations

The Committee received a report of the Chief Executive that updated them on the Council's Contracts Procedure Rules to take account of the new 2015 Public Contracts Regulations, the revised EU thresholds effective from 1 January 2016 and

introduction of some practical updates to ensure that the rules remained effective and fit for purpose, without being overly bureaucratic.

The new regulations came in to force on 26 February 2015 and replaced the previous 2006 regulations and transpose into UK law and the 2014 EU Public Contracts Directive.

Members were informed that EU procurement thresholds are adjusted every two years and new thresholds came into force on 1 January 2016. A copy of the current rules, adapted with track changes was presented to the Committee and explained in detail at the meeting.

A review was carried out to ensure that relevant, compliant, optimum processes and controls are in place and maintained in order to achieve overall best value in the procurement process.

In response to Members questions it was explained that local businesses get a fair and equal chance to procure contracts from the Council. Under the regulations, the authority can personally invite local businesses and questions can be built into the tendering process around sustainability and social benefits for the town, this also helps the Council to achieve best value and the best price. Similarly questions can also be included that would determine suitability and reputation.

RESOLVED – That the revised Contracts Procedure Rules in Appendix 1 of the report be approved by the Governance Committee and recommended to be adopted by full Council

16.G.32 Internal Audit Interim Report as at 27 November 2015

The Head of Shared Assurance Services provided a report advising members of the work being undertaken in respect of the Internal Audit Plans for Chorley Council and Shared Services for the period August to November 2015 and gave an appraisal of the Internal Audit Service's performance to date.

A summary of the audit work completed since the last meeting was provided together with a control rating and any control issues identified.

The Audit Plans were on target to be achieved and the majority of performance indicators had either been achieved or exceeded. The percentage of the audit plan completed for this authority was slightly below target due to a delay in finalising one review but officers were confident at this stage that the resources were in place to complete the plan.

RESOLVED – That the report be noted.

16.G.33 Revised Guidance for Audit/Governance Committee

The Committee received a report of the Head of Shared Assurance Services that evaluated the Council's compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance.

The Committee were presented with a revised Terms of Reference for Members consideration and proposals to address recommendations made in relation to developing member's skills and knowledge.

Members were happy with the changes made and asked for the evaluation on Government Committee Knowledge and Skills be circulated to the full membership of the Committee so that views could also be sought from the External Auditors, the Independent Person and officers. The Chair asked for the form to be amended to request details of those people who ticked boxes 3 or 4 so that any issues could be identified and resolved.

RESOLVED:

- 1. That the report be noted.**
- 2. That the revised Terms of Reference be adopted**
- 3. That the Evaluation of Governance Committee Knowledge and Skills be distributed to the full Committee membership and fed back to the Member Support Working Group for consideration of the Member Development Programme**

16.G.34 RIPA Application Update

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

Chair

Date