

**MINUTES OF GOVERNANCE COMMITTEE**

**MEETING DATE** Wednesday, 9 March 2016

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

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

**APOLOGIES:** Councillor Alan Cullens

**OTHER MEMBERS:** Councillor Peter Ripley (Independent Member)

**16.G.35 Minutes**

**RESOLVED – That the minutes of the Governance Committee meeting held on 13 January 2016 be held as a correct record for signing by the Chair.**

**16.G.36 Declarations of Any Interests**

There were no declarations of any interests.

**16.G.37 Governance Committee Update for year ending 31 March 2016**

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 Accounts Audit Plan was on track to be completed and would be presented to the next Governance Committee in June. Work had started with the Council's accounting Team to prepare for the early closedown at the end of May and the Statutory Finance Officer was confident that this would be achieved.

Following a recent consultation exercise by the National Audit Office on value for money arrangements, new guidance had now been published. The auditors are now required to reach their statutory conclusion based on an overall evaluation criteria following consideration of the following sub-criteria:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

Member's attention was drawn to a report that had been produced by Grant Thornton Plc in relation to financial health checks and governance reviews. Most Councils project significant funding gaps over the next three to five years, with Councils in the North and Midlands reporting the largest funding gaps. This was the main reason why Chorley was looking to change its delivery model in a bid to sustain service delivery in the future.

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

#### **16.G.38 Certification work for Chorley Council for year ended 31 March 2015**

The External auditors are required to certify certain claims and returns by the Council and the Committee was informed that they had certified one claim for the financial year 2014/15 relating to expenditure of £26.5m. The qualification letter to the Department of Works and Pensions (DWP), in relation to the extrapolated impact of the errors identified, that resulted in overpayment of benefits, indicating a total impact of £4,350, which represented 0.02% of the total return.

The Statutory Finance Officer expressed his disappointment and explained that this was the first year the Council had required a qualified claim. He assured Members that the matter had been fully investigated and that appropriate additional balances and checks had been implemented to make sure that this did not happen again. On a more positive note, the actual time taken to process claims had reduced to 8 days.

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

#### **16.G.39 Internal Audit Plan 2016/17**

The Committee received a report of the Head of Shared Assurance Services that reminded Members of the respective roles of managers and Internal Audit to maintain a sound system of governance and internal control within the Council. The report also sought approval of the 2016/17 Internal Audit Plan.

The Service had taken a slightly different approach this year by consulting with all managers across the authority to ensure that all relevant process were included with the Plan and a risk rating has been applied to each of the reviews to be undertaken.

A full list of all the reviews to be undertaken were included in the report and Members were pleased to see that a full system review of Section 106 monies and Community Infrastructure Levy would be undertaken following the issues that had been identified this year. Members also discussed reasons why there would be reviews taking place in relation to the stores at Bengal Street and compliance with the Indoor Leisure Contract.

**RESOLVED – That the report be needed and the Internal Audit Plan 2016/17 be approved.**

#### **16.G.40 RIPA Application Update**

The Monitoring Officer reported that no RIPA applications made. It was also explained that training had taken place for all investigating and authorising officers on 1 February to keep abreast with any changes.

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

**16.G.41 Governance Committee skills and Knowledge Self-Assessment**

Members were informed that all forms had now been completed and submitted to the Internal Audit team. Once evaluated, the results would help shape training needs and better delivery of reports to Members. The Committee discussed how simpler report writing could help Members to challenge more effectively on treasury management.

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

Chair

Date