

REPORT OF GOVERNANCE COMMITTEE

1. This report summarises the business transacted at the Governance Committee meeting held on 9 March 2016.

GOVERNANCE COMMITTEE – 9 MARCH 2016

Governance Committee Update for year ending 31 March 2016

2. We noted a report that showed the progress made by our External Auditors in delivering their responsibilities. The report also provided the Committee with a summary of emerging national issues and developments that may be relevant to the Authority and included a number of challenge questions for the Committee to consider.
3. 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 already commenced 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.
4. 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
5. 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 and was the main reason why Chorley was looking to change its delivery model in a bid to sustain service delivery in the future.

Certification work for Chorley Council for year ended 31 March 2016

6. 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, had resulted in an overpayment of benefits, indicating a total impact of £4,350, which represented 0.02% of the total return.
7. The Statutory Finance Officer expressed his disappointment and it was 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

Internal Audit Plan 2016/17

8. We received a report of the Head of Shared Assurance Services, reminding Members of the respective roles of managers and Internal Audit to maintain a sound system of governance and internal control within the Council.
9. It was explained that the team 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.
10. A full list of all the reviews to be undertaken were included in the report and we 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 discussed the reasons why there would be reviews taking place in relation to the stores at Bengal Street and compliance with the Indoor Leisure Contract. We noted the report and approved the Internal Audit Plan for 2016/17.

RIPA Application Update

11. The Monitoring Officer reported that no RIPA applications had been made for the year. He also explained that all investigating and authorising officers had undertaken training in February to keep abreast with current legislation.

Governance Committee Skills and Knowledge Self-Assessment

12. 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.

Recommendation

13. To note the report.

COUNCILLOR PAUL LEADBETTER
CHAIR OF GOVERNANCE COMMITTEE

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