



MINUTES OF GOVERNANCE COMMITTEE

MEETING DATE **Wednesday, 14 September 2016**

MEMBERS PRESENT: Councillor Paul Leadbetter (Chair), Councillor Anthony Gee (Vice-Chair) and Councillor Jean Cronshaw, Gordon France, Margaret France, Danny Gee and Debra Platt

OFFICERS: Gary Hall (Chief Executive/Statutory Finance Officer), Chris Moister (Head of Legal, Democratic & HR Services/Monitoring Officer), Michael Jackson (Principal Financial Accountant), Dawn Highton (Principal Auditor) and Dianne Scambler (Democratic and Member Services Officer)

APOLOGIES: Councillor Alan Cullens

EXTERNAL REPRESENTATIVES: Peter Ripley (Independent Member), Mark Heap (Grant Thornton UK LLP), Gareth Winstanley (Grant Thornton UK LLP) and Richard Watkinson (Grant Thornton UK LLP)

16.G.57 Minutes of meeting Wednesday, 22 June 2016 of Governance Committee

RESOLVED – That subject to Gary Hall's designation amended to Chief Executive/Statutory Finance Officer, the minutes of the Governance Committee meeting held on 22 June 2016 be held as a correct record for signing by the Chair.

16.G.58 Declarations of Any Interests

There were no declarations of any interests.

16.G.59 Audit Findings Report

The Committee received a report of the External Auditor on their audit findings for the authority for the year ending 31 March 2016 that highlighted key matters arising for the Council's financial statements and gave their appreciation of the finance team and associated officers for their assistance during the audit.

The Auditor intended to issue an unqualified opinion on the financial Statements and Value for Money conclusion on 30 September 2016. They also continued to work closely with the Council's Finance team to improve processes that would help with the closedown deadline changes for 2017/18. The close down of accounts had been brought forward to the end of July 2018 and the Committee discussed the importance of working together in partnership to achieve this goal.

The Council's management is responsible for the identification, assessment, management and monitoring of risk, operating and monitoring the system of internal control and the External Auditors were happy to report that there had been no areas of significant weakness of internal control identified. Although a number of disclosures changes had been identified in the audit, they were minor in nature and mainly around the recording of assets.

RESOLVED – That the report be noted.

16.G.60 Statement of Accounts 2015-16

The Committee received a report that sought approval of the audited Statement of Accounts for its publication by 30 September under the requirement of the Accounts and Audit Regulations 2015. Once approved the signed Statement would be published on the Council's website.

Though many changes to the accounts since Governance Committee on 22 June 2016 were minor, additional asset revaluations and reclassifications had required changes to several statements and notes. In addition, investment property income had been disclosed in the wrong line of the Comprehensive Income and Expenditure Statement, requiring a correction to the statement and its supporting note.

The Appointed Auditor intended to issue an unqualified audit opinion of the Statement of Accounts; an unqualified Value for Money Conclusion and had advised on the need to change various supporting disclosures that had been identified during the audit.

Officers continued to explore different ways of improved working that would help the team to achieve the earlier closedown deadline in 2017/18 that included timetabling work to be completed throughout the year instead of leaving everything to the end of the year.

The Chief Executive/Statutory Finance Officer personally thanked Michael Jackson for all his hard work in preparing the Statement of Accounts for 2015/16 and commented that the authority would continue the good practice of presenting the draft Statement to the Committee, even though there was no legal requirement to do so.

RESOLVED

- 1. That the report be noted.**
- 2. Approval of the Statement of Accounts for 2015/16.**
- 3. Approval granted for the authorisation of the Chief Executive to sign off the Letter of Representation.**

16.G.61 Charity and Trust Accounts 2015/16

The Statutory Finance Officer presented a report for approval of the accounts for the year ended 31 March 2016 for charities and trusts for which the Council is the sole trustee. Details of all the accounts were appended to the report.

The Council's Statement of accounts 2015/16 did not need to include the previous Trust Funds disclosure, so as an alternative, the figures were presented in this report, providing an opportunity for more detail to be included about each charity or trust.

Both officer's and Members of the Governance Committee agreed that a mechanism needed to be found of ensuring that the funds were accessible for use by the community.

RESOLVED –

- 1. Approval of the accounts presented in Appendix A to E of the report.**

- 2. That Executive Cabinet be asked to find a process for allocation of the funding through the next budget process of the Council.**

16.G.62 Internal Audit Interim Report as at 29 July 2016

The Head of Shared Assurance Services presented a report advising members of work undertaken in respect of the Internal Audit Plans for Chorley Council and Shared Service during the period April to July 2016. The report also detailed the outcomes of the audits undertaken and gave an appraisal of the Internal Audit Service's performance to date.

A snapshot of the overall progress made in relation to the 2016/17 Internal Audit Plans was appended to the report and a table highlighted the main pieces of work undertaken, together with any control issues identified.

A review of Safeguarding had been allocated with an Amber (5) rating as improvements were needed around updating the policies with the newly designated safeguarding officers, together with the provision of training and awareness needs in some areas, and an assurance rating of Red (9) had been allocated to the Review on ICT Continuity Service to reflect the need to update current arrangements in the business continuity and recovery plans.

The Committee was also made aware of an amendment to the 2016/17 Audit Plan presented in March 2016 following confirmation that the network contract was not going to be renewed and that instead, alternative arrangements are to be introduced from April 2017. Following a request from the Director (Customer and Digital) and the ICT Manager, this review has since been replaced with an audit of the Council's Information Governance arrangements.

Performance of Internal Audit as at 29 July 2016 continued to be good with the majority of indicators having either been achieved or exceeded. Some reviews have been profiled to commence after quarter one to allow time for the recent management restructure to embed, although meetings had been held with all new post holders to inform them of the planned audit reviews for 2016/17.

RESOLVED – That the report be noted.

16.G.63 RIPA Application Update

The Monitoring Officer reported that there had been no RIPA applications made. However he also reported a change in approach to auditing arrangements proposed by the Office of Surveillance Commissioner. The authority has recently completed a questionnaire regarding the policies and procedures that the authority has in place regarding RIPA and a review of the responses would determine if the Council would undertake a more formal audit inspection. Following receipt of our response, the Council had been requested to provide additional information regarding the protocol at the new CCTV suite, once obtained, it was considered unlikely that Chorley would be formally inspected in the future.

RESOLVED – That the report be noted.

16.G.64 Appointment of the External Auditors

Members were updated on the process currently being undertaken to appoint the external auditor for the Council from April 2018 onwards. One of the options available was to opt into a sector led body that would negotiate contracts and make appointments on behalf of Councils, and the Committee were informed that Public Sector Auditor Appointors (PSAA) have been appointed as this appointing body.

A timetable has been issued and although the deadline for opting in has not yet been finalised, it was anticipated that invitations would be issued before December 2016 with contracts being awarded by June 2017, with the aim of having auditors in place at the end of the year.

A report would be brought to Governance Committee for decision when further details were known.

RESOLVED – That the report be noted.

Chair

Date