

SOUTH RIBBLE BOROUGH COUNCIL**COUNCIL MEETING 18 MAY 2016****REPORT OF THE GOVERNANCE COMMITTEE MEETING HELD ON 13 APRIL 2016****External Audit Plan 2015/16**

Representatives from the Council's external auditors, Grant Thornton, outlined the planned scope and timing of the 2015/16 audit and confirmed that their interim work had not identified any weaknesses. They were satisfied that all formal reviews of monthly bank reconciliations were now recorded and evidenced in line with a recommendation from Grant Thornton. The earlier close down of accounts by 2017/18 would be challenging but plans were in place to make it a manageable process by next year.

Planned Audit Fee for 2016/17

Our external auditors confirmed that the scale fees for 2016/17 were set at the same level as for 2015/16 and we asked for a more detailed breakdown of the audit timetable in future so that we could identify what work was to be done and when.

Changes to Arrangements for Appointment of External Auditors

Committee discussed the various options open to the Council for appointing its external auditor by 31 December 2017 as outlined by the Head of Shared Assurance Services. These included setting up an Independent Auditor Appointment Panel; joining with other councils to set up a joint Independent Auditor Appointment Panel; using an existing independent panel of the authority (where a suitable panel already exists) or opting into a Sector Led Body (SLB) that would negotiate contracts and make the appointments on behalf of councils. Committee agreed that nothing should be ruled in or out at this stage but authorised the Head of Shared Assurance Services to express an interest in opting into a Sector Led Body.

Internal Audit Plan 2016/17 and Member Reporting Protocol

Committee discussed the work programme which had been determined following a detailed risk assessment and consultation exercise within each Service Area and the Senior Management Team and the Principal Auditor explained how each review was considered against a range of nine risks and the impact it would have if the system were to fail. Requested that the rating for the proposed Licensing Audit be revisited as soon as possible after the current investigations in to the Licensing function had concluded. Received a Member Reporting Protocol which had been the focus of a Task Group meeting at which we had discussed existing arrangements and identified areas where we felt there was a need for clarification and more formality. Agreed that portfolio holders must circulate all Internal Audit reports to all members of the Cabinet to avoid any gaps in communication. Committee expressed disappointment that Cabinet had not been consulted on the draft protocol.

Developers' S106 Contributions by My Neighbourhood Area

Committee received a report detailing the S106 contributions held by the Council and allocated to the My Neighbourhood Areas which in turn determined their own priorities and used the contributions accordingly. We were reminded that not all S106 monies associated with an approved planning application would come forward as the authority sometimes allowed the developer to use the monies directly for something specific on a particular site. We were also reminded that S106 monies were only one kind of funding mechanism for My Neighbourhood Area projects and that the Community Involvement team would work with members to identify the most appropriate way of funding projects. Welcomed the suggestion by Councillor Hughes of a Learning Hour on S106 monies and agreements.

I hereby commend the report to Council.

COUNCILLOR ALAN OGILVIE

CHAIRMAN OF THE GOVERNANCE COMMITTEE.