

SOUTH RIBBLE BOROUGH COUNCIL**COUNCIL MEETING – 29 MARCH 2017****REPORT OF THE GOVERNANCE COMMITTEE**

On this occasion the Governance Committee met on 1 February 2017.

Budget Management Report as at 31 December 2016

The Committee welcomed the forecast that the 2016/17 budget would be met but noted with concern the challenge to be met in forthcoming years. The committee also raised its repeated concern on the continual slippage of the council's Capital Programme.

Changes to Arrangements for the Appointment of External Auditors

The committee considered the options for the changes and recommended to Council that Option 3 be approved as it offered the prospect of best value for money [Council *approved on 1 March 17*].

City Deal

This item was deferred and a report would be presented to the next meeting on 12 April 2017.

External Audit: Annual Audit Letter

The conclusion of the audit for 2015/16 had given an unqualified opinion in respect of the council's accounts with a qualified "except for" opinion regarding value for money. Consequently, progress against the Council Improvement Plan needed to be maintained. The committee was advised that the minor weaknesses identified regarding the council's assets register and lack of a specification between Shared Financial Services and the Council's valuer, had already been addressed.

Internal Audit Interim Report as at 30 December 2016

The committee recognised good progress on the Internal Audit Plan and was advised that the 2017/18 plan was due to be compiled shortly following a risk review. Risk and control evaluation (GRACE) software was being acquired and training and support would be provided. The committee was advised that users had no cause for concern regarding Disabled Facilities Grants and internal audit were working closely with that team on the introduction of the Housing Grants Programme.

Treasury Management**a) Treasury Management Activity 2016/17 – update to 31 December 2016**

The committee was advised that whilst there had been a reduction in the level of interest rates the predicted amount of return was anticipated to be exceeded due to higher levels of cash available for investing. It was also informed that in respect of borrowing, the only cost of self-funding was the loss of investment interest. In respect of market uncertainty, financial services received daily & weekly updates and any urgent alerts from treasury advisors.

b) Treasury Management & Investment Strategies 2017/18

There were no proposed changes to named counter parties but some cash limits had been increased along with the duration of certain investments. The committee ascertained that whilst not centrally underwritten, investment in other councils was controlled by many regulations and a council's financial position would therefore be well understood.

Review of the Constitution

Following on from looking at the Annual Governance Statement the committee had considered its approach to reviewing the constitution. 13 areas were identified for review and accepted but the proposed timescale was felt to be too ambitious in the timescale. It was therefore agreed to initially focus on four key areas that support the Improvement Plan, namely, the council's financial regulations, standards committee (referred from committee), cabinet procedure rules and scrutiny procedure rules. The suggested house style guidelines approach for look and feel of procedure rules was agreed and also that the full review of the Constitution be concluded by May 2018.

I hereby commend the report to the Council.
COUNCILLOR ALAN OGILVIE
CHAIRMAN OF THE GOVERNANCE COMMITTEE