

Governance Committee

Meeting held at 6.30pm on Wednesday, 15th April, 2015, Wheel Room, Civic Centre, Leyland

Present:-

Councillors W Bennett, Clark, Foster, Nelson, Ogilvie and Patten

In Attendance:-

Garry Barclay (Head of Shared Assurance Services), Carol Eddleston (Democratic Services Officer), Martin O'Loughlin (Democratic Services Manager), Ian Parker (Director of Governance and Business Transformation) and Tasneem Safdar (Senior Solicitor)

Gareth Winstanley (Grant Thornton)

Public Attendance:-

1

Officers:-

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Other Members:-

Councillor Mullineaux

Minute No.	Description/Resolution
37	<p>Apologies for Absence</p> <p>All members of the committee were present.</p>
38	<p>Declarations of Interest</p> <p>The Director of Governance and Business Transformation declared a personal interest in the item relating to the Review of the Constitution as it contained a recommendation relating to legislative requirements concerning the removal of Chief Officers from post but was able to remain in the meeting.</p>
39	<p>Minutes of the Last Meeting, held on 28 January 2015</p> <p>RESOLVED (unanimously): That the minutes of the meeting held on 28 January be approved as a correct record and signed by the chairman.</p>
40	<p>External Audit Opinion Plan 2014/15</p> <p>Gareth Winstanley of the Council's external auditors, Grant Thornton, presented the plan for the 2014/15 audit and responded to questions and observations from the committee.</p> <p>As in previous years, the auditors would examine local and national risks that they had identified, many of which were generic to the audit plans for all local authorities. He was</p>

	<p>pleased to confirm that preparatory work had started earlier this year and the initial findings of early testing carried out to date were positive. The criteria for the Value for Money conclusion work were unchanged from last year.</p> <p>One of the significant risks identified was a presumed risk that the revenue cycle may include fraudulent transactions and this was common to all audit plans. Grant Thornton auditors would seek to reassure themselves and the Council that no such fraudulent transactions had taken place. The 'Other risks identified' were essentially an annual refresh.</p> <p>From 1 April a number of organisations became responsible for the functions previously under the remit of the Audit Commission. Public Sector Audit Appointments Limited was a private, independent company which was now responsible for managing audit contracts and appointing auditors, setting and determining fees, and making arrangements for housing benefit subsidy certification. Since last year it was no longer a requirement for the external auditors to certify local authorities' National Non Domestic Rates claims.</p> <p>The chairman commented that the committee had warmly welcomed the benchmarking information provided by Grant Thornton last year and asked for any similar updated information to be provided later this year if possible.</p> <p>RESOLVED (unanimously): That the audit plan be noted and the early start on the 2014/15 audit be welcomed.</p>
41	<p>Capital Programme for Parks and Open Spaces 2014/15</p> <p>The chairman explained that this item had been placed on the agenda following concerns raised at committee about slippage on the capital programme. In his view the report circulated was not wide enough in scope or detail and did not provide a rationale for why slippage had occurred. Other members agreed and suggested that the item should be deferred to the next meeting to allow the chairman and vice-chairman to discuss with the Cabinet Member what information they would like to see in a report.</p> <p>RESOLVED (unanimously):</p> <ol style="list-style-type: none"> 1) That the item be deferred until the next meeting, and 2) the chairman and vice-chairman discuss and agree with the Cabinet Member the scope of the report and the level of detail to be provided in it.
42	<p>Internal Audit Plan 2015/16</p> <p>The Head of Shared Assurance Services presented the report which explained the content of the Internal Audit work programme for the 2015/16 financial year which had been determined following a detailed risk assessment and consultation exercise with the Senior Management Team. He responded to questions and observations from the committee.</p> <p>The detailed risk assessment was conducted in the Internal Audit team using software which generated a risk rating based on the evaluation of a number of criteria including the financial value of an area, the potential for reputational damage and the length of time since an audit/review was last undertaken. The outcomes of this assessment formed the basis for consultation with the Senior Management Team. Cabinet Members were involved as they considered and approved the Corporate Risk Register.</p> <p>Commutated Sums were monies received by the Council from developers of new residential dwellings in the borough. The Council had discretion over how to spend the</p>

	<p>monies and the Internal Audit team would be assisting with the revision of our Commuted Sums Policy in the first instance before reviewing compliance with it later in the year.</p> <p>Noting that the new waste collection and recycling contract was due to commence in June this year, the committee had mixed views on whether the timing of the post implementation review (Quarter 3/4) was appropriate or whether, given the criticality of the service to the whole borough, it should be brought forward. The Head of Shared Assurance Services confirmed that the Internal Audit team had been heavily involved in the project to date but had scope to bring the review forward if it was decided that this was appropriate. From the audience the Director of Neighbourhoods, Environmental Health & Assets assured the committee that the day to day operation of the service would be monitored extremely closely.</p> <p>Management and control of fuel was something that Internal Audit had not reviewed previously but, with an annual spend of around £300K on fuel, and a new waste contract coming into operation, it was considered to be an appropriate area for review.</p> <p>Following the revision of the flexi-time and overtime policies last year a review would be carried out in Quarter 1 to establish whether the policies were being complied with.</p> <p>Internal Audit time was spent on Irregularities (Contingency) and if the estimated 10 days proved to be insufficient approval would be requested from this committee to re-profile (an) other area(s) of planned work.</p> <p>The committee echoed Councillor Foster's commendation of the work of the Head of Shared Assurance Services and the Internal Audit team over the years and of the clarity and readability of the report.</p> <p>RESOLVED (unanimously):</p> <ol style="list-style-type: none"> 1) The committee welcome the areas of work identified in the Internal Audit Plan 2015/16, and 2) the Internal Audit Plan be approved.
43	<p>Transparency Update</p> <p>The Senior Solicitor presented an update on the Transparency Agenda, bringing the committee's attention in particular to the action taken to comply with the latest Government Transparency Codes published in 2014 and 2015, and responded to questions and observations from the committee.</p> <p>The codes had been issued to meet the government's desire to place more power into citizens' hands to increase democratic accountability and to make it easier for local people to contribute to the local decision making process and help shape public services.</p> <p>The council's website was our chosen medium for publication of the information that we were required to publish and, in fact, proactively publishing more reduced the burden of Freedom of Information requests as we could often direct the enquirer to the website.</p> <p>In workplaces where the trade union was recognised, trade union workplace representatives had a right to paid time off from their substantive job for the purpose of carrying out their trade union duties (trade union facility time).</p> <p>With a view to increasing public accessibility, officers agreed to review the information that we published under the transparency agenda in the context of how the public might</p>

	<p>search for it. Officers confirmed that we had software which enabled us to quantify the number of hits on all of our web pages.</p> <p>The published Register of Public Land and Building Assets held by the Council fully complied with the Transparency Code. It did not list the value of assets which were subject to periodic revaluation. A summary of their value could be viewed in the publicly available Statement of Accounts.</p> <p>In addition to publishing what we were required to in relation to fraud, this authority would now also publish the value of fraud, the number of referrals to the Single Fraud Investigation Service and the number of those investigated fully in accordance with the Service Level Agreement.</p> <p>RESOLVED (unanimously):</p> <ol style="list-style-type: none"> 1) That the report be noted, and 2) the committee welcome the progress made in meeting and, in some areas exceeding, the mandatory requirements of the Transparency Code.
44	<p>Review of the Constitution</p> <p>The chairman presented the report which had been prepared on the basis of the proposed amendments to the Constitution discussed by the Task Group earlier in the evening. The Task Group had been satisfied that comments raised in the course of the current review had been addressed in the proposed amendments.</p> <p>RESOLVED (unanimously):</p> <p>(1) That the following proposed changes to the Constitution be agreed by the Governance Committee for recommendation to Council in the revised Constitution:-</p> <p>1.1 Boundary Review</p> <ol style="list-style-type: none"> (a) That the quorum for Council be amended to be 'at least one-third of the whole membership; (b) that all references to '55' councillors or members be amended to '50'; (c) that any references to ward names be amended to reflect the new ward names approved as part of the Boundary Review; (d) that Cabinet be recommended to re-establish the Independent Remuneration Panel in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003; and (e) that, subject to (d) above, Cabinet be recommended to ask the Independent Remuneration Panel to review member remuneration in the light of the change to councillor numbers. <p>1.2 Partnerships / Outside Bodies</p> <ol style="list-style-type: none"> (a) That the Monitoring Officer prepare a report for the consideration of the Scrutiny Committee, in consultation with the members who have been appointed to Outside Bodies, on the activities of the Outside Body. The report shall cover all Outside Bodies over a two year period and have regard to the criteria set out in (b) below for appointing to new Outside Bodies; (b) that any request for appointment to a new Outside Body be subject to a report from the Monitoring Officer indicating if: <ol style="list-style-type: none"> (i) the appointment was a Statutory requirement;

	<ul style="list-style-type: none"> (ii) the appointment would make a direct and significant contribution to the Council's Corporate Plan, (iii) there was no significant cost and resource implications for the Council set against any benefit accrued; (iv) that, the balances of risk having been considered, there would be a detrimental effect on the Council were it not represented, and (v) the appointment could raise the profile of the Council at a national or regional level. <p>(2) That Council adopt the proposed changes to the Constitution with effect from the first business Council meeting of the new municipal year in 2015.</p> <p>(3) That the Monitoring Officer be authorised to update the Constitution to reflect the outcomes from Recommendation (1) above and to make provision for the changes to the Constitution required by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 (Removal of Chief Officers from Post).</p>
45	<p>Forward Plan</p> <p>The committee noted the Forward Plan without further debate.</p>

The meeting ended at 7.30pm.

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