

<b>MINUTES OF</b>	<b>GOVERNANCE COMMITTEE</b>
<b>MEETING DATE</b>	<b>Thursday, 30 May 2019</b>
<b>MEMBERS PRESENT:</b>	Councillors Ian Watkinson (Chair), C Melia, A Turner, Colin Clark and Margaret Smith
<b>OFFICERS:</b>	Jane Blundell (Deputy Section 151 Officer), Tony Furber (Principal Financial Accountant (Interim)), Janice Bamber (Interim Head of Shared Assurance Services), Dave Whelan (Legal Services Manager/Interim Monitoring Officer), Simon Hardman (Grant Thornton PLC) and Coral Astbury (Trainee Governance and Member Services Officer)
<b>OTHER MEMBERS AND OFFICERS:</b>	Dianne Scambler (Governance and Member Services Team Leader), Darren Cranshaw (Assistant Director of Scrutiny & Democratic Services), Councillor Paul Foster (Leader of the Council and Leader of the Labour Group), Councillor Alan Ogilvie and Councillor Phil Smith, Dianne Scambler (Governance and Member Services Team Leader), Darren Cranshaw (Assistant Director of Scrutiny & Democratic Services)
<b>PUBLIC:</b>	1

## **1 Apologies for absence**

Apologies were received from Councillor's Damian Bretherton and James Flannery.

## **2 Declarations of Interest**

No declarations were made.

## **3 Minutes of Last Meeting**

Referring to Minute number 48 Members asked for confirmation from the External Auditors that information had been circulated to the previous Committee regarding Local Authorities trading in the Affordable Housing Sector.

**RESOLVED:** (Unanimously)

That the minutes of the Governance Committee meeting held on Thursday 14 March 2019 to be agreed as a correct signing for by Chair.

## **4 Draft Annual Governance Statement**

The Committee received a report of the Interim Monitoring Officer presenting the Council's Draft Annual Governance Statement, providing assurance on the

standards of corporate governance spanning all the Council's priorities and covering all activities.

Member's attention was drawn to the Annual Governance Statement 2019/20 (Appendix C) and they were asked to note the progress made against the Annual Governance Statement 2018 (Appendix B).

The Interim Monitoring Officer explained to Members that the draft annual statement was backward looking and that suggested amendments could be made before the end of July at which point the statement would come back as a final version.

Members queried why some actions on the Annual Governance Statement 2018 were no longer included on the Annual Governance Statement 2019. The Interim Monitoring Officer assured that work had been done on these actions and that the wording would be altered to reflect this.

Referring to Appendix C of the Annual Governance Statement Action Plan 2019, Members emphasised the importance of including a defined timescale for the completion of proposed actions along with a responsible officer. It was explained by the Interim Monitoring Officer that it was normal practice to complete all actions by year end but the comments of the Committee would be taken into consideration for when the Final Annual Governance Statement comes back before Committee in July 2019.

The Leader of the Council suggested a number of areas within the Draft Annual Governance Statement 2019 such as the Constitution, Financial Procedure Rules and the Scheme of Delegation as something that the Governance Committee may wish to focus on over the coming months. This was acknowledged and the Interim Monitoring Officer responded by assuring that steps would be taken to look at items on the Draft Annual Governance Statement 2019.

Resolved: (Unanimously)

That the report be noted.

## 5 Audit Plan 2019/20

The Committee considered a report of the Interim Head of Shared Assurance Services that sought the Committee's approval of the Internal Audit Plan for the period 1 April 2019 to 31 March 2020.

The Interim Head of Shared Assurance explained that the plan would normally come before Committee in March but due to the elections in May it was decided to defer the plan until May when a new Committee would be appointed.

The plan had been constructed following an assessment of audit need. Utilising a risk based approach which considers a number of factors such as financial risk, time lapsed since last audit and items in the Corporate Plan.

Members sought clarification from the Interim Head of Shared Assurance Services that work had now been done under ICT as this was classed as critical. In response, it was explained that ICT was classed as critical due to the size of the risk area. An independent audit had already been undertaken on ICT by Merseyside Independent

Audit. A meeting was due to take place between the Interim Head of Shared Assurance and the Director of Customer and Digital to discuss the areas identified in the report.

**RESOLVED:** (Unanimously)

That the Audit Plan 2019/20 is approved.

## **6 Internal Audit Annual Report 2018/19**

The Interim Head of Shared Assurance Services presented a report which provided a summary of the work undertaken by the Internal Audit Service from April 2018 to March 2019.

The Interim Head of Shared Assurance Services advised that 78% of the Internal Audit Plan was complete for the year 2018/19, with the overall assurance rating's ranging from adequate to full. Only two areas had been assigned a Limited rating. Property Repairs and Maintenance and Commercial Properties.

Members noted that with regards to commercial properties there seemed to be some concerns in relation to the accuracy of the Council's asset register and asked for further information.

The Interim Head of Shared Assurance Services explained that there had been some duplication of the assets on different registers and that further work was needed to align some assets to the Land Registry records.

With this in mind Councillor Ogilvie, who was in the audience, asked the External Auditors if this was an area that would be given further scrutiny in the forthcoming audit. External audit responded to say that although this was an area that would be looked at in more detail it was usual to find some discrepancies and that he wasn't unduly concerned.

The Leader of the Council raised his concern at the Internal Audit Plan for 2018/19 only being 78% complete, when in previous years it had been fully completed. He asked the Interim Head of Shared Assurance Services if this was due to a lack of resource. The Interim Head of Shared Assurance Services responded by agreeing with the Leader that they were under resourced and that there was no resilience in the team. There had been a number of staffing issues over the year and owing to the fact that she was an Interim appointment she was unsure if she could access the budget required to increase capacity in the team. The Interim Monitoring Officer confirmed that if resource was needed a suitable budget would be located for this and clarity would be given to the Interim Head of Shared Assurance Services on the process.

The Leader of the Council commented on the level of detail in the Internal Audit Plan 2018/19. It was confirmed by the Interim Head of Shared Assurance Services that she had followed the previous year's layout believing this to be satisfactory for the Committee, but this would be addressed in the future.

In response to the Chair, the Interim Head of Shared Assurance Services also agreed to bring an update on the issues raised to the next Committee meeting in July.

**RESOLVED:** (Unanimously)

That the report be noted.

## **7 Statement of Accounts for the Financial Year 2018/19**

The Committee received a report from the Deputy Section 151 Officer presenting the Statement of Accounts for the Financial Year 2018/19. The report advised Members of the statutory requirements for signature, audit, inspection and publication of the accounts and of their role in the process leading up to the formal submission of the accounts for approval by the 31 July 2019.

Members were advised that although the Statement of Accounts was currently in draft form, it was considered good practice to bring to Committee for comments to prepare for the final accounts in July. It was highlighted to Members that the overall financial position of the Council was good.

Members commented on the use of the traffic light system, with “off-track” actions being highlighted as both red and amber. The Deputy Section 151 Officer responded that the comments would be taken on board for when the final statement of accounts is presented.

Members from the Committee were very pleased with the Statement of Accounts and praised the Deputy Section 151 Officer and the Principal Financial Accountant (Interim) for their presentation of the report. It was requested by Members that the explanation that had been provided be included in an Executive Summary on the report, so that the statement could be more clearly understood by all members and residents.

In response to a member of the public it was explained why figures relating to the salaries of the Senior Management Team could be misleading if included in the Expenditure and Funding Analysis.

**RESOLVED:** (Unanimously)

That the report be noted.

Chair

Date