

**MINUTES OF GOVERNANCE COMMITTEE**

**MEETING DATE** Tuesday, 17 November 2020

**MEMBERS PRESENT:** Councillors Ian Watkinson (Chair), Colin Sharples (Vice-Chair), Christine Melia, Angela Turner, Damian Bretherton, Colin Clark and Margaret Smith

**OFFICERS:** Gary Hall (Interim Chief Executive), Chris Moister (Director of Governance), James Thomson (Deputy Director of Finance), Darren Cranshaw (Shared Services Lead - Democratic, Scrutiny & Electoral Services) and Coral Astbury (Democratic and Member Services Officer)

**OTHER MEMBERS AND OFFICERS:** Councillor Paul Foster (Leader of the Council) and Councillor Phil Smith

**57 Apologies for absence**

None.

**58 Declarations of Interest**

None.

**59 Minutes of meeting Tuesday, 22 September 2020 of Governance Committee**

Members raised concern over the completion of actions detailed within the minutes and advised Committee that they would raise these issues under the relevant item on the agenda.

RESOLVED: (Unanimously)

That the minutes of the meeting, Tuesday 22 September 2020 be agreed as a correct record for signing by the Chair.

**60 Audit Findings Report 18-19**

This item was taken in conjunction with the Audit Finding Report 19-20 Update and the Statement of Accounts for 2018/2019 and 2019/2020.

Further detail on the discussion of these items can be found at Minute 62.

**61 Audit Finding Report 19-20 Update**

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## **62 Statement of Accounts for 2018/2019 and 2019/2020**

Members considered this item alongside the Audit Findings Report 18-19 and the Audit Finding Report 19-20 Update.

The Council's External Auditor, Grant Thornton advised Members that the 2018-19 Audit was now substantially finished, the report should be finalised and provided to the Council over the next two weeks. The 19-20 audit was still in progression with information outstanding, the auditors advised that they were working with the Council to finalise the audit. A completion date could not be given for this, but they were hoping to finish the audit for December 2020.

The External Auditor's provided that they had received information from the Council relating to their Value for Money (VFM) assessment which had been provided to their forensics team. A final report would be provided on Friday 20 November 2020 at which point a view would be taken on what VFM rating would be given.

In response to a member enquiry, it was provided that a substantial number of reports had been requested by the Council's External Auditors and there was no issue with the time frame in which these had been provided. The Deputy Director of Finance explained that the provision of information had taken longer due to the number of queries submitted, ordinarily the finance team would spend April and May assisting with audit work. Further, a proportion of the finance team were now working on budget monitoring processes and business grants in anticipation of upcoming work.

Members expressed disappointment that the External Auditor had not provided a letter detailing key deliverables and a forecast date for the Audit report as promised at the previous meeting. In response, the External Auditor explained as the audit progressed it was clear they were not making progress as anticipated and providing dates would have served no purpose, as there was no guarantee that they would be met. Members commented that they should have been informed of this and given a plan of key deliverables so they could judge where issues lay transparently.

Members sought clarification on the ramifications for not meeting the deadline of 30 November for the signing of the Statement of Accounts and requested information on where the deadline came from. In response, the External Auditor advised that the deadline was set by the Ministry of Housing, Communities and Local Government (MHCLG). Whilst there was no deadline for completing the audit there was a deadline for when the accounts needed to be published publicly. In order to avoid a breach, the Council could publish their accounts by 30 November and put a note alongside to explain why the audit was delayed. This would be a similar practice to other Local Authorities.

The Deputy Director of Finance and Section 151 Officer also provided that a special Governance Committee would be arranged for the 15 December to consider the Statement of Accounts.

## **63 Treasury Management Activity Mid-year review 2020/21**

The committee considered a report of the Deputy Director of Finance and Section which sought to provide members with an update on the Treasury Management performance in the financial year 2020/21 to the end of September 2020.

Members were advised that a low base rate meant the Council had seen £148,000 interest on a return of 0.5% due to several investments placed pre COVID. The Council has also paid out over £20 million over the past four months in business grants.

Members sought clarification on overseas investments such as Al Rayan Bank Plc and Sumitomo Mitsui Banking Corporation Europe Ltd and how the quality of these institutions was checked. In response, the Deputy Director of Finance advised that Officers advise on what should be invested in, further information on the two institutions would be provided outside of the meeting.

Members requested that risk ratings for suggested investment durations (Appendix 3) be provided within the report moving forwards.

RESOLVED: (Unanimously)

1. That the report be noted.
2. Further information would be provided to members in respect of Al Rayan Bank Plc and Sumitomo Mitsui Banking Corporation Europe Ltd.
3. Moving forwards, the risk rating would be provided in the report for all suggested investments.

#### **64 Internal Audit Plan - Update**

The committee considered a report of the Director of Governance and Monitoring Officer which sought to provide members with an updated internal audit plan. The Director of Governance explained that the plan had been prepared by Internal Audit and had covered the period up to 22 October, additional work had since been undertaken.

In response to a member enquiry, the Director of Governance advised that two posts had been advertised within the Internal Audit team. The council was anticipating a good return against the Auditor post, with interviews to be held the following week. The recruitment for the Senior Auditor post would be completed after the appointment of the Service Lead.

#### **65 Constitution Review**

The committee considered a report of the Director of Governance and Monitoring Officer which sought approval to amend the constitution. The proposed changes included the removal of repetition, changes to the council's standing orders and changes in relation to Executive Member decision making processes. The report also presented an update report template to members for approval.

The Director of Governance and Monitoring Officer explained that the report was essentially the same as that presented to the Task Group however clear changes were highlighted within the report. Members were requested to consider and address

the proposed changes to Executive Member Decision making, to move towards member led rather than officer led decision making.

In response to a member enquiry, the Director of Governance and Monitoring Officer confirmed that the terms of reference for Planning Committee would be amended to read that the membership is a, "minimum of five."

Members discussed the proposed amendment to remove the additional provision for questions to be asked at Council of Cabinet Members, Chairmen or any member appointed to any joint authority, board or outside body. Although it was accepted that questions could be asked of Cabinet outside of meetings, members were still concerned that the opportunity to put a question to Cabinet at Council needed to be permitted.

Members agreed that it was important to allow Members of the Public the right to speak at meetings, however members recognized there would need to be a time limit in order to prevent debate from being stalled.

The Director of Governance and Monitoring Officer advised members that another proposed change to the constitution would be to limit the number of non-committee members who were permitted to speak at Planning Committee. Members would only be permitted to make representations on an application if the application fell within their ward or where the application sits on ward boundaries, they would be affected by it.

In response to a member enquiry, it was explained that the Chair would also have discretion to allow additional speakers. For applications of significant importance to the borough it would be for the Chair to accept on a case by case basis. Members agreed that two options on this proposed amendment to the constitution be included within the full council report for member consideration.

RESOLVED: (Unanimously)

1. The proposed amendments within Appendix 1 were resolved as per the report.
2. Members requested the following amendments be made to Appendix 2 prior to the report being submitted to full Council for consideration:
  - a) Questions at full Council would be amended to include Cabinet Members alongside the Leader and Deputy Leader.
  - b) In relation to participation at Planning Committee, two options to allow Members not on Committee to speak would be provided to full Council to make the final decision.
3. Members requested there be no amendments to the public speaking provisions.
4. Following the requested amendments to Appendix 2 the proposed changes to the constitution are approved to be submitted to full Council for consideration.
5. That the report template be approved for adoption.

Chair

Date