

GOVERNANCE COMMITTEE

TUESDAY, 16TH JUNE, 2020, 6.00 PM

ACCESSIBLE THROUGH MICROSOFT TEAMS AND YOUTUBE

AGENDA

IMPORTANT INFORMATION

In response to the current government guidance surrounding the COVID-19 pandemic, this meeting will be held virtually, and webcast live to Youtube. Members of the Committee will be able to access the meeting on Microsoft Teams.

Any elected member or member of the public who wishes to make representations should email democraticservices@southribble.gov.uk the attention of Coral Astbury, by noon on Friday 12 June 2020.

Any elected member not on committee or member of the public who does not wish to speak may still watch the meetings proceedings by clicking [here](#).

1 Apologies for absence

2 Declarations of Interest

Members are requested to indicate at this stage in the proceedings any items on the agenda in which they intend to declare an interest. Members are reminded that if the interest is a Disclosable Pecuniary Interest (as defined in the Members' Code of Conduct) they must leave the room for the whole of that item. If the interest is not a Disclosable Pecuniary Interest, but is such that a member of the public could reasonably regard it as being so significant that it is likely that it would prejudice their judgment of the public interest (as explained in the Code of Conduct) then they may make representations, but then must leave the meeting for the remainder of the item.

3 Minutes of meeting Tuesday, 28 January 2020 of Governance Committee

(Pages 5 - 8)

4 Suspension of Standing Order 33

Members are asked to approve the suspension of Standing Order 33.

33. Participation by the Public at Meetings of Cabinet, Committees and Sub Committees

33.1 Members of the Public may ask questions and make statements or comments during Cabinet, Scrutiny, and Governance meetings which are relevant to items on the agenda. Special rules apply to Planning Committee (see rule 34)

33.2 Members of the Public will normally only be allowed to speak after elected members have been given the opportunity to do so, but this is at the discretion of the Chairman. Questions, comments or statements which, in the opinion of the Chairman, are inappropriate may be disallowed.

33.3 Individual members of the public will be restricted to speaking for a total of five minutes during the whole meeting.

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| 5 | Draft Annual Governance Statement 2018/2019 and 2019/2020 | (To Follow) |
| | Report of the Deputy Chief Executive to follow. | |
| 6 | Internal Audit Progress Report - Audit Reports with Limited Assurance Opinion | (To Follow) |
| | Report of the Interim Head of Shared Assurance to follow. | |
| 7 | Internal Audit - Head of Audit Annual Report | (To Follow) |
| | Report of the Interim Head of Shared Assurance to follow. | |
| 8 | Update of Closure of Accounts 2019.20 | (Pages 9 - 12) |
| | Report of the Deputy Director of Finance attached. | |

Gary Hall
INTERIM CHIEF EXECUTIVE

Electronic agendas sent to Members of the Governance Committee Councillors Colin Sharples (Vice-Chair), Ian Watkinson (Chair), Christine Melia, Angela Turner, Damian Bretherton, Colin Clark and Margaret Smith

The minutes of this meeting will be available on the internet at www.southribble.gov.uk

Forthcoming Meetings

6.00 pm Tuesday, 21 July 2020 - Wheel Room, Civic Centre, West Paddock, Leyland PR25 1DH

MINUTES OF GOVERNANCE COMMITTEE

MEETING DATE Tuesday, 28 January 2020

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

OFFICERS: Gary Hall (Interim Chief Executive), Dave Whelan (Shared Services Lead - Legal & Deputy Monitoring Officer), Janice Bamber (Interim Head of Shared Assurance Services), Jane Blundell (Interim Section 151 Officer), Coral Astbury (Democratic and Member Services Officer) and Darren Cranshaw (Assistant Director of Scrutiny & Democratic Services)

EXTERNAL AUDITOR: Simon Hardman (Grant Thornton)

OTHER MEMBERS AND OFFICERS: Councillor Paul Foster (Leader of the Council and Leader of the Labour Group), Councillor David Howarth (Leader of the Liberal Democrats Group), Councillor Colin Sharples, Councillor Phil Smith and Councillor Michael Titherington (Deputy Leader of the Council, Cabinet Member (Health, Wellbeing and Leisure) and Deputy Leader of the Labour Group), Laura Barton-Williams (Communications Manager), Michelle Brennan (Auditor), Linsey Roberts (Auditor) and Struan Jackson (Auditor)

PUBLIC: 2

22 Apologies for absence

None.

23 Declarations of Interest

None.

24 Minutes of meeting Tuesday, 26 November 2019 of Governance Committee

That the minutes of the Governance Committee meeting held on Tuesday 26 November 2019 be agreed as a correct signing for the Chair.

25 Audit Progress Report and Sector Update

Simon Hardman from the Council's External Auditor, Grant Thornton, presented the audit progress report and sector update.

It was reported that the 2018-2019 audit work was still ongoing. Members were further advised that the Council's annual Housing Benefit Subsidy claim audit was now complete and no issues had been found. Simon Hardman thanked the benefit's team for their assistance throughout the process.

Reference was also made to Grant Thornton's review of fees in light of changes made to audit quality and local government financial reporting by the Financial Reporting Council (FRC). Discussions would be undertaken with the Council's Section 151 Officer, including any proposed variations to the fees set by PSAA Limited, before communication with the Governance Committee.

A discussion took place on when the 2018/19 audit deliverables would be complete. It was reported that the 2018/19 deliverables were still ongoing due to the work being undertaken by the Council's Internal Audit. Following the work of Internal Audit, the Draft Annual Governance Statement would need to be refreshed before being presented to Committee, for Grant Thornton to start their work.

RESOLVED: (Unanimously)

That the report be noted.

26 Internal Audit Plan Progress Report as at 31 December 2019

The Committee considered a report of the Interim Head of Shared Assurance which provided a summary of the Internal Audit work undertaken for the period 1 April 2019 to 31 December 2019.

Members were advised that the internal audit was currently 52% completed. However, when considering the work in progress and reports waiting review this figure was 73%. The Internal Head of Shared Assurance explained that temporary staffing resource had been extended to March 2020 and there were weekly progress meetings in place to monitor the situation. The Interim Head of Shared Assurance advised that the completion rate at the end of March 2020 would be between 80-90%.

Following a member query, it was confirmed that any issues which received a limited rating would be reported back to the Committee. However, due to the frequency of the Governance Committee meetings it would be a challenge to bring issues back

In response to an enquiry about the rating of Commercial Properties, the Interim Head of Shared Assurance explained that the audit carried forward for 2018/19 used a different approach when auditing. The Assistant Director of Property and Housing had anticipated the limited rating and had commissioned an external gap review to be undertaken. This resulted in a 73-point action plan. Following a period of implementation, Internal Audit would revisit the work area and provide an update to the Committee.

RESOLVED: (Unanimously)

That the report be noted.

27 Internal Audit Reports - Assurance Opinion Limited Issued Quarter 3

The Council's Interim Head of Shared Assurance presented a report which provided the complete audit reports for 2019/20 where the opinion was of limited assurance.

The first audit report presented was performance management. Members were advised that there were significant areas of weaknesses. Internal Audit looked at a number of performance indicators and found 18/31 definitions were ineffective, and no evidence was found to support officer data. Since the audit, management actions had been devised with Leadership Team and the Policy and Performance Manager with some work now completed.

Following a member query, it was confirmed that some actions contained within the management plan would remain ongoing throughout the year.

In response to a member enquiry regarding data owners' responsibilities, the Interim Head of Shared Assurance confirmed that Leadership Team were responsible for the data owned with the Policy and Performance Manager responsible for ensuring that a Data Quality framework was in place.

The Interim Head of Shared Assurance presented the second audit report on General Data Protection Rules (GDPR). Members were advised that the report focused on implementation and compliance with GDPR and performed a gap analysis. There were two opinions formed, both of which had a limited rating. The Interim Head of Shared Assurance advised members that the action plan did not yet contain agreed actions due to sickness and annual leave. The management actions would be brought back to Committee in March.

It was provided that Internal Audit had conducted spot checks and found several issues with the way that data contained on paper was being stored, such as boxes being left in open areas. Although it had been noted the data held on computers was stored better, computers were locked by staff when away from desks.

In response to a member enquiry, the Interim Chief Executive explained that a wider culture change was needed in order to become more compliant, it was recognised that there was a need for the Council to become paperless to reduce risk. Members were advised that the Senior Risk Information Officer (SIRO) had now been appointed and senior officers were now recognising the importance of data management.

Following an enquiry, members were advised that the internal audit report on GDPR was available publicly.

RESOLVED: (Unanimously)

That the report be noted.

Chair

Date

REPORT TO	ON
Governance Committee	16 June 2020



TITLE	REPORT OF
Update of Closure of Accounts 2019.20	Deputy Section 151 Officer

Is this report confidential?	No
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PURPOSE OF THE REPORT

1. To note the progress on the closure of accounts for 2019/20 including the revised deadlines for submission of the draft accounts and sign off of the final accounts.

RECOMMENDATIONS

2. To note the progress on the closure of accounts for 2019/20 including the revised deadlines for submission of the draft accounts and sign off of the final accounts.

CORPORATE OUTCOMES

3. The report relates to the following corporate priorities: *(tick all those applicable)*:

Excellence, Investment and Financial Sustainability	✓
Health, Wellbeing and Safety	
Place, Homes and Environment	

Projects relating to People in the Corporate Plan:

Our People and Communities	
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UPDATE

4. The government has responded to CV-19 by amending the deadlines for the closure of accounts for 2019/20

Amended Statutory Requirements

5. The amended deadlines were published in April:

- The audited financial statements are to be published by 30th November 2020.
- The public inspection period must start on or before the first working day in September, this meaning that the draft statement of accounts must be produced by 31st August.
- The audit of the accounts will, subject to confirmation with Grant Thornton, take place between 1st September and late November 2020.

Progress To Date

6. The revised working arrangements in place since the second half of March have inevitably affected a range of tasks in a variety of ways however the finance team are still on track to deliver the draft statement of accounts within the revised statutory deadlines.

7. In summary:

- Revenue and capital outturns are substantially complete, with review taking place and final transactions to be posted over the next week.
- Statutory accounting entries are under way.
- Asset valuations have been received and are being scrutinised and processed.
- The pensions information from the actuary is due to be received 10 June.
- The Collection Fund is substantially complete.
- Publication of form NNDR3 by MHCLG was delayed, but the form was received on 15th May. The timescales again remain unchanged since April, with the draft form required to be submitted by 31 July and the final version by 30 November. The Council's form is substantially complete, with just a small amount of additional information required.

8. Overall, progress remains in line with the revised timetable drawn up in accordance with the revised deadline of 31 August for the draft statement of accounts.

9. The timing of the audit of the accounts has yet to be determined. An initial liaison meeting has been held with the auditors and their formal audit scoping letter was received at the end of May.

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

10. Not applicable

AIR QUALITY IMPLICATIONS

11. None

COMMENTS OF THE STATUTORY FINANCE OFFICER

12. The report outlines any financial implications

COMMENTS OF THE MONITORING OFFICER

13. No comment

OTHER IMPLICATIONS:

James Thomson
Deputy Director of Finance (s151)

Report Author:	Telephone:	Date:
James Thomson, Deputy Director of Finance	01257 515025	08/05/20

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