

**Minutes of Governance Committee**

**Meeting date Tuesday, 8 August 2023**

**Committee members present:** Councillors Colin Sharples (Chair), Damian Bretherton, Peter Gabbott, Margaret Smith, Angela Turner, Lou Jackson and Elaine Stringfellow

**Officers present:** Matt Derrick (Public Sector Audit Senior Manager), Chris Moister (Director of Governance), Louise Mattinson (Director of Finance and Section 151 Officer), Dawn Highton (Head of Audit & Risk), Jacqui Murray (Senior Auditor), Rebecca Aziz-Brook (Transformation & Change Team Leader) and Clare Gornall (Democratic and Member Services Officer)

**Other attendees:** Councillor Phil Smith

A video recording of the public session of this meeting is available to view on [YouTube here](#)

**12 Apologies for absence**

Apologies were received from Councillors Wesley Roberts and Pete Pillinger.

Councillors Lou Jackson and Elaine Stringfellow attended the Committee in substitution for Councillors Roberts and Pillinger.

**13 Declarations of Interest**

There were none.

**14 Minutes of the Last Meeting**

**Resolved** – That the minutes of the meeting of this Committee held on 24 May 2023 be signed and approved as a correct record.

**15 External Audit Progress Report and Annual Audit Report 2021-22**

Matt F Derrick, Grant Thornton External Auditors presented the Audit Progress Report for the period ending 31 March 2023, together with the Auditor's Annual Report 2021/22 (as referenced on page 4 of the Progress Report under the heading "Value for Money").

Mr Derrick indicated that the Council's draft financial statements were expected in August 2023 and that Grant Thornton expect to give its opinion on the Statement of

Accounts by 30 November 2023. The Audit Findings Report and the next Annual Audit Report (Value for money) report were also due in November 2023.

Arising from queries from the Committee, the Director of Finance, Louise Mattinson, explained that the completion deadline for the draft Statement of Accounts has been brought forward over the last two years, first from 30 September to 31 July and then again to 31 May. She also highlighted that in addition to this, there was now a greater level of complexity to the publication of the accounts. She stressed that this had impacted on all local authorities, police authorities and fire authorities and of these bodies in Lancashire only 2 had met the deadline this year. She did confirm, however, that the draft Statement of Accounts 2022/23 should be published on Wednesday or Thursday this week.

The Auditor's Annual Report 2021/22 highlighted a significant weakness in governance arrangements arising from an information security matter discussed on 10 January 2023 in relation to the Commercial services review (Minute 38). There were 2 key recommendations set out in pages 17 and 18 of the report together with an improvement recommendation at page 22.

Arising from questions by the Committee, the Director of Governance, Chris Moister gave assurances that IT systems and controls were now in place, and additional training had been given to external contractors and procurement officers. The Director of Finance, Louise Mattinson, also informed the Committee that a 3 year testing/monitoring exercise was currently being carried out in relation to finance and procurement systems. The exercise included checking contracts are in place for suppliers, and internal control systems such as segregation of duties for goods received etc.

Dawn Highton, Audit and Risk Manager indicated that Internal Audit would be bringing a report updating the Committee as to all the actions arising from reports issued with limited assurance from the 22/23 audit plan.

**Resolved** – That the External Auditor's Report and the Annual Audit report 2021-22 be noted.

## **16 Treasury Management Outturn Report 2022/23**

The Director of Finance and Section 151 officer presented a report on Treasury Management performance and compliance with Prudential Indicators for the financial year ended 31 March 2023.

Resolved: That the report be noted.

## **17 CIPFA Audit Committee - Practical Guidance for local authorities and police 2022**

The Head of Audit and Risk, Dawn Highton presented a report members on the latest CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 and CIPFA guidance – Audit Committees - Practical Guidance for Local Authorities and Police 2022. The report also presented proposals to assess the skills

and knowledge of the Committee to ensure a comprehensive training plan can be developed.

Further to the original report, a copy of the publication Audit Committee Update – issue 38 (July 2023) was circulated to the Committee.

Members and substitute members of the Committee were asked to assist with the review of the skills and knowledge by completing and returning the Skills and Knowledge Framework Questionnaire to Democratic Services by 31 August 2023.

Arising from a member query it was noted that any forthcoming external member training events for Audit / Governance Committees would be of interest.

Resolved - That the report be noted.

## **18 Chair of Governance Response to External Audit Planning Enquiries**

The Head of Audit and Risk, Dawn Highton presented a report detailing the Chair of the Governance Committee responses provided to the planning enquiries made by the External Auditors, Grant Thornton as part of the 2022/23 statutory accounts.

Resolved: That the responses to the auditors enquiries attached to the report, be approved.

## **19 Strategic Risk Register**

The Director of Change and Delivery presented a report providing members with an updated Strategic Risk Register, setting out the strategic risks to the council, control measures and actions planned to help manage risk.

The Director of Governance, Chris Moister indicated that progress was being made on the City Deal in relation to the factual position and that there would be report to members at the end of September 2023.

Resolved: That the strategic risks, controls in place and actions planned to further mitigate risk as set out in the report, be noted.

Chair

Date