

South Ribble Borough Council

Council Meeting – 27 November 2019

Report of the Governance Committee

The Governance Committee met on the evening of 24 September 2019 and discuss the following items:

1. Audit Progress Report and Sector Update

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

It was reported that Grant Thornton was working with officers to progress the financial statements audit and value for money conclusion. Following questions around the timescales involved, the November Governance Committee meeting was an indicative target date, but this could not be guaranteed as it was dependent on what came out of the audit findings work being undertaken. There was an acknowledgment that further testing or investigation might be required depending on what was found. Reassurance was provided that the delay was not due to a lack of resources.

An overview was provided on the Ministry of Housing, Communities and Local Government independent probe into local government audit, within initial recommendations due in December and final report next March.

2. Internal Audit Progress Report as at 31 August 2019

The Interim Head of Shared Assurance Services presented the internal audit progress report as at 31 August 2019. The report outlined progress against the Internal Audit Plan 2019/2020 with the audits completed, in progress and planned for the remainder of the year. It was reported that the percentage of audit plan completed for this period had not been achieved due to exceptional additional work required into certain irregularities, which could not have been planned for. There had also been some resource issues last year, but additional capacity had been provided to help deliver the audit plan.

Reassurance was provided that there were sufficient resources to undertake the audit plan and processes were in place should further resources be required. It was also reported that a report had been presented to the last Shared Services Joint Committee on reviewing the Shared Assurance function which would be brought back to the Shared Services Joint Committee in December. The long-term sickness issue in the Shared Assurance team was being resolved, with temporary resources in place until the permanent solution was implemented.

Further information was provided on the key findings from the internal audit of commercial properties which had been accepted with a follow-up internal audit planned for later in the year. Confirmation was provided that the commercial property database was fit for purpose when used effectively.

Following the Health and Safety audit reassurance was provided that the action plan produced was being implemented as a priority and taken extremely seriously by the Leadership Team. It was felt that a culture change was needed so that everyone takes responsibility for Health and Safety with robust monitoring arrangements in place.

Confirmation was provided that the minor non-material weaknesses identified in the cash and bank, treasury management and main accounting internal audits had all been rectified.

Reassurance was provided that the legacy issues currently being investigated would be reported to the Government Committee at the appropriate time.

The number of days allocated to GDPR (General Data Protection Regulations) had been exceeded as some issues had been identified and it was felt prudent to undertake a more in-depth audit into this important issue for the Council.

A commitment was provided that the Internal Audit Plan would be completed by the end of the financial year.

3. Treasury Management Annual Report 2018/2019 and June Quarter Monitoring Report 2019/2020

The Principal Financial Accountant presented a report of the Interim Section 151 Officer outlining the financing of the Council capital programme, borrowing need, treasury position and investment performance. The report also included investment strategy monitoring as at 30 June 2019. There were no concerns or issued identified and the investment returns were better than had been anticipated.

I hereby commend this report to the Council.

Councillor Ian Watkinson
Chair of the Governance Committee