

## **Report of the Governance Committee**

1. Any Governance recommendations on the reports that require a decision by full Council appear as separate items on the agenda.

## **GENERAL REPORT OF THE MEETING HELD ON TUESDAY 16 JUNE 2020**

### **Draft Annual Governance Statement 2018/2019 and 2019/2020**

2. The Director of Governance/Monitoring Officer presented the draft Annual Governance Statement covering the financial years 2018/2019 and 2019/2020.
3. The Annual Governance Statement for 2018/2019 was not signed off as significant governance failings that predated the submission of the Annual Governance Committee in May 2019 were identified. As a result, it was clear that the statements within the Annual Governance Statement as presented were incorrect and did not accurately reflect the position of the Council as regards the maintenance of and compliance with a robust governance framework. Following discussions with the Council's external auditor and because the Annual Governance Statement is supposed to reflect the point at which it is agreed, the statement covers the 2018/2019 and 2019/2020 financial years.
4. A number of significant governance failings were identified and follow the statutory section 24 report issued by the external auditors in 2018. The key issues were grouped around the themes of: leadership, culture, process and monitoring and review.
5. The Governance Committee approved the Annual Governance Statement in draft form for consideration by External Audit.

### **Internal Audit Progress Report – Audit Reports with Limited Assurance Opinion**

6. It was reported that there had been 5 audit reviews where the opinion of the control environment had determined that only limited assurance could be placed on the controls in place and substantive control weaknesses existed in those areas.
7. In addition to reviews with limited assurance, a further 2 reviews in the opinion of internal audit were given a rating of no assurance.
8. The purpose of reporting on the internal audit reports was to allow the Committee to consider and note the reports. The reports feed into the Annual Governance Statement, which will be presented to Council and that would be the opportunity for Members debate any issues, such as the Health and Wellbeing Campus.

## **Internal Audit – Head of Audit Annual Report**

9. The Committee considered the Annual Report from the Interim Head of Shared Assurance Services which covered the period 1 April 2019 to 31 March 2020. The report also provided the Head of Internal Audit's overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk and control.
10. During the year 92.54% of the planned internal audit work had been completed (based on the original audit plan for 2019/2020). Internal Audit achieved a 100% acceptance rate for its recommendations/agreed management actions relating to the reports completed and management actions agreed.
11. The committee were advised that overall the Council has a sound governance framework in place and in general has appropriate policies, rules, regulations and procedures in place. However, there have been failings in regards to management controls, fundamental failures and weakness of internal controls and the disregarding of existing policies in some circumstances.

## **Update of Closure of Accounts 2019/20**

12. The deadlines for the closure of the Council's accounts have been amended by the Government in response to the COVID-19 pandemic. The audited financial statements for 2019/2020 are to be published by 30 November 2020. A meeting of the Governance Committee has been arranged for 24 August 2020 to consider the draft financial statements.
13. It was noted that the Council was on track to deliver the financial statements in accordance with the revised timescales.

COUNCILLOR IAN WATKINSON  
CHAIR OF THE GOVERNANCE COMMITTEE

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