

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 17 NOVEMBER 2020

Audit Findings Report 18-19; Audit Findings Report 19-20 Update;

Statement of Accounts for 2018/2019 and 2019/2020

2. Members considered the above three items on the agenda alongside each other.
3. Members were advised by the Council's External Auditor, Grant Thornton that the 2018-19 Audit was now substantially finished, and the report hopefully provided to the Council over the next two weeks. The 19-20 audit was still in progress and the auditors were working with the Council to finalise the audit. A date could not be provided at that stage, although it was hoped that audit would be completed by December 2020.
4. Members expressed their disappointment about the general lack of information regarding progress since the previous meeting and would like to have had a plan of key deliverables so they could judge where issues lay transparently.
5. The External Auditors 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 was to be provided on Friday 20 November 2020 at which point a view would be taken on what VFM rating would be given.
6. Members sought clarification on the ramifications for not meeting the deadline of 30 November for the signing of the Statement of Accounts. 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. In order to avoid a breach, the Council could publish a note on the website to explain why the audit was delayed. This would be a similar practice to other Local Authorities.
7. The Deputy Director of Finance and Section 151 Officer indicated that a special Governance Committee would be arranged to consider the Statement of Accounts.

Treasury Management Activity Mid-year review 2020/21

8. The committee considered a report of the Deputy Director of Finance and Section 151 Officer which provided members with an update on the Treasury Management performance in the financial year 2020/21 to the end of September 2020.
9. Members were advised that a low base rate meant the Council had seen £148,000 interest on a return of 0.5% due to a number of investments placed

pre COVID. The Council has also paid out over £20 million over the past four months in business grants.

10. 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. The Deputy Director of Finance indicated that Officers would advise on what should be invested in, and that further information on the two institutions would be provided outside of the meeting.
11. Members requested that risk ratings for suggested investment durations (Appendix 3 to the report) be provided within the report moving forwards.
12. The Committee resolved that :
 - i) That the report be noted;
 - ii) Further information would be provided to members in respect of Al Rayan Bank Plc and Sumitomo Mitsui Banking Corporation Europe Ltd; and
 - iii) Moving forwards, the risk rating would be provided in the report for all suggested investments.

Internal Audit Plan - Update

13. 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.
14. 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.

COUNCILLOR IAN WATKINSON
CHAIR OF THE GOVERNANCE COMMITTEE