

<b>Minutes of</b>	<b>Governance Committee</b>
<b>Meeting date</b>	<b>Wednesday, 29 September 2021</b>
<b>Members present:</b>	Councillors Ian Watkinson (Chair), Colin Sharples (Vice-Chair), Damian Bretherton, Margaret Smith, Alan Ogilvie, Angela Turner and Kath Unsworth
<b>Attended virtually:</b>	Councillors Matthew Tomlinson and Carol Wooldridge, Matt Derrick (Grant Thornton PLC) and Georgia Jones (Grant Thornton PLC)
<b>Officers present:</b>	Gary Hall (Chief Executive), Chris Moister (Director of Governance), Louise Mattinson (Director of Finance and Section 151 Officer), Dawn Highton (Shared Service Lead-Audit & Risk), Tony Furber (Principal Financial Accountant), Darren Cranshaw (Shared Services Lead - Democratic, Scrutiny & Electoral Services), Coral Astbury (Democratic and Member Services Officer), Georgia Jones and Matt Derrick (Public Sector Audit Senior Manager)
<b>Other attendees:</b>	Councillor Paul Foster (Leader of the Council, Cabinet Member (Strategy and Reform) and Leader of the Labour Group), Councillor Phil Smith (Deputy Leader of the Opposition and Deputy Leader of the Conservative Group) and Councillor Karen Walton (Leader of the Opposition and Leader of the Conservative Group)
<b>Public:</b>	0

**18 Apologies for absence**

No apologies were received.

**19 Declarations of Interest**

There were no declarations of interest.

**20 Minutes of meeting Tuesday, 27 July 2021 of Governance Committee**

Resolved: (Unanimously)

That the minutes of the meeting held, Tuesday 27 July 2021 were agreed as a correct record for signing by the Vice-Chair.

## **21 Internal Audit Interim Report as at 31st August 2021**

The Shared Service Lead (Audit and Risk) presented a report which advised the committee of the work undertaken in respect of the Internal Audit Plan from April 2021 to August 2021 and gave an appraisal of the Internal Audit Service's performance to date.

Members noted the information contained within the report relating to completed audits. It was advised that the Health and Wellbeing Campus report was appended to the report, having been presented in draft form in June 2020. Internal Audit had now reviewed all the evidence and re-drafted the report, although the findings were still the same the style in which the report had been presented has changed.

The Shared Service Lead (Audit and Risk) advised Members that the Internal Audit team were slightly below target in terms of their own performance indicators mainly due to the recruitment exercise taking longer than anticipated, although the team was now fully resourced. The service was also seeking reaccreditation of ISO9001 and are on track to be re-accredited in December 2021.

In response to a member enquiry, it was explained that when the plan is put together the service estimates how many days are needed to complete each audit. However, this can change dependant upon what is uncovered during the audit.

Members sought clarification on the accuracy of data held by Neighbourhoods and asked what impact this would have on other services across the council. In response, the Shared Service Lead (Audit & Risk) explained that the review had taken place following a request from the Director who had concerns about the data within the system. However, progress had already been made to identify assets and improve records, the data would be ready to migrate to the new system by April 2022.

Resolved: (Unanimously)

That the report be noted.

## **22 Audit Findings Report 2020/21**

The Council's External Auditors presented a report which sought to provide members with the Audit Findings for the year ending 31 March 2021. Members were advised that three adjustments to the Statement of Accounts had been identified, with a further adjustment provided in the supplementary agenda. Members noted that following completion of the Audit Findings Report further areas such as, exit packages and queries surrounding fees and debtors had now been resolved. The External Auditors were also working with Officers to resolve any outstanding queries.

Members sought clarification on pension liabilities and asked if the £236,000 underpayment of the estimated upfront payment of pension costs for 2020/21, and the £831,000 pension liability following the transfer of staff from the South Ribble Community Leisure Trust (SRCLT,) would appear as an annual liability. In response, the External Auditor explained that the two issues were separate, and the £236,000 underpayment would not impact on the overall liability. Moving forwards the leisure centre liability would be part of that overall pension liability as the SRCLT

staff would become council staff. The Director of Finance confirmed that provisions had been made for this within the relevant budget.

Members highlighted that the current letter of representation stated it would be approved on the 28 September 2021 and this would need amending to reflect the change in meeting date. The External Auditor confirmed they would re-issue the letter with the amended date and ensure all dates coincide for circulation.

Resolved: (Unanimously)

That the report be noted.

## **23 Audited Statement Of Accounts 2020/21**

The committee considered the report of the Director of Finance which presented the Statement of Accounts for 2020/21 for approval. The Director of Finance explained that the committee had previously considered the unaudited statement of accounts in July 2021, this had been presented to the External Auditors and was back before committee for formal approval before the deadline of 30 September 2021.

Amendments had been made to the statement of accounts since it was considered in July 2021 as part of the further review and audit concluded by Grant Thornton. These adjustments had been summarised earlier in the meeting by the External Auditors.

Members commented that it was pleasing to see the pension fund investment increase substantially from £90 million to £99 million.

In response to a query, the External Auditor provided that their opinion would be given on Value for Money at the end of December, the opinion on the statement of accounts would be issued within the next couple of weeks. The draft opinion within the Audit Findings Report 2020/21 states an unqualified opinion would be issued. If any material changes were identified after the meeting, then a further report would be brought back to the next committee meeting.

Resolved: (Unanimously)

That the committee

1. Approve the audited Statement of Accounts for 2020/21 subject to any amendments which, in the opinion of the Chief Financial Officer (Section 151 Officer), are minor in nature. Such amendments are to be defined as non-material to the financial position of the authority. The Chief Financial Officer will exercise this delegation in consultation with the Chair of Governance Committee. In the event the Chief Financial Officer is of the opinion the amendments are material to the financial position of the authority, Governance Committee will be reconvened to approve the new Statement of Accounts.
2. Considers and approves the letter of representation contained at Appendix B and authorise the Chief Financial Officer and the Chair of Governance Committee to sign the letter.

Chair

Date