

Report of Governance Committee

I am pleased to present the general report of the Governance Committee summarizing the business which was considered on 29 September 2021.

Please note that the report may not reflect the wording used in the minutes, as they have yet to be formally agreed.

Internal Audit Interim Report as at 31 August 2021

1. The committee considered a report which advised us 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.
2. We 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.
3. We also 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.

Audit Findings Report 2020/21

4. 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.
5. We 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.

Audited Statement of Accounts 2020/21

6. 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.
7. 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.
8. 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.

Recommendation

I would like to recommend that Council note the report.

COUNCILLOR IAN WATKINSON
CHAIR OF THE GOVERNANCE COMMITTEE
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