

Report of Governance Committee

I am pleased to present the general report of the Governance Committee summarizing the business which was considered on 29 March 2022.

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

Audit Report Update

1. The committee considered a report of the Service Lead (Audit and Risk) which provided an update on the progress of the outstanding agreed actions from the review of Facilities and Building Management (Civic Centre) report. We also received an update on a review of statutory compliance with Health and Safety legislation for all other council buildings (excluding commercial properties).
2. The review of all other council buildings had now been completed, with all findings detailed within the report. Officers had focused on how a re-occurrence could be prevented and it was acknowledged by the Director of Commercial that record management needed improving. Current records were being rationalised and strengthened, and in addition the Health and Safety Team Leader was now holding monthly meetings with the directorate to ensure that inspections were being undertaken and following up on any actions in a timely manner.
3. We noted that two outstanding actions had been completed from the Facilities and Building Management (Civic Centre) audit and two actions remained. Of the remaining actions, one would be completed by Friday 1 April following the training of additional fire wardens and the final action on improving record management with a dedicated ICT system would be completed in September. With the procurement of a dedicated ICT system, however compensating controls were being put in place until the system is fully operational.
4. We asked if all regular testing was now up to date and compliant with the building's insurance terms. In response, the Service Lead (Audit and Risk) advised that any gaps in statutory compliance would have been identified and assurance would be provided outside of the meeting.

Internal Audit Plan April to September 2022

5. We considered a report of the Service Lead (Audit and Risk) which set out the programme of work to be undertaken by the service. The report also sought our approval of the Audit Plan and Internal Audit Charter.
6. The Service Lead (Audit and Risk) advised that the plan would ordinarily be an annual report, however it had become apparent over the past two years that the council has to adapt and change quickly. The new approach had been discussed and approved at Senior Management Team and would not have any impact on the assurance that the committee would receive.

7. We were advised that Internal Audit would continue to produce interim reports and the annual auditor's opinion in May would cover all completed work over the last twelve months.
8. We asked many questions on resource, the reasoning behind changing the frequency of the plan and South Ribble Leisure.

Auditor's Annual Report

9. The committee considered a report of the External Auditor's which provided an assessment of the Council's value for money arrangements and opinion on the financial statement.
10. The External Auditor advised members that the report was retrospective and explained that in the previous report 2 statutory recommendations had been issued to the authority, however these had not been renewed. The External Auditors were satisfied the Council had made sufficient progress in those areas.
11. The External Auditors had identified some weaknesses in some of the Governance arrangements but reminded members the report was retrospective and was looking at 2021. The council had undertaken a lot of work in order to make improvements with just a couple of areas left to bring arrangements up to expected requirements. Two recommendations for improvement were issued for financial sustainability; refining formal reporting to members on sensitivity analysis and scenario planning and providing a clear distinction between controllable and non-controllable spending in the budgetary information to members.
12. Members asked if the waiver process had been amended in line with the External Auditor's recommendation, the Director of Governance explained that one recommendation had been implemented already with the waiver process amended. A waiver form had been introduced and amendments had been made, a new contract management system had also been implemented.

Local Code of Corporate Governance

13. The Director of Governance presented a report which sought to update members on the outcome of a review of the Local Code of Corporate Governance and sought approval of the code.
14. The Director of Governance explained the Council had adopted a local code for a number of years as it was best practice, although not required by statute. The code is reviewed each year in accordance with CIPFA guidance and members were asked to consider the revised document.

15. The Local Code of Corporate Governance was substantially the same as the previous version, however the appendix had now been moved into the body of the document for presentational reasons.

I would like to recommend that Council note the report.

Councillor Ian Watkinson
Chair of the Governance Committee

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