

**Minutes of Governance Committee**

**Meeting date** Tuesday, 27 September 2022

**Members present:** Councillors Ian Watkinson (Chair), Colin Sharples (Vice-Chair), Damian Bretherton, Alan Ogilvie, David Shaw, Margaret Smith and Kath Unsworth

**Officers present:** Chris Moister (Director of Governance), Louise Mattinson (Director of Finance and Section 151 Officer), Mark Lester (Director of Commercial), Dawn Highton (Shared Service Lead - Audit & Risk), Darren Cranshaw (Shared Services Lead - Democratic, Scrutiny & Electoral Services) and Jacqui Murray (Senior Auditor)

**Other attendees:** Councillors Michael Green (attended virtually), Keith Martin, Phil Smith, Mick Titherington (attended virtually) and Karen Walton

**External Auditor:** Georgia Jones (Grant Thornton PLC)s

**Public:** 0

**19 Apologies for absence**

None.

**20 Declarations of Interest**

None.

**21 Minutes of meeting Tuesday, 26 July 2022 of Governance Committee**

Councillor Margaret Smith referred to the previous minutes and advised that only three of the four matters arising had been completed. Councillor Smith explained that information had been sent on the day of the meeting and expressed disappointment at this.

In response, the Director of Governance and Monitoring Officer explained that he was still waiting for figures on staff absences and would share this information with members promptly. The Director of Governance apologised for the delay in sending the information to members.

**Resolved: (Unanimously)**

That the minutes are agreed as a correct record for signing by the Chair.

**22 Audit Progress Report and Sector Update**

The Council's External Auditors, Grant Thornton PLC, presented a report that provided members with an update on audit progress and a general sector update.

The External Auditor explained the audit for the financial statements was underway with good progress made with the assistance of the Council's finance team. The deadline for completing the audit is 30 November and it was anticipated the audit would meet the deadline. The External Auditor explained that there were no significant issues to report and they would present the full audit findings report to Governance Committee in November.

The External Auditor advised they had undertaken an assessment of the transactions and balances arising in South Ribble Leisure Limited (SRLL) for the year ending 31 March 2022 and determined that the group accounts would need to be audited. The External Auditors were expecting to receive those accounts within a week and would begin the audit.

Members sought clarification on the consolidated accounts for SRLL and asked if those figures would be independent from the authorities main set of accounts. The Director of Finance advised that there was a set of accounts for SRLL and these would be published on Companies House as required. Officers were currently compiling figures to produce group accounts for SRLL and these would be provided in due course.

Members asked the Director of Finance if she could provide information on the threshold for auditing SRLL.

**Resolved: (Unanimously)**

That the report be noted.

**23 Internal Audit Interim Report as at 31st August 2022**

The committee considered a report of the Service Lead (Audit and Risk) that sought to advise members of the work undertaken in respect of the Internal Audit Plan from April 2022 to August 2022 and to give an appraisal of the Internal Audit Service's performance to date.

The Service Lead (Audit and Risk) advised three reports had been finalised with one adequate rating, one limited rating and one substantial rating. Members noted the audit report which received a limited rating (Utilities Management) had been included as an appendix to the report. The Service Lead (Audit and Risk) explained that it was not unusual to see a limited report and other Governance Committee's across the North West would also be presented with these reports.

Members thanked the Service Lead (Audit and Risk) for a clear and comprehensive report.

Members expressed concern at the Utilities Management report and asked if there were any plans to recruit a property manager to look after the Council's portfolio. In response, the Director of Commercial explained that there had been an Assistant Director who had responsibility for estates and housing, however the post had become vacant and had not been filled. A management post had been created to look after those functions and recruited to through an agency, however the individual

left after a short period. Another individual had been interviewed and the authority were in the position to make an offer of employment.

The post would be for six months pending the implementation of the senior management capacity review and shared services exercise. The Director of Commercial explained that he was hopeful the staffing issues would be resolved through this process.

Members asked for clarification on the threats, fines and debt collection agency and asked if the action was against the Council or individual tenants. The Service Lead (Audit and Risk) explained that it did relate to council properties, but she would provide further information on specific fines and threats outside the meeting.

Members asked when all gas checks would be correct, with properties having the appropriate gas and electric certification. In response, the Director of Commercial advised that all tenants had been written too however, officers were reliant upon tenants providing the information.

Members asked to see a copy of the Workshop Record Management report, it was agreed this would be provided outside of the meeting.

Members asked if the insurance company was happy with the March 2023 deadline for the electric and gas certification. In response, the Service Lead (Audit and Risk) explained the insurance was currently being renewed, officers had informed the insurance company of the date and were awaiting feedback.

The Service Lead (Audit and Risk) advised she would look into the three properties of which the Council were paying the bills for and provide further information outside of the meeting.

**Resolved: (Unanimously)**

That the report be noted.

**24 Internal Audit Plan October 22- March 23**

The Service Lead (Audit and Risk) presented a report that set out the programme of work to be undertaken by the Internal Audit Service over a six month period.

The Service Lead (Audit and Risk) explained the plan was now prepared over a six month period to strengthen Internal Audit's approach to risk-based auditing ensuring that resources are focused on the highest risks within the Council. The approach also allows the plan to be accurately tailored to the resources available within each six month period.

In response to a member enquiry, the Service Lead (Audit and Risk) explained that audits would be selected based on the highest area of risk within the Council. Although some areas may score high risk on a risk assessment there are other ways Internal Audit can seek assurance and make a judgement as to whether the area needed auditing.

**Resolved: (Unanimously)**

That the committee approve the Internal Audit Plan.

Chair

Date