

**Minutes of Governance Committee**

**Meeting date** Tuesday, 28 November 2023

**Members present:** Councillors Colin Sharples (Chair), Wesley Roberts (Vice-Chair), Damian Bretherton, Peter Gabbott, Pete Pillinger, Margaret Smith and Angela Turner

**Officers:** Chris Moister (Director of Governance), Louise Mattinson (Director of Finance and Section 151 Officer), Jean Waddington (Principal Financial Accountant), Neil Halton (Principal Management Accountant) and Clare Gornall (Democratic and Member Services Officer)

**External attendees:** Matt Derrick (Public Sector Audit Senior Manager) (Grant Thornton)

**Other members:** Councillor Phil Smith (attending in person); and  
  
Councillors Lou Jackson, Elaine Stringfellow, Caleb Tomlinson, Matthew Tomlinson, and Karen Walton (attending virtually).

**Public:** 0

**28 Apologies for absence**

None.

**29 Declarations of Interest**

There were no declarations of interest.

**30 Minutes of the Last Meeting**

**Resolved:** That the minutes of the meeting held on 26 September 2023, be agreed and signed as a correct record.

**31 Draft Audit Findings Report 2022-2023**

Matt Derrick, External Auditor (Grant Thornton) presented the draft Audit Findings Report 2022-23.

Mr Derrick reported that there would need to be an adjustment to the accounts arising from the fact the pension fund valuation was now a £12.5m net asset (i.e. pension assets were now exceeding pension liabilities). Following a recent external assessment by the fund actuary, it had now been confirmed that the pension fund would not be categorised as an asset and a decision would need to be taken as to how this should be represented in the final Statement of Accounts.

It was noted that it was unusual for a pension fund to be in surplus. It was highlighted that pension investments were particularly sensitive to interest rates, so the value may have actually fallen since March 2022. Mr Derrick indicated that the Lancashire Pension Fund was revalued every 3 years.

Louise Mattinson, Director of Finance indicated that the Final Audit Findings Report 2033-23 with full Management Responses (including progress with regard to procurement recommendations), would be submitted to Governance Committee in January 2024.

Arising from a query in relation to a formal policy for cyber security (page 17), Louise Mattinson indicated that she had passed on the matter to the Director of Customer and Digital, Asim Khan, for a response.

**Resolved** – That the report be noted.

## **32 Statement of Accounts 2022/23**

Jean Waddington, Principal Financial Accountant, presented a report of the Director of Finance for approval of the Statement of Accounts 2022-23. As the external audit had not yet been fully completed, the report recommended that the Director of Finance, in consultation with the Chair of the Governance Committee, should approve any further non-material amendments to the Statement of Accounts, if necessary. However, if the Director of Finance is of the opinion that the amendments are material to the financial position of the council, Governance Committee should be reconvened to approve the new Statement of Accounts.

Ms Waddington explained that unfortunately, it would not be possible to meet the statutory deadline of publishing the Audited Statement of Accounts by 30 November 2023, however, it was hoped that would be actioned in December/January.

With regard to the pie charts on page 81 (“Where the money was spent” and “Where the money came from”), members requested that the actual figures be included rather than percentages.

With regard the financial risks identified arising from the Government’s annual financial settlement, Louise Mattinson stressed that the Council was lobbying central government for a longer term financial settlement.

Arising from a query regarding the financial standing of the council compared to other councils, Louise Mattinson indicated that she would circulate a copy of the CIPFA Resilience Report that provides comparison between South Ribble BC and its ‘nearest neighbour’ comparators – including Chorley Council. The report was based on the data published by CIPFA for 2021/22 and had been presented to the Committee on 23<sup>rd</sup> May 2023 – the same data was expected for 2022/23 around March/April 2024 which would be brought to Committee for review and information.

It was noted that New Longton had been omitted from the breakdown of geographical areas within the Narrative Report section of the Annual Statement of Accounts and would be included in the final report.

**Resolved:**

1. To approve the Statement of Accounts for 2022/23 (Appendix A), subject to any minor amendments identified during the final stages of the completion of the External Audit by Grant Thornton, which, in the opinion of the Director of Finance (Section 151 Officer), are minor in nature, i.e. defined as non-material to the finance position of the council;
2. To delegate authority to the Director of Finance, in consultation with the Chair of the Governance Committee, to make such amendments;
3. If amendments are identified during the final stages of the completion of the External Audit by Grant Thornton, which the Director of Finance considers to be material to the financial position of the council, the Governance Committee will be reconvened to approve the new Statement of Accounts;
4. To authorise the Director of Finance and Chair of Governance Committee to sign the Letter of Representation (Appendix B).

**33 Treasury Management Mid Year Review 2023/24**

Jean Waddington, Principal Financial Accountant presented a report of the Director of Finance on Treasury Management performance and compliance with Prudential Indicators for the period end 30 September 2023.

The report also presented monitoring figures for the quarter ended 30<sup>th</sup> September 2023, including updated interest rate forecasts from Link Asset Services.

**Resolved** : That the report be noted.

**34 Constitution Update**

The Director of governance, Chris Moister, presented a report informing members of proposed and consequential amendments to Part 2: Governance – how we run the Council and decisions in the Council's Constitution.

**Resolved:** That the Committee notes the proposed changes detailed in the report and recommends them to Full Council for approval.

Chair

Date