

DRAFT

MINUTES OF	GOVERNANCE COMMITTEE
MEETING DATE	Wednesday, 18 April 2018
MEMBERS PRESENT:	Councillors Alan Ogilvie (Chair), James Patten (Vice-Chair), Paul Foster, Caroline Moon, Margaret Smith and Karen Walton
OFFICERS:	Dave Whelan (Legal Services Manager/Interim Monitoring Officer) and Andy Houlker (Senior Democratic Services Officer)
OTHER MEMBERS AND OFFICERS:	Councillor Colin Clark (Deputy Leader of the Council and Cabinet Member for Corporate Support and Assets), Councillor Keith Martin, Councillor Phil Smith (Cabinet Member for Regeneration and Leisure), Councillor Susan Snape (Cabinet Member for Finance), Councillor Paul Wharton, Garry Barclay (Head of Shared Assurance Services), Jane Blundell (Deputy Section 151 Officer), Dawn Highton (Principal Auditor (South Ribble)), Lee Hurst (Principal Systems & Financial Accountant), Lisa Kitto (DCE (Resources & Transformation)), Heather McManus (Chief Executive), Simon Hardman (Grant Thornton PLC) (Grant Thornton PLC) and Mark Heap (Grant Thornton PLC)
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52 Apologies for absence

All members of the Committee were present.

53 Declarations of Interest

There were no declarations of interest.

54 Minutes of the Last Meeting

That subject to the inclusion of Councillor Susan Snape as being in attendance, the minutes of the Committee held on 31 January 2018 be approved as a correct record.

In respect of Minute 46, the Committee was advised that the risk register plan relating to the South Ribble City Deal was currently with the City Deal Executive and would be circulated to the Committee as soon as possible.

55 External Audit Progress Report and Sector Update

The Committee received a report from the Deputy Chief Executive (Resources and Transformation) on the External Audit Progress Report and Sector Update. This provided information from the Council's external auditors on progress in delivering their responsibilities and was attached at Appendix A, and included:

- a summary of emerging national issues and developments that may be relevant to local authority; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider

Appendix A also included information in relation to:

- 2017/18 statutory audit and VFM update
- certification of claims and returns
- accounts audit plan 2017/18
- update on technical and local authority matters

There had been regular meetings between Council officers and the external auditors and good progress had been made along with early testing. The Council was certainly further along the process than at this point last year.

It was confirmed that to date that the audit findings had found that nothing was required to be reported to internal audit (such as a deficiency in controls etc).

In respect of the value for money conclusions (page 17 of the agenda pack), the Committee was informed that without further investigation it would be hard to ascertain if it was the same local authorities in 2015/16 and 2016/17.

In the external auditors report in respect of the concept of proportionality (page 18 of the agenda pack), the external auditor's commented that local authorities needed to operate within the regulations and an increase in commerciality had been noted.

In the External Auditors' report (on page 20 of the agenda pack) there was reference to the Supply Chain Insights tool which the Council might take advantage of. The Committee was advised that this was a recent tool in which the Council was interested and was being monitored by its officers.

RESOLVED (Unanimously):

That the external auditors report be noted.

56 External Audit Plan 2017/18

The Committee received a report from the Deputy Chief Executive (Resources and Transformation) on the External Audit Plan 2017/18 which was attached at Appendix A. This included the content and timing of their statutory audit for the year ending 31 March 2018.

The plan was risk based and was materially similar to the plan last year and covered the following:

- Respective responsibilities
- Deep business understanding
- Risks identified
- Materiality levels
- Value for Money (VFM) arrangements
- Resourcing, timescales and Audit Fees
- Early Closure requirements

In respect of the identified significant risks on Page 3 of the report it was explained that these were not specific to South Ribble and were included in many action plans across the country.

The Committee was advised that there were regular meetings between Council officers and the external auditor around the Statement of Accounts and Annual Governance Statement and the Council was confident that it would meet the deadlines.

RESOLVED (Unanimously):

That the External Audit Plan 2017/18 be noted.

57 Internal Audit Plan 2018/19 and Internal Audit Charter

The Principal Auditor presented a report seeking the Committee's approval of the Internal Audit Plan 2018/19 and Internal Audit Charter. The plan and charter were attached to the report at Appendices 1 and 2 respectively.

The Committee was informed that whilst there was a change from last year in the split of the number of audit days for South Ribble and those for Shared Services overall it was unchanged.

In respect of City Deal, the Committee was informed that it was felt the number of days allocated in the plan was appropriate and if needed, this could be increased using contingency days.

RESOLVED (Unanimously):

That the Internal Audit Plan 2018/19 and Internal Audit Charter be approved.

58 Risk Management Framework

The Head of Shared Assurance Services presented a report to the Committee on the updated Risk Management Framework. This demonstrated further improvements and that the Council was ensuring that risk management was central to its day to day activity.

The Committee appreciated the recent informative Member Learning Hour on Risk Management Framework providing a better understanding and the opportunity to give input into the review process.

Whilst GRACE (governance, risk assessment, and control evaluation) indicated a timescale for the review of individual risks under Para 6 of the report, in reality there was ongoing action to mitigate risks. It was confirmed there had been a lot of staff awareness training which had included how to report/raise an identified risk.

RESOLVED (Unanimously):

That the updated Risk Management Framework be approved for adoption.

59 2017/18 Closure of Accounts - Approval of Accounting Policies to be included in the Statement of Accounts 2017/18

Further to Minute No.45, 31 January 2018, the Committee considered a report of the Deputy Chief Executive (Transformation and Resources) on the Statement of Accounting Policies to be included in the Statement of Accounts 2017/18.

These were minor changes listed in Section 4.5 of the report and identified as track changes in the policies document at Appendix A attached to the report. The Committee was also advised of future changes in the 2018/19 Accounting Code of Practice and subsequent years.

The Committee was pleased to see that external auditor's comments had been taken on board in the policies. It was confirmed that the policy changes and those forthcoming were not onerous on the Council.

RESOLVED (Unanimously):

That the Statement of Accounting Policies to be included in the Statement of Accounts 2017/18 be approved.

60 Notices of Motion

The Committee received a report from the Interim Monitoring Officer on a suggested change to the Council's Constitution regarding the rules relating to Notices of Motion.

Whilst the existing rules stipulated a deadline for the submission of Notices of Motion to be considered at a meeting of the Council, this did not extend to any amendments to a Motion. The suggested change was that a deadline be introduced for the submission of an amendment to a Motion. This followed concerns about the late submission of amendments to Motions at recent meetings of Council and the subsequent debate. The Committee discussed the merits of introducing a deadline for the submission of an amendment. However, whilst understanding the rationale it was felt on balance that the introduction of a deadline would remove flexibility and the means to resolve the recent issues was really with members using the existing rules.

RESOLVED (Yes: 4, No: 2)

That no change be made to the Council's Constitution regarding the rules relating to Notices of Motion.

61 Access to Information Procedure Rules

The Committee received a report from the Interim Monitoring Officer on revised wording for the Access to Information Procedure Rules. These were minor amendments aimed to improve clarity and reducing duplication. The Committee was pleased to note the amendments relating to late reports and to the publication of minutes.

RESOLVED (Unanimously):

That the revised Access to Information Procedure Rules attached at Appendix A to the report be agreed and now be recommended to Council for approval.

62 Whistleblowing Policy

The Committee received a report from the Interim Monitoring Officer on the updated Whistleblowing Policy attached at Appendix A to the report.

In respect of Para 4.1 (How does an employee raise a concern) it was suggested that the policy be amended to include, through their trade union as it was felt the trade union would be able to give advice/support to an employee about a concern.

Regarding monitoring and reviewing the policy it was suggested that the Monitoring Officer include reference to the policy in the Annual Report to the Standards Committee.

RESOLVED (Unanimously) that:

1. the updated Whistleblowing Policy with an amended Para 4.1 (as indicated above) be approved; and
2. the Monitoring Officer monitor and review the Whistleblowing Policy and in future reference to the policy be included in the Annual Report to the Standards Committee.

Chair

Date