
GOVERNANCE COMMITTEE
MINUTES OF THE MEETING HELD ON 11 FEBRUARY 2019

Present: Councillors Keogh (Chair), Kataria (Vice-Chair), Noon, Parnell (minutes 38 - 43), White and Whitbread (minutes 38 – 45)

Apologies: Councillors Harwood

38. **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

RESOLVED: that the minutes for the Committee meeting on 12th November 2019 be approved and signed as a correct record.

39. **QUARTERLY HR STATISTICS**

The Committee received and noted the report of the Service Director Human Resources and Organisational Development detailing Quarter 3 Human Resources statistics and included additional summary information on levels of staff sickness as requested by the Committee.

The Committee noted that there had been 7 dismissals 3 of which were sickness related. The Committee expressed their dissatisfaction at the high levels of sickness across the Authority. The Committee noted that there was a lot of work being undertaken to address the issue including a task group established, a review of the reasonable adjustment policy, attendance workshops and targeted key intervention in known “hot spots”. The Committee also noted that last year had seen Transaction and Universal Services as a targeted area for key intervention work and statistics had significantly improved, the focus for the forthcoming year was Adult Services and Children and Families.

The Committee requested that with effect from the next quarter comparative data with other local authorities be included together with an update from the task group on the impact the group was having. The Committee also requested that the Attendance Policies be circulated to Members of the Committee outside of the meeting.

40. **ANNUAL GOVERNANCE STATEMENT 2018-19**

The Committee considered the report of the Chief Financial Officer detailing the Annual Governance Statement 2018-19 in accordance with the Accounts and Audit Regulations. The Annual Governance Statement reports on the extent to which the Council has complied with its Code of Corporate Governance, including how it was monitored and evaluated the effectiveness of its governance arrangements in the year and on any planned changes in the coming period.

RESOLVED:

- (i) That the assurance gathering process to support the development of the 2018-19 Annual Governance Statement as detailed in Appendix 1 of the report be approved; and
- (ii) That the status of the agreed actions arising from the 2017-18 Annual Governance Statement as detailed in Appendix 2 of the report be noted.

41. **TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS 2019/20 TO 2022/23**

The Committee considered the report of the Section 151 Officer detailing the Treasury Management Strategy and Prudential Limits 2019/20 to 2022/23 and set out the context within which the Council's treasury management activity operated and set out a proposed strategy for the coming year in relation to cash flow, investment and borrowing, and the management of the associated risks, including the loss of invested funds and the revenue effect of changing interest rates. The Panel noted that Appendices 1 and 5 were new to the report as these were now a requirement of the CIPFA Code of Practice for Treasury Management in the Public Services.

The Committee particularly noted that moving forward Governance Committee would be responsible for approving the Treasury Management Report and its updates opposed to recommending to Council for approval. There was also a suggestion being discussed with Group Leaders that a cross party discussion group would be helpful if an alternative strategy needed to be developed.

The Committee also noted that currently within the Strategy there was no provision for anything such as a LATCO and parameters were being put in place for such things should they be pursued.

The Committee noted that the HRA Cap had been removed and there was a task and finish group in place to monitor this. Existing schemes were required to operate within the gap they had been given and any new schemes would be reviewed by the task and finish group, would need to be self-funding and as part of the budget papers published for the Budget setting would require the schemes to come to Governance Committee for sign off.

The Committee also noted that all Governance Committee Members would be required to attend Treasury Management training at the start of the Municipal Year given they would now be approving the Treasury Management Strategy going forward.

RESOLVED:

- (i) That the Treasury Strategy (TS) for 2019/20 as outlined in the report be endorsed;
- (ii) That the 2019 Minimum Revenue Provision (MRP) Statement as detailed in paragraphs 106 to 115 be endorsed;
- (iii) That the Investment Strategy (IS) as detailed in paragraphs 87 to 105 be endorsed;
- (iv) That the indicators as reported had been set on the assumption that the recommendations in the Capital update report would be approved by Council on 20th February 2019 be noted. Should the recommendations change the Prudential Indicators may have to be recalculated;
- (v) That due to timing of this report, changes may still be required following the finalisation of capital and revenue budgets and therefore any significant changes to this report would be highlighted in the final version that was presented to Council be noted;
- (vi) That the proposal within the Capital Strategy report, that Governance Committee have delegated authority to approve future Treasury Strategy Reports and associated Prudential Indicators be endorsed; and

- (vii) That the proposal to explore an alternative Treasury Strategy to generate additional income that could support local services whilst maintaining a prudent approach be endorsed.

42. **EXTERNAL AUDIT ANNUAL CERTIFICATION**

The Committee received and noted the report of the External Auditor detailing the Annual Report on the Certification of Claims and Returns 2017/18 as detailed in Appendix 1 of the report.

43. **EXTERNAL AUDIT PROGRESS REPORT**

The Committee received and noted the External Auditor report detailing the External Audit Plan for year ending 31st March 2019 as detailed in the appendix to the report.

44. **PROCUREMENT AUDITS - UPDATE**

The Committee considered the report of the Service Director Digital and Business Operations detailing progress against the actions set out in the following reports collectively referred to as "The Audit Reports" for the purposes of this report:-

- Procurement – sub £100k spend
- Contract Framework and Procurement Audit
- External Audit

The Committee noted that many of the findings set out in the above reports had the same or similar causes and therefore the same and/or inter-related actions had been identified to address the issues. This report therefore represented a consolidated approach to updating the Governance Committee on progress against the three audits.

The Committee requested that data relating to various spending levels and broader categorisation be circulated to members outside of the meeting.

RESOLVED:

- (i) That the significant progress in improving compliance with the Council's procurement policies and rules be noted;
- (ii) That the progress against the majority of other actions agreed as a result of the Audit Reports be noted;
- (iii) That further remedial actions which were being implemented be noted; and
- (iv) That the proposals for the future reporting of progress and results to the Governance Committee be noted.

45. **EXCLUSION OF THE PRESS AND THE PUBLIC**

RESOLVED: that the Chair moved in accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of appendix 2 of the following item.

Confidentiality was based on Categories 1, 2, 3 and 7 of paragraph 10.4 of the Access to Information Procedure Rules. The information contained therein was potentially exempt as it related to information relating to an individual, information likely to disclose the identity of an individual and information relating to the financial or business affairs of any person including the Authority and contracts and contractors. Having applied the public interest test it was not appropriate to disclose this information.

46. **INTERNAL AUDIT PROGRESS REPORT 2018-19**

The Committee received and noted the report of the Chief Internal Auditor detailing the Internal Audit Progress Report for the period 30th October 2018 to the 30th January 2019 as detailed in Appendix 1 of the report. The Committee requested that in relation to exceptions that were open and in progress that the Service Area was detailed.

The Committee also noted Appendix 3 of the report which provided details of an audit undertaken at Mount Pleasant Primary School which had given “no assurance”. The Committee noted that the Cabinet Member for Aspiration, Schools and Lifelong Learning was looking at an audit cycle/process offer for schools together with details contained in the budget papers for a one off one year funding for a school improvement and finance officer which could potentially also be of support.

The Committee moved into confidential session for consideration of confidential appendix 2 of the report.