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**GOVERNANCE COMMITTEE**  
**MINUTES OF THE MEETING HELD ON 24 JULY 2023**

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**Present:** Councillors Frampton (Chair), P Baillie, Chapman, Deness, McCreanor, Noon and Rayment

1. **APOLOGIES AND CHANGES IN MEMBERSHIP**

Apologies were received from Councillor McEwing.

The Panel noted the resignation of Councillor McEwing and the appointment of Councillor Noon in place thereof in accordance with the provisions of Council Procedure Rule 4.3.

2. **ELECTION OF VICE-CHAIR**

**RESOLVED:** that Councillor McCreanor be appointed Vice-Chair for the forthcoming Municipal Year.

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

**RESOLVED:** that the minutes for the Committee meeting on 24<sup>th</sup> April 2023 be approved and signed as a correct record.

4. **CIPFA REVIEW OF FINANCIAL MANAGEMENT**

The Committee considered the report of the Executive Director Corporate Services and Section 151 officer detailing the CIPFA Review that had been undertaken and presented to Full Council on 19<sup>th</sup> July 2023 as part of the update on the Medium-Term Financial Strategy (MTFS) and The Financial Procedure Rules (FPRs) which were interconnected with the measures taken in response to the CIPFA Review and the Financial Strategy.

The Committee noted that the report referred to the action plan that was to be put in place and questioned when the timeframe for this would be available, it was noted that this was still awaited from CIPFA. The Committee therefore recommended that an additional recommendation be added to the report requesting that an update position on the action plan and identified savings for each Directorate be presented to the next meeting.

**RESOLVED:**

- (i) That the CIPFA report and further work to finalise the report be noted;
- (ii) That the changes to the Financial Procedure Rules be noted; and
- (iii) That a position update report be presented to the next meeting detailing the action plan and identified savings for each Directorate.

5. **EXTERNAL AUDIT – VALUE FOR MONEY ARRANGEMENTS UPDATE JULY 2023**

The Committee considered the report of the External Auditor detailing the External Audit – Value for Money Arrangements Update following concerns that were raised at the 24<sup>th</sup> April Governance Committee regarding the Council's financial sustainability.

The report presented the External Auditors updated observations following publication of the Council's Medium Term Financial Strategy update at 19<sup>th</sup> July Council meeting.

The Committee referenced internal investment/savings and indicated that it appeared there were high numbers of staff on long term sickness and suspension and requested that a data report be presented to the next meeting detailing staff sickness and suspensions numbers.

**RESOLVED:**

- (i) That the External Audit Value for Money Update be noted; and
- (ii) That a data report be presented to the next meeting detailing staff sickness and suspension numbers across all Directorates.

6. **ANNUAL INTERNAL AUDIT OPINION 2022-23**

The Committee considered the report of the Chief Internal Auditor detailing the Annual Internal Audit Opinion 2022-23. The report also provided an update on the internal audit work carried out since the last reporting period.

The wCommittee referred to the Housing Voids and the action plan that was in place to deal ith these and the associated cost savings that could be made if dealt with and requested an update on the implementation of the action plan at the next meeting.

**RESOLVED:**

- (i) That the Chief Internal Auditor's Annual Audit Opinion for 2022-23 be noted; and
- (ii) That a progress report be presented to the next meeting detailing the implementation of the Housing Voids Action Plan.

7. **DRAFT STATEMENT OF ACCOUNTS 2022/23**

The Committee considered the report of the Executive Director Corporate Services detailing the Draft Statement of Accounts 2022/23 and noted that the annual audit carried out by external auditors Ernst & Young LLP was expected to commence August 2023 to be completed in October 2023, any major changes to the Statement of Accounts arising from the annual audit were expected to be reported to 13<sup>th</sup> November Governance Committee.

**RESOLVED:**

- (i) That the draft Statement of Accounts 2022/23 had been signed by the Deputy S151 Officer be noted; and
- (ii) That the audited Statement of Accounts 2022/23 was expected to be presented to Committee on 13 November 2023 for approval.

8. **DRAFT ANNUAL GOVERNANCE STATEMENT 2022-23**

The Committee considered the report of the Executive Director Corporate Services detailing the Draft Annual Governance Statement 2022/23 in accordance with the requirements of the Accounts and Audit Regulations that required the Council to develop and publish an Annual Governance Statement (AGS).

The Committee referred to the Governance Issue raised in 2022 when the Council through the Local Government Association commissioned the Centre for Governance and Scrutiny to undertake an informal peer review to assist the Council to consider how it might enhance its approach to Governance and Decision Making. The final report was presented in November 2022 which following that a 10-point Action Plan was formulated and agreed in February 2023 by political Group Leaders to be implemented incrementally over the next 6 months with target for completion being Autumn 2023. Considering this the Committee requested a report detailing the progress and position update to the next meeting.

**RESOLVED:**

- (i) That the draft 2022-23 AGS as detailed in Appendix 1 of the report be noted;
- (ii) That the status of the agreed actions from the 2021-22 AGS as detailed in Appendix 2 of the report be noted; and
- (iii) That an update report detailing the progress and position regarding the 10-point Action Plan following the informal peer review be presented to the next meeting.

9. **REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT OUTTURN 2022/23**

The Committee received and noted the report of the Executive Director of Corporate Services and Section 151 Officer detailing the Review of Prudential Limits and Treasury Management Outturn 2022/23. The Committee also noted the Treasury Management activities for 2022/23 and the outturn on the Prudential Indicators and the continued proactive approach to Treasury Management had led to reductions in borrowing costs and safeguarded investment income during the year.