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**GOVERNANCE COMMITTEE**  
**MINUTES OF THE MEETING HELD ON 29 JULY 2019**

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**Present:** Councillors Keogh (Chair), Kataria, Harwood, White and Professor Margetts

**Apologies:** Councillors G Galton and Spicer

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

**RESOLVED:** that the minutes for the Committee meeting on 10<sup>th</sup> June 2019 be approved and signed as a correct record.

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

The Committee received and noted the report of the Chief Financial Officer detailing the Annual Governance Statement for 2018-19. The Committee noted that the Accounts and Audit Regulations required that the Council developed and published an Annual Governance Statement and the extent to which the Council had complied with its Code of Corporate Governance.

The Committee particularly noted that the Annual Performance Appraisal Process was still not fully embedded across the Council with some inconsistencies across service areas in terms of compliance. The Committee requested that a more detailed report be presented to a future meeting detailing the process, impact on career progression and an appraisal breakdown of stats across the Council service areas.

12. **FINANCIAL STATEMENTS FOR 2018/19**

The Committee received a presentation from the Section 151 Officer and Helen Thompson, Ernest Young External Auditors detailing why it had not been possible to sign off the final Financial Statements for 2018/19 by 31<sup>st</sup> July 2019 deadline.

It was noted that the 31<sup>st</sup> July deadline was not a statutory completion deadline but one that accounts must be published by, with either an audited opinion or a statement as to why they had not yet been audited, therefore the accounts would be published by 31<sup>st</sup> July 2019 with a statement that had been agreed by both the Council and Ernest Young as to why there was not an audited opinion. The Committee also noted that there were no legal or financial consequences of the accounts not being audited by this date.

The Committee noted that Ernest Young had been unable to complete the audit on time due to significant staffing issues at senior levels and not being able to successfully recruit had impacted on the work of the organisation. Aside it was noted that a number of authorities were in a similar position this year as there appeared to be a national issue in terms of recruitment of external auditors.

The Committee noted the reasons that had been provided by Ernest Young and the commitment to have finalised the audit by the end of September 2019. It was agreed that in order to facilitate the full signing off of the accounts the scheduled Governance Committee for 9<sup>th</sup> September would be moved to 30<sup>th</sup> September 2019.

13. **ANNUAL INTERNAL AUDIT OPINION 2018-19**

The Committee considered the report of the Chief Internal Auditor detailing the Annual Internal Audit Opinion for 2018-19. The Committee noted that the opinion remained as Limited Assurance and particularly noted the key areas of concern that remained as detailed in section 5 of the appendix. The Committee also noted that some of the audits in progress with an implementation action plan would be impacted upon by other projects such as Business World as an example.

The Committee recognised improvements that were taking place but concluded that the Limited Assurance Opinion was correct and tied in with the Annual Governance Statement. The Committee were concerned at the numbers of repeated Limited Assurance which was not acceptable and indicated that Service Directors needed to attend future meetings of the Committee to address the issues.

**RESOLVED:**

- (i) That the Annual Audit Opinion for 2018/19 be noted; and
- (ii) That the Chair of the Committee work with officers to develop a timetable for attendance of Service Directors where Limited Assurance remained.

14. **PROJECTS & PROGRAMMES QUARTERLY REVIEW**

The Committee received and noted the report of the Interim Director Finance and Commercialisation detailing the Project and Programme Quarterly Report which were in formal stages of project governance as reported to the Council Management Team Programme Board.

15. **HR QUARTERLY STATISTICS**

The Committee considered the report of the Service Director Human Resources and Organisational Development detailing the Human Resources Statistics for Quarter 1 of 2019/20.

The Committee particularly noted the sickness data and the two case studies examples that had been provided following a request from the Committee. The Committee remained concerned at the high levels of sickness in some service areas despite action plans in place and the comparison to the public sector average which was also significantly higher.

**RESOLVED:**

- (i) That the report be noted; and
- (ii) That the Service Directors be invited to attend future meetings of this Committee where their service area has a high sickness level above the public sector average starting with the Service Director of Transactions and Universal Services.