
GOVERNANCE COMMITTEE
MINUTES OF THE MEETING HELD ON 30 JULY 2018

Present: Councillors Keogh (Chair), J Baillie, Harwood, Noon, Laurent and Whitbread

Apologies: Councillors Kataria

13. **APOLOGIES AND CHANGES IN MEMBERSHIP**

The Committee noted the resignation of Councillors Parnell and White and the appointment of Councillors Laurent and J Baillie respectfully in place thereof in accordance with the provisions of Council Procedure Rule 4.3.

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

RESOLVED: that the minutes for the Committee meeting on 11th June 2018 be approved and signed as a correct record.

15. **FREEDOM OF INFORMATION, DATA PROTECTION & REGULATION OF INVESTIGATORY POWERS ACTS: ANNUAL REVIEW 2017-18**

The Committee received and noted the report of the Director of Legal and Governance detailing statistical information for the financial year 2017/18, the thirteenth year of implementation of the Freedom of Information Act and associated legislation. The report also detailed statistical information on requests received under the Data Protection Act 1998 and the Council's activity under the Regulation of Investigatory Powers Act 2000. In addition the report provided Members with an awareness of the implementation of the new Data Protection legislation in May 2018, the General Data Protection Regulation and the Data Protection Act 2018 and the impact on the Council.

16. **FINANCIAL STATEMENTS FOR 2017/18**

The Committee considered the report of the Section 151 Officer (S151) detailing the Financial Statements 2017/18. The Committee noted that in accordance with the Accounts and Audit Regulations 2015 Financial Statements had been signed by the S151 Officer on 8th May 2018 which was earlier than the statutory requirement to have the statements signed by 31st May. The Committee noted that the year-end audit, carried out by Ernst Young Auditors had commenced on 21st May 2018 and was due to be completed prior to this meeting. The report detailed the findings to date, noted in the draft annual report of any major changes to the Financial Statements arising from the annual audit and any further changes would be presented at the meeting. The Committee particularly noted that Studio 144 had been reclassified from an Investment Property (IP) to Property (P) and a consequential change in basis of valuation and that since publication of the report the Council at its Full Council meeting on 18th July 2018 had terminated its contract with Capita.

RESOLVED:

- (i) that the changes to the Financial Statements 2017/18 as a result of the annual audit as detailed in paragraphs 5-8 and appendix 1 of the report be noted;
- (ii) that the audited Financial Statements 2017/18 be approved;

- (iii) that the Committee receive a report from management at a future date regarding the plans being put in place to address the value for money conclusion; and
- (iv) that the team be congratulated for their hard work in achieving early sign off of the accounts.

17. **ANNUAL GOVERNANCE STATEMENT 2017-18**

The Committee considered the report of the Chief Financial Officer detailing the Annual Governance Statement 2017/18 which in accordance with the Accounts and Audit Regulations the Council was required to develop and publish.

RESOLVED: that the final draft of the 2017/18 Annual Governance Statement as detailed in Appendix 1 of the report be approved.

18. **EXTERNAL AUDIT - AUDIT RESULTS**

The Committee considered the report of the External Auditor summarising the findings from the 2017/18 audit and which provided an overview arising from the audit of the Council's Financial Statements and the results of the work undertaken to assess the Council's arrangements to secure value for money in its use of resources.

The Committee noted that the letter of representation which had been circulated with the papers and required approval needed to be amended to reflect recent events that had taken place with the Council and Capita. To discuss the detail of the amended letter of representation the Committee were required to enter into confidential session.

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 discussions relating to the letter of representation based on Category 3 of Paragraph 10.4 of the Access to Information Procedure Rules. The information contained therein was potentially exempt as it related to Information relating the Financial or Business Affairs of any particular person (including the Authority holding that information). Having applied the public interest test it was not appropriate to disclose the information.

RESOLVED:

- (i) That the external auditor's "Audit Results Report" as detailed in Appendix 1 of the report be noted;
- (ii) That the amended letter of representation as discussed in confidential session be approved; and
- (iii) That the revised "Audit Opinion" be circulated to Members of the Committee.

19. **ANNUAL INTERNAL AUDIT OPINION 2017-18**

The Committee received and noted the report of the Chief Internal Auditor detailing the Annual Internal Audit Opinion 2017/18 which was required in accordance with the Public Sector Internal Audit Standards on an annual basis to provide an opinion on the adequacy and effectiveness of the Council's framework of risk management, internal control and governance.

The Committee noted that the annual opinion for 2017/18 was that "limited assurance" could be provided. Four audit opinion levels were in place and these were: no assurance, limited assurance, reasonable assurance and full assurance. Where there

were mainly medium or low risk exceptions the annual audit opinion would be reasonable or full assurance. During the course of the year 78 high risk exceptions were raised along with 34 medium and 19 low hence the “limited assurance” however the Committee noted that this was in keeping with similar Unitary Authority comparators.

The Committee requested that within the next annual report there be a reminder of the “high risks” albeit they noted these would have been detailed in the progress reports throughout the year.