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

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**Present:** Councillors Shields (Chair), Furnell (Vice-Chair), McEwing, D Galton and White

30. **APOLOGIES AND CHANGES IN MEMBERSHIP**

Apologies were received from Councillor Denness.

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

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

**RESOLVED:** that the minutes for the Committee meeting on 13<sup>th</sup> February 2023 be approved and signed as a correct record.

32. **ANNUAL REVIEW OF THE CONSTITUTION**

The Committee considered the report of the Director of Legal, Governance and HR and Monitoring Officer detailing the Annual Review of the Constitution which would be presented to the Annual General Meeting of Council for adoption following consideration by Governance Committee.

The Committee noted the proposed changes within the report and referred to the proposals regarding Executive Business Report and Questions from Members.

**RESOLVED:** that the proposed changes to the Constitution be recommended to Council for adoption.

33. **EXTERNAL AUDIT - 2021/22 AUDIT RESULTS REPORT**

The Committee received and noted the report of the External Auditors detailing the 2021/22 Audit Results and key messages arising from the audit of the Council's financial statements and the work undertaken to assess the Council's arrangements to secure value for money in its use of resources.

The Committee also noted that the action plan was still not completed and needed to be as soon as possible.

34. **EXTERNAL AUDIT - 2021/22 INTERIM AUDITOR'S ANNUAL REPORT**

The Committee received and noted the report of the External Auditors detailing the 2021/22 Interim Auditors Annual Report and particularly identified significant weakness in the Council's value for money arrangements for 2022/23 and made recommendations thereon.

The Committee noted that the former S151 Officer had highlighted concern regarding value for money and identified severe weakness. The new S151 Officer had brought CIPFA in who were currently undertaking a robust review of the financial organisation of the Council with their report being due first week in May. The report would be shared

with the Administration following the all-out Elections on 4<sup>th</sup> May and a report brought to this Committee's next meeting which would include a financial improvement plan.

35. **STATEMENT OF ACCOUNTS 2021/22 UPDATE**

The Committee considered the report of the Executive Director Corporate Services detailing the Statement of Accounts 2021/22 and an update on the latest position.

It was noted that the draft statement of accounts for 2021/22 for the Council were presented to the Governance Committee at its meeting on 26 September 2022. At that time the audit of the statement was substantially completed and the Committee approved the statement of accounts, however in recognition that some final audit work was still needed accepted the recommendation that "the Executive Director for Finance, Commercialisation & S151 Officer, after consultation with the Chair of the Committee, could make any further minor changes to the Statement of Accounts 2021/22 that may arise during completion of the audit." Since September, the audit had been unable to be completed, largely due to accounting issues beyond the control of the authority.

**RESOLVED:**

- (i) That the update on the Statement of Accounts 2021/22 be noted.
- (ii) That the rationale for not correcting the audit difference relating to investment properties in paras 7 and 8 be approved.
- (iii) that the Executive Director Corporate Services, after consultation with the Chair of the Committee, be authorised to make any further minor changes to the Statement of Accounts 2021/22, including any technical accounting adjustments that have no impact on the 2021/22 General Fund or HRA outturn position, that may arise during completion of the audit.

36. **ANNUAL INTERNAL AUDIT PLAN 2023-24**

The Committee considered the report of the Chief Internal Auditor detailing the Annual Internal Audit Plan 2023-24 and the Internal Audit and Counter Fraud Charter and Code of Ethics 2023-24.

The Committee noted that there was a minor amendment to recommendation (ii) of the report in that the Committee were being asked to "note" the Internal Audit and Counter Fraud Charter and Code of Ethics as set out in Appendix 2 of the report as opposed to "approve".

**RESOLVED:**

- (i) That the provisional Annual Internal Audit Plan for 2023-24 as set out in Appendix 1 be approved.
- (ii) That the Internal Audit and Counter Fraud Charter and Code of Ethics as set out in Appendix 2 be noted.