

## GOVERNANCE COMMITTEE

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Monday, 22 April 2024

### GOVERNANCE COMMITTEE

A meeting of the Governance Committee was held on Monday, 22 April 2024 at the Civic Centre, Ridley Street, Redcar, Yorkshire, TS10 1TD.

**PRESENT** Councillor C Morgan (Chair)  
Councillors P Berry (Vice-Chair), P Chaney,  
J McCue, G Nightingale, C Richardson, V Rider,  
C Monson and I Lavelle.

**OFFICIALS** P Winstanley, S Newton, V Smith, G Barker and  
M Thomas, A Philips, S Buckworth, D Clubb, P  
Jeffrey, J Collins and S Connolly

#### APOLOGIES FOR ABSENCE

There were no apologies for absence.

1 **TO CONFIRM THE MINUTES OF THE MEETING HELD ON 5  
FEBRUARY 2024 AND TO CONFIRM THE ATTENDANCE MATRIX**

**RESOLVED** that the minutes and attendance matrix for the Governance Committee meeting held on 5 February 2024 be confirmed and signed by the Chair as a correct record.

2 **TO CONFIRM THE MINUTES OF THE ASSESSMENT SUB  
COMMITTEE HELD ON 26 MARCH 2024**

**RESOLVED** that the minutes of the Assessment Sub-Committee meeting held on 26 March 2024 be confirmed and signed by the Chair as a correct record.

3 **DECLARATIONS OF INTEREST.**

There were no declarations of interest.

4 **INTERNAL AUDIT 2024/25 INDICATIVE WORK PROGRAMME  
(VERITAU)**

The Assistant Director, Audit Assurance (Veritau) presented a report seeking approval for the programme of internal audit work to be undertaken in 2024/25.

A debate took place on the issues contained in the report. Some of the

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matters raised and discussed included:

- The follow up review to ensure that previously agreed actions regarding volunteers had been implemented.
- A Member noted the slippage of target dates and requested assurance that progress is being made. Members were advised that a detailed progress report would be provided at the next meeting of Governance Committee.
- Members were advised that a review of previous years' work would be presented at the meeting scheduled for 22 July 2024.
- A Member requested that the Council's Asset Strategy be considered as part of the 2024/25 work programme.
- The scope for work relating to the Planning Department would be presented for consideration at a future meeting of the Governance Committee.

**RESOLVED** that Governance Committee:

- Approves the internal audit work programme for 2024/25
- Notes the counter-fraud work programme for 2024/25
- Notes the update on the Global Internal Audit Standards

### 5 **VERBAL UPDATE ON THE 2022/23 AUDIT (MAZARS)**

The External Audit Director provided a verbal update on outstanding audit matters, which covered the most up-to-date position.

Further to receipt of the pension fund letter of assurance from the auditors of the Teesside Pension Fund, the external auditor would move to complete the audit for the 2022/23 accounts in line with the delegated authority agreed at the meeting of Governance Committee held on 5 February 2024.

National Audit Office clearance had been received for the 2021/22 accounts and the certificate would be issued in the coming weeks.

The external auditor thanked the officers from RCBC Finance Department for their assistance with the process; **NOTED**.

### 6 **DRAFT AUDITOR'S ANNUAL REPORT 2022/23 (MAZARS)**

The External Audit Director presented a report summarising work undertaken for the Council for the year ended 31 March 2023. This was a draft report as MAZARS had not yet issued its audit opinion, which was anticipated to be issued shortly.

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A debate took place on the issues contained in the report. Some of the matters raised and discussed included:

- Financial sustainability of the purchase of Eston Precinct in light of the problems caused by speculative investments across other authorities. Members were advised that, unlike the investments referred to by the Member, this investment would not be used to underpin the revenue budget and was a regeneration project.
- Referring to recommendations regarding financial sustainability, Members were advised that there were two purposes for them – first, to highlight the importance of efficiencies and second, as a marker for the future to highlight the difficult financial position the Council is facing; **NOTED**.

7 **REVIEW OF ACCOUNTING POLICIES & FINANCIAL ACCOUNTS UPDATE 22/23**

The Finance Director provided an update on the 2022/23 financial accounts, the key dates for the Council to produce draft and audited financial accounts for 2023/24 and Accounting Policies for the financial accounts process in 2023/24 and future years.

Members noted forthcoming changes to accounting policy regarding lease arrangements; **NOTED**.

8 **CORPORATE RISK MANAGEMENT AND RISK REGISTER UPDATE**

The Assistant Director for Corporate Services presented a report updating Members on the current corporate risks. Members were asked to note the bi-annual update of the current corporate risk register and update on red risks, consider and approve the revised risk management policy and note the Rating a Risk guidance document.

The following points were noted:

- Changes to the categorisation of coastal erosion would be monitored, with a move back to red category if required.
- The 'how to rate a risk' guidance was provided in response to Member requests to understand how risks are rated.
- A Member asked where risks relating to out of county residential placements for SEN children were currently monitored, as they were no longer reported on the risk register. Members were advised that it was reported as part of the Medium-Term Financial Plan.
- In relation to school exclusions, Members were advised that the Delivering Better Value programme had been implemented to support local authorities and their partners improve delivery of

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SEND and to ensure that services are financially sustainable.  
RCBC was part of tranche 2 and work was in its early stages.

- A Member requested reports detailing reasons for the movement of risks from red to amber category; **NOTED**.

### 9 **CORPORATE COMPLAINTS AND COMPLIMENTS AND VEXATIOUS PROCEDURES UPDATE**

The Assistant Director for Corporate Services presented the Corporate Complaints and Compliments and Vexatious Complaints Procedures and requested that Members note changes made following an update to the Local Government and Social Care Ombudsman's Complaint Handling Code.

The Committee were advised that the Governance Director would be the nominated officer and Governance Committee the nominated Member.

The following comments were noted:

- A Member expressed concern at the loss of stage 3 panel, as this gives complainants an opportunity to have their say, and for elected Members to scrutinise officer decisions. Members were advised that the new system was implemented to improve consistency across authorities and that scrutinising the process would be a job for Governance Committee; **NOTED**.

### 10 **COMMITTEE WORK PROGRAMME.**

The work programme for 2024/25 was noted.

### 11 **ANY ITEMS THE CHAIR CERTIFIES AS URGENT.**

There were no issues certified as urgent.