**Annex 1**

**Meeting of the Full Council - Thursday 26 October 2017**

**Report of the Audit and Governance Committee meetings on 31 July 2017 and 25 September 2017**

**Chair: County Councillor Alan Schofield**

**Meeting held on 31 July 2017**

**Approval of the Council's Statement of Accounts 2016/17**

The Committee considered a report setting out, for approval, the County Council's Statement of Accounts for 2016/17.

**Resolved: -** That:

1. Any subsequent amendments as a result of the councils out turn report should be completed by the Director of Financial Resources following consultation with the Chair and Deputy Chair;
2. The Lancashire County Council Statement of Accounts for 2016/17 be approved and signed by the Chair of the Committee.

**Approval of the County Council and County Pension Fund Letters of Representation 2016/17**

The Committee considered a report setting out, for approval, the County Council and Lancashire County Pension Fund Letters of Representation for 2016/17.

**Resolved: -** That the management representation letters, as set out at Appendices 'A' and 'B', to the report now presented, be approved and duly signed.

**External Auditor's Annual Audit Findings for Lancashire County Council 2016/17**

The Committee considered a report on the external auditors annual audit findings for Lancashire County Council for 2016/17.

**Resolved: -** That:

1. The external audit findings report covering the audit of the County Council for year ended 31 March 2017, be noted;
2. The adjustments to the financial statements and the other issues raised by the external auditor, as set out in the report presented, be noted.

**External Audit - Lancashire County Council Pension Fund Audit Findings Report 2016/17**

The Committee considered a report setting out details of the audit findings in relation to the accounts of the Lancashire County Pension Fund.

**Resolved: -** That the external audit findings report covering the audit of the Lancashire County Pension Fund for year ended 31 March 2017 be noted.

**External auditor appointment process**

The Committee considered a report setting out details of the process for the appointment of an external auditor.

**Resolved: -** That the Director of Financial Resources in consultation with the Chair of the Committee is authorised to respond to the PSAA's consultation on the proposed appointment of an external auditor for the council, and subsequent consultations as necessary.

**Actions to enhance the Committee's effectiveness as an element of the Council's Governance Framework**

The Committee considered a report on the effectiveness of the Committee following an assessment by the Internal Audit Service.

**Resolved: -** That:

1. The revised terms of reference, including the change of name to the Audit, Risk and Governance Committee are approved and submitted to the next full council for approval;
2. The actions set out in the report at Appendix 'B' are approved;
3. The Committee receives a report on the current standards regime at its next meeting in September.

**Meeting held on 25 September 2017**

**The Annual Audit Letter for Lancashire County Council and Lancashire County Pension Fund 2016/17**

The Committee considered a report setting out the Annual Audit Letter for the County Council and the Lancashire County Pension Fund for 2016/17.

**Resolved: -** That the report, now presented, be noted.

**Treasury Management Activity 2017/18**

The Committee considered a report setting out details of the County Council's treasury management activity for the period April - July 2017.

**Resolved: -** That:

1. The treasury management activities for the period April to July 2017, as set out in the report, now presented, be noted;
2. The changes to the Council's treasury management resource, as set out in the report, now presented, be noted;
3. The process for fund selection, as set out in the report, now presented, including decisions for funds of up to £15m to be made by the Director of Financial Resources, be approved;
4. The changes, as set out in the report, now presented, relating to IFRS 9 that are to be implemented from 1 April 2018, be noted.

**Health, Safety and Resilience Service Overview and Risk Register**

The Committee considered a report setting out an overview of the County Council's Health, Safety and Resilience Service.

**Resolved: -** That:

1. The report, now presented, be noted;
2. That the take-up of places on Councillor training be supported and promoted as set out above;
3. That members of the Committee promote the use of the 'In The Know' website to the public as and when opportunities to do so arise.

**Internal Audit Progress Report**

The Committee considered a report setting out details of the work undertaken by the Internal Audit Service against the Audit Plan for 2017/18 which had been approved by the Committee at its meeting on 26 June 2017.

**Resolved: -** That the report, now presented, be noted.

**Standards and the Code of Conduct**

The Committee considered a report setting out details of the County Council's Code of Conduct, together with the legislative context, the process for dealing with complaints and the sanctions available to the Conduct Committee.

**Resolved: -** That:

1. The report, now presented, be noted;
2. The proposals for responding to the DCLG consultation 'Disqualification Criteria for Councillors and Mayors' be noted.

**Risk and Opportunity Register Quarter 2**

The Committee considered a report setting out details of an updated (Quarter 2) Risk and Opportunity Register for the Committee's consideration.

**Resolved: -** That:

1. The report, now presented, be noted:
2. Officers report back on those issues identified.

**Update on Overpayment of Salaries**

The Committee considered a report setting out an update on the overpayment of salaries to individuals who were no longer employees of the County Council and which had previously been identified by the Internal Audit Service as part of an audit of payroll.

**Resolved: -** That:

1. The report, now presented, be noted;
2. A further report, as set out above, be considered by the Committee at its next meeting.