

AUDIT AND GOVERNANCE COMMITTEE

**MEETING HELD AT THE TOWN HALL, SOUTHPORT
ON 5 DECEMBER 2018**

PRESENT: Councillor Roche (Vice Chair in the Chair)
Councillors Blackburne, Linda Cluskey, McGinnity,
Pugh, John Sayers, Anne Thompson and
Sir Ron Watson

29. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Brennan, Shaw and Daniel Lewis (Substitute for Councillor Shaw).

30. MRS LYN SHAW

Councillor Pugh reported with sadness and regret on the recent death of Mrs Lyn Shaw, the wife of Councillor Simon Shaw.

RESOLVED:

That the thoughts and sincere condolences of the Audit and Governance Committee Members be extended to Councillor Shaw, his family and friends on their very sad loss.

31. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were received.

32. MINUTES OF THE MEETING HELD ON 19 SEPTEMBER 2018

RESOLVED:

That the Minutes of the meeting held on 19 September 2018 be confirmed as a correct record.

33. LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING

The Committee considered a report submitted by the Council's External Auditors – Ernst and Young (EY) LLP, providing a general briefing, primarily for information, for the Audit and Governance Committee on government and economic news; accounting, auditing and governance; regulation news; key questions for the Audit Committee; and links to further information.

Ms Caroline Davies (EY) presented the report, answered questions thereon and drew Members' particular attention to the section near the end of the report on 'Key questions for the Audit and Governance Committee', relating to Brexit; CIPFA Financial Resilience Index; Consultation on the adoption of IFRS 16; Consultation on proposed statutory overrides for the new accounting standard - IFRS 9; LEP governance; Social Care; Social Housing; Transformation and EY cybersecurity strategies.

RESOLVED:

That the Local Government Audit Committee Briefing paper be noted.

34. ICT SECURITY POLICY

The Committee considered the report of the Head of Corporate Resources which sought approval for revised security policy documentation relating to the Council's ICT estate. The new policy documents have been produced to replace the existing Information and ICT Security Policy last updated in 2017.

The report indicated that the new policy documentation was being introduced to streamline the current guidance documentation available for authorised users of Sefton's ICT environment, as well as ensuring that the Council operates in line with industry standards for ICT Security Management.

The report provided three core policy documents for approval – Namely:

1. Agylisis Sefton MBC Partnership – Information Security Management System Policy
2. Initial Security Management Plan
3. ICT Acceptable Use Policy.

The Senior Manager ICT and Digital presented the report and answered questions thereon.

RESOLVED: That

- (1) the three core revised ICT security policy documents be approved; and

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- (2) approval be given for internal publication of the ICT Acceptable Use Policy in January 2019.

35. TREASURY MANAGEMENT POSITION TO OCTOBER 2018

The Committee considered the report of the Head of Corporate Resources which provided a review of the Treasury Management activities undertaken to 31 October 2018. This was the second of the ongoing quarterly monitoring reports provided to Audit and Governance Committee whose role it is to carry out scrutiny of treasury management policies and practices.

The Head of Corporate Resources and Service Manager Finance, presented the report and answered questions thereon.

RESOLVED: That

- (1) the Treasury Management update to 31 October 2018 be noted; and
- (2) the effects of decisions taken in pursuit of Treasury Management Strategy and the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities, be noted.

36. CORPORATE RISK MANAGEMENT

Further to Minute No. 27 of 19 September 2018, the Committee considered the report of the Head of Corporate Resources on the updated Corporate Risk Register, indicating that since the last meeting the Corporate Risk Register had been fully updated with no risks closed, none de-escalated and four new risks identified.

The report indicated that the Corporate Risk Management Handbook had also been updated and was presented for annual approval by the Committee.

The Chief Internal Auditor presented the report and answered questions thereon.

RESOLVED: That

- (1) the contents of the Corporate Risk Register, particularly the nature of the major risks facing the Council and the controls and planned actions in place to mitigate these be noted; and

- (2) the updated Corporate Risk Register be approved.

37. RISK AND AUDIT SERVICE: PERFORMANCE REPORT

Further to Minute No. 26 of 19 September 2018, the Committee considered the report of Head of Corporate Resources which provided details of the performance and key activities of the Risk and Audit Service for the period 6 September to 21 November 2018. Additional documentation requested at last meeting, providing explanations on the opinions used in the audit reports and details of insurance companies contracted by the Council was tabled at the meeting.

The Chief Internal Auditor presented the report and answered questions thereon. Members asked if officers could review the arrangements for how a value is attached to the art paintings, silverware and other artefacts housed in Bootle and Southport Town Halls.

RESOLVED: That

- (1) the progress of in the delivery of the 2018/19 Internal Audit Plan and the activity undertaken for the period 6 September to 22 November 2018 be noted;
- (2) the contributions made by the Health and Safety, Insurance and Risk and Resilience Teams in managing key risks be noted;
- (3) the additional information on opinions used in audit reports and details of insurance companies contracted by the Council be noted; and
- (4) the Head of Corporate Resources be requested to review the arrangements for valuing the art paintings, silverware and other artefacts located in Bootle and Southport Town Halls.

38. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraphs 3 and 7A of Part 1 of Schedule 12A

to the Act. The Public Interest Test has been applied and favoured exclusion of the information from the press and public.

**39. REVENUES SERVICE - WRITE OFF OF IRRECOVERABLE
BUSINESS RATES AND SUNDRY DEBTS WITH BALANCES
OVER £10,000**

The Committee considered the report of the Head of Corporate Resources on the Revenue Service's write-off of irrecoverable Business Rates and Sundry Debts with balances over £10,000.

The Revenues Manager presented the report and indicated that since publication of the agenda one of the Sundry Debt cases with a value of £13,157.49 had been withdrawn due to new information having been received.

Therefore, approval was sought for write-off's totalling £316,680.76. Namely, £227,911.44 in respect of Business Rates and £88,769.32 in respect of Sundry Debts. and the total amount presented to the Committee for approval for write-off was reduced by £13,157.49 to £316,680.76 (not £329,838.25 as stated in the report).

RESOLVED: That

- (1) the withdrawal of one of the Sundry Debts for £13,157.49 listed in Appendix 2, be noted; and
- (2) the write-off of individual debts totalling £316,680.76 (comprising Business Rate Debts amounting to £227,911.44 and Sundry Debts of £88,769.32), be approved.