

# Public Document Pack

# Sefton Council



MEETING:       AUDIT AND GOVERNANCE COMMITTEE

DATE:           6th September 2023

TIME:           3.00 pm

VENUE:         Birkdale Room - Southport Town Hall, Lord Street, Southport, PR8  
1DA

## Member

Cllr. Dave Robinson (Chair)  
Cllr. Michael Roche (Vice-Chair)  
Cllr. John Joseph Kelly  
Cllr. Catie Page  
Cllr. Dr. John Pugh  
Cllr. Simon Shaw  
Cllr. Tom Spring  
Cllr. Carla Thomas  
Cllr. Anne Thompson  
Cllr. Veronica Webster

## Substitute

Cllr. Susan Bradshaw  
Cllr. Paula Murphy  
Cllr. Christine Howard  
Cllr. Laura Lunn-Bates  
Cllr. Iain Brodie - Browne  
Cllr. Gareth Lloyd-Johnson  
Cllr. Sean Halsall  
Cllr. James Hansen  
Cllr. Paula Spencer  
Cllr. Judy Hardman

## Independent Member

Rachel Oakes

COMMITTEE OFFICER:     Amy Dyson  
                                  Democratic Services Officer

Telephone:                0151 934 21812045  
E-mail:                     ruth.appeby@sefton.gov.uk

**If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.**

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# AGENDA

## 1. Apologies for absence

## 2. Declarations of Interest

Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda.

Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation.

Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer to determine whether the Member should withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.

## 3. Minutes

(Pages 5 - 12)

Minutes of the meeting held on 19 July 2023

## 4. Corporate Risk Management

(To Follow)

Report of the Executive Director of Corporate Resources and Customer Services

## 5. Annual Report of the Audit and Governance Committee 2022-2023

(Pages 13 - 58)

Report of the Executive Director of Corporate Resources and Customer Services

## 6. Information Governance and Compliance 2022/23

(Pages 59 - 70)

Report of the Executive Director of Corporate Resources and Customer Services

## 7. Code of Corporate Governance

(Pages 71 - 90)

Report of the Executive Director of Corporate Resources and Customer Services

- 8. Annual Report and Opinion of the Chief Internal Auditor** (To Follow)  
Report of the Executive Director of Corporate Resources and Customer Services
- 9. Risk and Audit Performance** (To Follow)  
Report of the Executive Director of Corporate Resources and Customer Services
- 10. Audit and Governance Committee - Quarterly Work Programme Update Report** (Pages 91 - 96)  
Report of the Executive Director of Corporate Resources and Customer Services
- 11. Exclusion of Press and Public**  
The following report is **not** Exempt / Confidential but includes appendices which contain exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A under Section 100A(4) of the Local Government Act 1972. Namely,
- Item 12 – Unrecoverable Debts over £10,000 – Appendices 1, 2, 3 and 4
- Members are therefore requested to consider whether or not they wish to discuss any matters referred to in the exempt appendices and accordingly, consider passing the following resolution:
- That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for any items of business which might involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.
- 12. Unrecoverable Debts over £10,000** (Pages 97 - 120)  
Report of the Executive Director of Corporate Resources and Customer Services

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**THIS SET OF MINUTES IS NOT SUBJECT TO "CALL-IN"**

## **AUDIT AND GOVERNANCE COMMITTEE**

**MEETING HELD AT THE ASSEMBLY HALL - BOOTLE TOWN HALL,  
TRINITY ROAD, BOOTLE, L20 7AE  
ON WEDNESDAY 19TH JULY, 2023**

**PRESENT:** Councillor John Joseph Kelly (in the Chair)  
Councillors Catie Page, Pugh, Shaw, Spring,  
Thomas, Anne Thompson and Webster

### **1. APPOINTMENT OF CHAIR**

The Democratic Services Officer notified the Committee that due to unforeseen circumstances she had received apologies for absence from both the Chair and Vice Chair and therefore asked Members to nominate a Chair.

**RESOLVED:**

That Councillor John Joseph Kelly be appointed as Chair for this meeting of the Audit and Governance Committee.

### **2. WELCOME AND INTRODUCTION**

The Chair welcomed everyone to the meeting, in particular Ms Rachel Oakes who had been appointed as an independent Member of the Committee.

The Chair informed the Committee that this would be the last meeting attended by Ruth Appleby (Democratic Services Officer) as she was due to retire from the Council in September 2023.

The Chair also advised the Committee of a change of Agenda order – namely that the 'Statement of Accounts' report – Agenda Item 10, which had been published as a Supplementary Agenda, would be considered after Agenda Item 5 'Corporate Risk Management'.

**RESOLVED:** That

The Committee's thanks be extended to Ruth Appleby for her hard work and support for Audit and Governance Committee members during her time as Clerk to the Committee.

### **3. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Robinson (Chair), Roche (Vice-Chair), Bradshaw (Substitute Member) and Murphy (Substitute Member).

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## 4. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interests or personal interests were received.

## 5. MINUTES

RESOLVED:

That the minutes of the meeting held on 15 March 2023 be confirmed as a correct record.

## 6. CORPORATE RISK MANAGEMENT

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided an update on the Corporate Risk Register as detailed in Appendix A to the report.

The Chief Internal Auditor (CIA) presented the report indicating that the ownership of the content of the Corporate Risk Register lay with the Strategic Leadership Board.

The CIA indicated that since the last meeting held on 15 March 2023 the following changes had been made to the Corporate Risk Register, namely:

- The addition of three new risks, namely, Condition of Assets, Failure to comply with sections 1 and 10 of the Freedom of Information Act 2000 and Requirement to work collaboratively with Sefton New Directions to review delivery model, in order to meet market requirements and promote financial sustainability; identify opportunities and future risk mitigation.
- No risks had been de-escalated to the relevant Service Risk Register this quarter

The CIA informed the Committee of work undertaken on updating the Corporate Risk Management Handbook (Appendix B) to reflect recommendations from Risk Management Audit as well as the implementation of the Risk Appetite Framework approved by the Audit and Governance Committee on 15 March 2023.

The CIA also indicated that the Risk Management audit undertaken by Internal Audit provided an Internal Audit Opinion of 'Moderate' risk to the control environment. Also, other on-going initiatives to embed risk management within the Council, including Assurance Mapping and implementing the three lines model.

The report identified three medium and two low priority recommendations for improvements to systems and processes, namely:

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- Clearly define the role of the Risk and Resilience Team and update the Risk Management Handbook.
- Develop a checklist to assess each risk register against.
- Ensure that the Risk Appetite Framework is included in the Risk Management Handbook.
- Progress the risk management training with the Corporate Learning and Development Team and review how risk management information is shared across the Council.
- Review whether managers received adequate notice of deadlines to return updated risk registers.

Following consideration of the report, the Committee received a presentation by the Service Manager – Property and Building Services on the condition of Sefton Council Assets.

Members of the Committee asked questions / commented on the following issues arising from the report and presentation:

- **Whether staff were provided training on completion of risk registers.**
  - The CIA indicated that relevant risk register e-learning training course was being developed and would be rolled out for staff in due course.
- **The risk associated with non-completion of Freedom of Information (FOI) within the statutory timeframe of 20 working days.**
  - The Chief Legal and Democratic Officer indicated that this issue was being addressed by the Information Management Executive group and was reported to Assistant Directors on a monthly basis
- **Disposal of Assets – Did the Council give any consideration to the advantages and disadvantages of disposing of assets prior to allocating them for disposal?**
  - The Executive Director of Corporate Resources and Customer Services indicated that the asset maximisation programme which commenced in 2017 classified all assets into four specific buffers and only a certain category of assets were considered for disposal.
- The Service Manager – Property and Building Services indicated that schools were classified as a different area to the assets discussed in the presentation.
- **Were staff consulted during the assessment period of a building?**

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- The Service Manager – Property and Building Services indicated that operational need is the key assessment factor but staff are also consulted. The Executive Director of Corporate Resources and Customer Services emphasised the success of agile working and the re-location of a number of teams into Magdalen House.
- **How much of an increase has there been in reactive costs from 2021-2022?**
  - The Service Manager – Property and Building Services indicated that he would provide this information following the meeting.

RESOLVED: That

- (1) the updated Corporate Risk Register, the nature of the major risks facing the Council, and the controls and planned actions in place to mitigate these, be noted;
- (2) the revised Corporate Risk Management Handbook be approved;
- (3) the progress on the embedding of risk management within the Council be noted; and
- (4) the Service Manager – Property and Building Services be thanked for his informative and interesting presentation.

## **7. STATEMENT OF ACCOUNTS 2020/21, 2021/22 AND 2022/23**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided an update on the progress of the audit of the Statement of Accounts for 2020/21 and 2021/22 as well as the production of the Statement of Accounts for 2022/23.

The Committee queried the regulations regarding external auditors and the impact on future audit timescales. The Executive Director of Corporate Resources and Customer Services indicated there was a national issue with Local Authority external audit timescales and explained the complexity of the process.

RESOLVED: That

- (1) the timetable for completion of the external audit of the Statement of Accounts for 2020/21 and 2021/22 that is being conducted by Ernst and Young LLP be noted; and



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- (2) the timetable for completion and publication of the draft Statement of Accounts for 2022/23 and the external audit of these accounts that is being conducted by Erns and Young LLP be noted.

## **8. FINANCIAL MANAGEMENT CODE**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which outlined the Financial Management Code issued by the Chartered Institute of Public Finance and Accountancy which aims to ensure a high standard of financial management in local authorities. An annual assessment of the Council's compliance with the code is required and is accompanied by an action plan for improvement.

The report provided an update on progress in implementing the action plan for further improvements and to identify additional actions to further improve compliance, many areas of good practice in financial management were highlighted within the compliance assessment.

The Service Manager – Finance and the Executive Director of Corporate Resources and Customer Services explained the management of the Council's balances and reserve strategy following a relevant query.

RESOLVED: That

- (1) the principles of good financial management be noted;
- (2) the approaches and lessons learnt from the implementation of the financial management code be noted;
- (3) the progress in implementing the actions which have been carried out to further improve both compliance with the Code and financial management across the Authority be noted; and
- (4) the additional actions identified to further improve compliance be noted.

## **9. TREASURY MANAGEMENT OUTTURN 2022/23 AND POSITION TO JUNE 2023**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided Members with a review of the Treasury Management activities undertaken during 2022/23 and an update to 30 June 2023.

The Committee received this outturn report to allow monitoring against the Treasury Management Policy and Strategy and Prudential Indicators approved by Cabinet and Council in March 2022.

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The Committee queried what some of the financial figures in the report represented. The Service Manager – Finance indicated the differences between and meaning of the relevant figures e.g. capital grants, internal/external borrowing, balances and reserves.

RESOLVED: That

- (1) the Treasury Management Outturn 2022/23 and the update to 30 June 2023, be noted; and
- (2) the effects of decisions taken in pursuit of the Treasury Management Strategy and the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities be noted.

## **10. RISK AND AUDIT SERVICE PERFORMANCE**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which detailed the performance and key activities of the Risk and Audit Service for the period 1 March 2023 to 30 June 2023.

The Chief Internal Auditor (CIA) presented the report which provided an update on the resourcing position across the Team, in particular the Internal Audit Team and the actions planned for the rest of the financial year.

RESOLVED: That

- (1) the progress in the delivery of the 2022/23 Internal Audit Plan and the activity undertaken for the period 1 March 2023 to 30 June 2023 be noted;
- (2) the progress in completing the actions from the 2021/2022 Corporate Governance Review and the follow up of audit agreed actions detailed in the December 2022 report be noted; and
- (3) the contributions made by the Health and Safety, Insurance, Assurance and Risk and Resilience Teams in facilitating the management of the Council's key risks be noted.

## **11. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME UPDATE REPORT**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided an update

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on reports listed in the Audit and Governance Work Programme for submission to the meeting held on 15 March 2023 and the reasons for non-submission of some of the reports listed.

The report indicated that the 2022-2023 Work Programme had been approved by Audit and Governance Committee on 16 March 2022 and had been developed to help ensure that all of the responsibilities of the Committee set out in the Audit and Governance Committee's Terms of Reference were discharged during the municipal year.

The report also indicated that the Audit and Governance Committee Work Programme for the current Municipal Year - 2023/24 had been approved at the last meeting held on 15 March 2023.

RESOLVED:

That the update on reports listed in the Audit and Governance Committee Work Programme 2022/23 for submission to the meeting on 15 March 2023 and ad hoc reports considered at that meeting be noted.

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# Agenda Item 5

<b>Report to:</b>	Audit and Governance Committee	<b>Date of Meeting:</b>	Wednesday 6 September 2023
	Council		Thursday 14 September 2023
<b>Subject:</b>	Audit and Governance Committee Annual Report 2022-2023		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

## Summary:

To formally present the Annual Report of the Audit and Governance Committee 2022-2023.

## Recommendations:

### 1. Recommendation to the Audit and Governance Committee:

That the Audit and Governance Committee be requested to:

Agree and refer the 2022-2023 Annual Report of the Audit and Governance Committee to the Council for approval.

### 2. Recommendation to the Council:

That Council be requested to approve the Annual Report of the Audit and Governance Committee 2022-2023.

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## Reasons for the Recommendations:

To comply with the Terms of Reference of the Committee as set out in Chapter 7 of the Council's Constitution.

## Alternative Options Considered and Rejected: (including any Risk Implications)

No alternative options have been considered – To comply with the formal reporting mechanism.

## What will it cost and how will it be financed?

There are no direct financial implications arising from this report.

(A) **Revenue Costs** – see above

(B) **Capital Costs** – see above

## Implications of the Proposals:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>	
None	
<b>Legal Implications:</b>	
None	
<b>Equality Implications:</b>	
There are no equality implications.	
<b>Impact on Children and Young People:</b> No	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	Neutral
Have a neutral impact	Neutral
Have a negative impact	Neutral
The Author has undertaken the Climate Emergency training for report authors	Yes
There are no direct climate emergency implications arising from this report. Any climate emergency implications arising from matters referred to in the Annual Report would have been contained in reports when they were presented to Members during the previous year; or will be contained in future reports during the forthcoming year.	

**Contribution to the Council's Core Purpose:**

<b>Protect the most vulnerable:</b> None directly applicable to this report
<b>Facilitate confident and resilient communities:</b> None directly applicable to this report
<b>Commission, broker and provide core services:</b> Good governance is about how the Council ensures that it is doing the right things, in the right way, for the communities we serve. Good governance will enable the Council to pursue its vision and secure its agreed objectives in the most effective and efficient manner.
<b>Place – leadership and influencer:</b> None directly applicable to this report
<b>Drivers of change and reform:</b> None directly applicable to this report
<b>Facilitate sustainable economic prosperity:</b> None directly applicable to this report
<b>Greater income for social investment:</b> None directly applicable to this report
<b>Cleaner Greener:</b> None directly applicable to this report

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD 7339/23) and the Chief Legal and Democratic Officer (LD 5539/23 ) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

Not applicable

**Implementation Date for the Decision**

Immediately following the Council meeting.

<b>Contact Officer:</b>	Ruth Appleby
Telephone Number:	Tel: 0151 934 2181
Email Address:	ruth.appleby@sefton.gov.uk

**Appendices:**

The Annual Report of the Audit and Governance Committee 2022-2023 is attached as an appendix to this report.

**Background Papers:**

There are no background papers available for inspection.

# Agenda Item 5

## 1.0 Introduction and Background

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement on Audit and Governance Committees states that Audit Committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management.

1.2 The Position Statement also states that:

"The audit committee should be held to account on a regular basis by the group to which it is accountable. For a local authority audit committee, this will be the Council. The aspects that should be specifically considered include:

- Whether the Committee has fulfilled its agreed terms of reference
- Whether the Committee has adopted recommended practice
- Whether the Committee members have been assessed and whether they are accessing briefing and training opportunities
- Whether the committee has assessed its own effectiveness and been the subject of a review and the conclusions and actions from that review
- What impact the committee has on the improvement of governance, risk and control within the authority".

1.3 Within the Chartered Institute of Public Finance and Accountancy (CIPFA) model Terms of Reference (2018), which the Council adopted in May 2021, there is a requirement to publish an annual report on the work of the committee as well as to report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

1.4 The proposed requirement stems from good practice to outline an Annual Report of the Audit and Governance Committee to the Council, setting out all the activities/decisions taken by the Committee during that year. The report should as a result enhance the accountability of the Committee and its decision making and good governance.

1.5 The Annual Report of the Audit and Governance Committee outlines the Committee's work and achievements over the year ending 31 March 2023 and demonstrates to residents and Council stakeholders the important role that is carried out by the Committee and its contribution to the Council's overall governance arrangements.

## 2.0 Audit and Governance Committee Terms of Reference and Work Programme

2.1 Following adoption of the model Terms of Reference of the Committee by the Council in May 2021 this is the third Audit and Governance Annual Report that has been produced and approved by the Chair of the Committee. The Annual Report, along with the Work Programme of the Committee, was developed



further in 2022-2023 to ensure that the Committee remained effective in addressing all elements of the adopted model Terms of Reference.

- 2.2 Appendix 2 to the Annual Report sets out the Work Programme of the Committee covered in 2022-2023 comprising the schedule of meetings for the Committee and the reports to be considered at each of those meetings.
- 2.3 The Work Programme for each Municipal Year is an important element of planning the year ahead as it ensures that the Committee remains on target in reviewing the effectiveness of the Committee and is effectively monitoring/reviewing the Terms of Reference of the Committee (Appendix 1 to the report). Appendices 1 and 2 work hand-in-hand in that all elements of the Terms of Reference are monitored through the submission of reports/briefings to the Committee.

### **3.0 Audit and Governance Committee Self-Assessment**

The introduction of a Self-Assessment for the Committee (approved on 15 March 2023) enabled the Members to undertake a high-level review of the function and effectiveness of the Audit and Governance Committee incorporating the key principles set out in the Chartered Institute of Public Finance and Accountancy's (CIPFA) Position Statement [CIPFA Audit Committee Position Statement.pdf \(sefton.gov.uk\)](#) and the publication (Practical Guidance for Local Authorities and Police, CIPFA, 2022) [Audit Committee Practical Guidance 2022.pdf \(sefton.gov.uk\)](#)

A copy of this document can be viewed in the Audit and Governance Committee Library at the following link: [AG Committee Self Assessment March 2023.pdf \(sefton.gov.uk\)](#)

The Self-Assessment Exercise will be undertaken on an annual basis and will inform the Committee's work programme, training and development of Committee members and the annual report.

### **4.0 Appointment of an Independent Member**

The appointment of a co-opted non-voting Independent Member to the serve on the Audit and Governance Committee recommended by CIPFA and is seen as a positive step.

Following interviews held in April 2023, the successful candidate, Ms Rachel Oakes, commenced in the role on 1 June 2023 at the start of the 2022/2024 Municipal Year.

The appointment is for a three-year period, subject to annual review when the Terms of Reference are reviewed.

### **5.0 Member Training and Development Programme**

The training and development of Audit and Governance Committee Members is considered essential to ensure they are able to be up-to-date, confident and

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effective in their role. A programme of briefings based on the key competencies outlined by CIPFA was held throughout 2022-2023 prior to each meeting of the Committee.

Sefton Council



**Audit and Governance Committee**  
**Annual Report 2022-2023**

**Councillor Dave Robinson**  
**Chair**



## **Introduction by the Chair of the Audit and Governance Committee**



**Councillor Dave Robinson**

**Chair of Audit and Governance Committee**

**It gives me great pleasure to introduce the 2022-2023 Annual Report of the Audit and Governance Committee.**

The report informs the Council of the broad range of work undertaken by the Committee in fulfilling its Terms of Reference and in doing so provides assurances on the effectiveness of the Committee in meeting its obligations.

The Committee's Terms of Reference were developed in accordance with the CIPFA guidance and the detailed Committee Work Programme, and Self-Assessment provides further assurances that the Terms of Reference are reviewed.

I wish to place on record my appreciation to the Executive Director of Corporate Resources and Customer Services and his team for all their hard work and continued support to Audit and Governance Committee members.

I look forward to working with Committee members and officers who support the Committee during 2023-2024.



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**1.0 Background and Introduction**

1.1 The Audit and Governance Committee has delegated responsibilities from Council. This report provides details of how the Audit and Governance Committee has discharged those responsibilities and delivered against its Terms of Reference which can be found at Appendix 1 to this report.

1.2 The purpose of the Audit and Governance Committee is to:

- provide independent assurance to the Council in respect of the effectiveness of the Council's governance arrangements, risk management framework and the associated control environment; and
- independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment.

1.3 The key benefits of an effective audit Committee are:

- increasing awareness regarding the effectiveness and continued development of the Council's governance arrangements;
- providing additional assurances on the robustness of the Council's governance arrangements through a process of independent and objective review;
- reducing the risks of illegal or improper acts;
- increasing public confidence in the objectivity and fairness of financial and other reporting;
- contributing to performance improvements in assurance levels and awareness of the need for strong internal control including the implementation of audit recommendations;
- reinforcing the importance and independence on internal and external audit and similar review processes; and
- promotes high standards of ethical behaviour by developing, maintaining and monitoring performance and Codes of Conduct for Members of the Council (including co-opted members and other persons acting in a similar capacity).



## 2.0 Meetings held in 2022-2023

Meetings of the Audit and Governance Committee are scheduled to take place every three months and in 2022-2023 were held on the following dates:

- 22 June 2022
- 7 September 2022
- 14 December 2022
- 15 March 2023

Additional meetings of the Committee (outside the quarterly schedule) are convened when urgent business needs to be conducted and to enable the Committee to focus its attention on one key area, for example, for consideration of the Council's Statement of Accounts.

On 25 May 2022 an urgent special meeting of the Committee was convened for consideration of the Disposal of Fixtures and Fittings at the Southport Theatre and Convention Centre which were no longer needed due to plans to demolish the existing venue and build the new Marine Lake Events Centre.

Further information on the Audit and Governance Committee Meetings, including agendas and minutes is available at the following link: [Sefton Council](#)

### 3.0 Audit and Governance Committee Work Programme 2022-2023

The Committee's Work Programme is a rolling and flexible schedule of work that should be undertaken by the Committee. The programme is designed to ensure that the Committee remains on track with its ambitious schedule of work.

The Chartered Institute of Public Finance and Accountancy (CIPFA) publication - "Practical Guidance for Local Authorities and Police" recommends as good practice, the provision of an annual work programme to enable Audit and Governance Committees to discharge their duties in accordance with their Terms of Reference.

Adherence to the work programme ensures that the Audit and Governance Committee has a structured, consistent approach to fulfilling its responsibilities as detailed in the CIPFA guidance.

The Terms of Reference for the Audit and Governance are based on the Chartered Institute of Public Finance and Accountancy's (CIPFA's) publication – "Practical Guidance for Local Authorities and Police" which sets out CIPFA's guidance on the role, function and operation of audit committees in local authorities and police bodies and represents best practice for audit committees in local authorities throughout the UK and for police audit committees in England and Wales. The Terms of Reference have been enhanced to reflect the Committee's Governance role which is not detailed in the guidance.

The Work Programme for each Municipal Year is an important element in planning the year ahead as being closely aligned with the Terms of Reference, it ensures that the Committee has a structured, consistent approach to fulfilling its responsibilities within the Terms of Reference and helps to ensure the effectiveness of the Audit and Governance Committee. It is also important to note that a degree of flexibility is applied in order that any ad hoc / urgent reports may be considered by the Committee as and when required. The Work Plan for the 2022-2023 Municipal Year was approved by Audit and Governance Committee on 16 March 2022 and can be viewed at Appendix 2 to this report.

The introduction of quarterly Work Programme update reports has provided a useful way for the Audit and Governance Committee to monitor adherence to the Work Programme.



**4.0 Reports considered by the Audit and Governance Committee in accordance with the Work Programme**

As indicated in the Work Programme, reports submitted for consideration by the Audit and Governance Committee related to the following areas:

- Internal Audit
- Risk Management
- Monitor Role
- Accounts, Financial Statements and Treasury Management
- Information Governance/Constitution Updates
- Miscellaneous / Ad hoc reports

**4.1 Internal Audit**

To support the Committee in monitoring progress of Internal Audit work within the year the following reports were presented:

<b>Meeting</b>	<b>Reports</b>
22 June 2022	Annual Report and Opinion of the Chief Internal Auditor
14 December 2022	Follow up of Audit Agreed Actions
15 March 2023	Internal Audit Charter and Annual Audit Plan 2023-2024

## 4.2 Risk Management

The following reports on the management of risk within the Council during the year were presented to the Audit and Governance Committee:

Meeting	Reports
22 June 2022	Corporate Risk Management
22 June 2022	Assurance Framework
22 June 2022	Risk and Audit Service Performance
7 September 2022	Corporate Risk Management
7 September 2022	Risk and Audit Service Performance
14 December 2022	Corporate Risk Management
14 December 2022	Risk and Audit Service Performance
15 March 2023	Corporate Risk Management
15 March 2023	Risk and Audit Service Performance

## 4.3 Monitor Role

22 June 2022	Financial Management Code
14 December 2022	Financial Procedure Rules

**4.4 Accounts, Financial Statements & Treasury Management**

The following Financial and Treasury Management reports were presented to the Audit and Governance Committee:

<b>Meeting</b>	<b>Reports</b>
22 June 2022	Treasury Management Position to May 2022
7 September 2022	Treasury Management Outturn and Position to 31 July 2022
7 September 2022	Draft Statement of Accounts 2021/2022
14 December 2022	Audit Planning Report 2021/2022 – Ernst and Young LLP
14 December 2022	Treasury Management Position to September 2022
15 March 2023	Treasury Management Position to January 2023
15 March 2023	Statement of Accounts 2021-2022 and 2022-2023 (Verbal Update)

**4.5 Information Governance/Constitution Updates**

Within the financial year significant work was undertaken on the Council’s governance arrangements and issues in relation to the constitution. These issues were presented to the Audit and Governance committee in advance of progression to Council for approval where required and are reflected below:

<b>Meeting</b>	<b>Reports</b>
22 June 2022	Constitution Amendments - Executive Scrutiny Protocol / Revised Protocol for Relationships between Members and Officers
7 September 2022	Procurement – National Procurement Policy, Contract Procedure Rules and Internal Processes
7 September 2022	Annual Report of the Audit and Governance Committee 2021-2022

7 September 2022	Audit and Governance Committee Work Programme Update
7 September 2022	Review of Members Code of Conduct Complaints 2021-22
14 December 2022	Review of Whistleblowing Complaints 2021-2022
14 December 2022	Review of Audit and Governance Committee Terms of Reference
14 December 2022	Audit and Governance Committee Work Programme Update
14 December 2022	Sefton Council Anti-Money Laundering Policy Update
15 March 2023	ICT Acceptable Usage Policy
15 March 2023	Audit and Governance Committee Self-Assessment
15 March 2023	Audit and Governance Committee Member Training and Development Update Report
15 March 2023	Audit and Governance Committee Work Programme 2023-2024

## 4.6

**Miscellaneous Reports**

The following miscellaneous reports were considered by the Audit and Governance Committee:

<b>Meeting</b>	<b>Reports</b>
25 May 2022 (Special additional Meeting)	Southport Theatre and Convention Centre - Disposal of Fixtures and Fittings
22 June 2022	Item submitted by a Member of the Audit and Governance Committee in accordance with Rules 115 and 116 of Chapter 4 of the Constitution requesting that the Constitution to be amended in relation to Cabinet Agendas.
7 September 2022	Issuing of Press Releases
7 September 2022	Southport Theatre and Convention Centre - Disposal of Fixtures and Fittings – Update

14 December 2022	Issuing of Press Releases Update
14 December 2022	Item submitted by a Member of the Audit and Governance Committee in accordance with Rules 115 and 116 of Chapter 4 of the Constitution requesting that the Constitution to be amended in relation to Members' Questions to full Council
15 March 2023	Cyber Security Assurance

**5.0 Assurance Activity 2022-2023**

- 5.1 In order for the Committee to draw conclusions about the effectiveness of the Council's internal control framework, governance and risk management it gained assurances from several sources.
- 5.2 The Accounts and Audit (England) Regulations 2015 require the Council to maintain an adequate and effective internal audit which is discharged by the Section 151 Officer. The Chief Internal Auditor works with Internal Audit to provide assurances for both Members and management on the effectiveness of the control framework.
- 5.3 The Committee received and considered reports in relation to the Annual Report and Opinion of the Chief Internal Auditor that provided a summary of the work of internal audit during 2022-2023 and the Chief Internal Auditor's opinion on the overall control environment operating within the Council during the year. This report is a key requirement of the Public Sector Internal Audit Standards.
- 5.4 The Committee also received regular updates in relation to the performance and key activities of the Risk and Audit Service to each Meeting and agreed revisions to the Internal Audit Plan for 2022/2023.



## 6.0 Risk Management

6.1 Risk Management continues to be a key component to service planning and regular monitoring of the corporate risk register is a vital of the Committee. The Committee routinely received reports in that respect. Throughout 2022-2023 risks had been re-scored in accordance with the assessment guidance included in the Corporate Risk Management handbook. Members welcomed the continuance of the regime of receiving a short presentation from a risk owner on one of the risks listed in the Corporate Risk Register, which provided Members with further insight into risks associated with particular service areas and allowed for a further layer of scrutiny and challenge.

During 2022-2023 the Committee received the following presentations:

- Executive Director of Corporate Resources and Customer Services on ‘Inflation Risk Facing the Council and the measures in place to mitigate the risk’.
- Executive Director of Corporate Resources and Customer Services on ‘Emergency Planning and Business Continuity and the ability of the Council to prepare and respond to a major incident under the Civil Contingencies Act’.
- Service Manager Transport and Highway Infrastructure and the Highways Asset Manager on the risk: ‘Failure to adequately invest in the highway network and associated assets’.
- Interim Executive Director of Children’s Services and Education and the Assistant Director of Children’s Services (Social Care) on four risks associated with Children’s Social Care:
  - Market failure of Social Care provision across Adult and Children’s Services.
  - Failure to manage increasing demand for services.
  - Impact of regulatory framework outcomes.
  - The provision of Children’s Social Care is not financially sustainable.

**7.0 Treasury Management**

- 7.1 The Audit and Governance Committee has a responsibility to provide a level of scrutiny in relation to treasury management policies and practices, and as such, the Committee considered the treasury management outturn position for the period 2022/2023 which reviewed the implications of changes resulting from regulatory, economic and market factors affecting the Council’s treasury management position along with the treasury management activities undertaken to 31 March 2023.
- 7.2 The Committee also considered quarterly progress reports on the treasury management position and performance against prudential indicators. As a result of the current economic environment the Council’s Treasury Management activities took on even greater importance especially around ensuring the Council took advantage of increases in interest rates to generate additional investment returns which helped to support the overall budget pressures in 2022/23 – this position was reported to Audit and Governance committee through the year and Council in accordance with the agreed Strategy.

**8.0 Statement of Accounts and External Auditors**

- 8.1 At its meeting held on 7 September 2022 the Committee considered the draft un-audited Statement of Accounts for 2021/22 in advance of the final audited Statement of Accounts being presented for approval later in the financial year. Members scrutinised the draft statement of accounts robustly by asking questions of the Section 151 Officer.
- 8.2 The Committee on 14 December 2022 considered the report by Ernst and Young LLP, the Council’s external auditors, setting out an overview of the 2021/22 audit strategy, including an assessment of key risks and a planned audit strategy in response to those risks.
- 8.3 The Committee on 15 March 2023 received a verbal update on the position relating to the audits of the 2020/21 and 2021/22 Statement of Accounts. Due to a technical accounting issue relating to the valuation of infrastructure assets that have been raised nationally the audit of the Statement of Accounts for 2020/21 had yet to be completed. CIPFA has consulted on changes to the Accounting Code of Practice which would allow for the issue to be resolved and the audit to be concluded. However, it was unknown how long that process would take. Committee were also informed that the audit for 2021/22 was still being undertaken and the final audited

Statement of Accounts would be presented for approval later in the year.

**9.0 Information Governance/Constitution Updates and other Miscellaneous reports falling within the Committee's Terms of Reference**

Within the financial year significant work was undertaken on the Council's governance arrangements and issues in relation to the constitution. These issues were presented to the Audit and Governance committee in advance of progression to Council for approval where required.

**9.1 Disposal of Fixtures and Fittings in the Southport Theatre and Convention Centre**

On 25 May 2022 a special meeting of the Committee was held to consider a report by the Executive Director Place on the disposal of fixtures and fittings in the Southport Theatre and Convention Centre that were no longer needed due to the plans to demolish the existing venue and to build the new Marine Lake Events Centre. Due to the number and specialist nature of fixtures and fittings it was proposed that a specialist auction house would oversee the process from start to finish on behalf of the Council.

At the meeting, the Head of Economic Growth and Housing reassured Members that no historical elements of significance would be disposed of and it was anticipated that where possible, items such as Art Deco lighting, sprung dance floor and historic projectors would be incorporated into the new events centre (reused either as features or upcycled).

The Committee approved the disposal of the redundant fixtures and fittings as set out in the report.

In September 2022, the Committee received a further report updating on the proceeds from the auction which had generated a return of £67,012 and the Committee approved the auction of a Steinway grand piano using a specialist piano auction house and specified that any unsold useable fridges, freezers, cookers and office furniture and equipment should be donated to food banks and other suitable local charities.

**9.2 Constitutional Amendments**

On 22 June 2022 the Committee considered a report which recommended that the Constitution be amended in

relation to the Executive/Scrutiny Protocol and the Revised Protocol for Relationships between Members and Officers. The Audit and Governance Committee and subsequently the full Council gave approval for inclusion of both of these protocols in the Constitution.

9.3 At its Meeting held on 7 September 2022 the Committee considered the following key reports:

9.3.1 National Procurement Policy, Contract Procedure Rules and Internal Processes

The Committee approved the refresh of the Council's Contract Procedure Rules and noted the published Modern Slavery Statement, which is updated annually and can be viewed on the Council's website at the following link: <https://www.sefton.gov.uk/media/1265/modern-slavery-statement.pdf>.

The Committee also noted that a full rewrite of the Contract Procedure Rules would take place once the updated national guidance was published when a further report would be submitted for consideration by the Audit and Governance Committee.

9.3.2 Review of Members Code of Conduct Complaints

Provided a summary of complaints received in the municipal year 2021 to 2022 that Members of Sefton Council had breached its Members Code of Conduct, indicating that 2 complaints had been received, alleging that Sefton members had breached its Code of Conduct for Members.

It was noted that in comparison, 6 complaints had been received in 2020-2021.

Both of the complaints received in 2021-2022 had been made by members of the public and for the reasons set out in the report neither of the complaints had led to a full investigation and had been concluded without any adverse findings being made.

### 9.3.3 Issuing of Press Releases

In response to a request from Members at the meeting on 22 June 2023 that Members be given 48 hours advance notice of press releases, the Corporate Communications Manager brought a report for consideration by the Committee on 7 September 2023.

This report summarised the process of issuing a press release to media outlets, and the involvement of elected members. The report indicated that providing Members with details of all press releases to all elected members 48 hours in advance of being issued to the media would mean that releases that required a quick turnaround could not be issued, and the Council would miss out on opportunities. Being slow to respond to stories might also result in reputational damage, as stakeholders might perceive the Council as not having an opinion/voice/involvement.

The report indicated that all proactive press releases, and occasionally some reactive statements, are uploaded to MySefton news site and elected members were advised to check this site regularly for updates. The report also reminded Members about the publication of a quarterly e-newsletter, issued to all Sefton Councillors directing readers to relevant articles on MySefton.

The Committee resolved that further consideration be given to this matter and at the meeting held on 14 December 2023 the Executive Director of Corporate Resources and Customer Services provided an update and the Committee agreed that Member would be given advance notification of planned press releases which provided information to the public on specific issues, such as awareness campaigns and that this would be reviewed after three months.

**9.4** At its meeting on 14 December 2022, the Committee considered the following key reports:

#### 9.4.1 Anti-Money Laundering Policy Update Sefton Council Annual Money Laundering Policy Update

The report advised that Guidance from the Chartered Institute of Public Finance and Accountancy (“CIPFA”) indicated that local authorities should comply with the underlying spirit of the legislation and regulations. Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them and may also lead to a conviction under Proceeds of Crime Act 2002 and Money Laundering Regulations 2017. The Sefton Council Anti-Money Laundering policy had been approved by Audit & Governance

Committee on 16 December 2020 and there had been no changes in the regulations and no contraventions of the Anti-Money Laundering policy had occurred since then.

9.4.2 Review of Whistleblowing Complaints

The report summarised the 7 complaints that had been received by the Council via its whistleblowing policy in the municipal year 2021 to 2022.

9.4.3 Review of the Audit and Governance Committee Terms of Reference

This report advised Members of the revised guidance issued by the Chartered Institute for Public Finance and Accountancy (CIPFA) relating to the terms of reference for audit committees and sought the Committee's views on the appropriateness of any changes that should be made to Sefton Council's Audit and Governance Committee Terms of Reference in line with CIPFA guidance.

The report indicated that a comparison of CIPFA's revised Terms of Reference showed no material difference except in relation to Committee Size and Membership; Tenure of Membership; Co-opted Independent Member; and Standards and requested that the Committee consider whether Terms of Reference for Sefton Council's Audit and Governance Committee should be amended. The Committee resolved that no changes be made to the Audit and Governance Committee's Terms of Reference in relation to Committee Size and Membership; Tenure of Membership; but that the Terms of Reference be amended to allow for the appointment of one Independent Member and reviewed after 12 months.

9.5 At its Meeting held on 15 March 2023 the Committee considered the following key reports:

9.5.1 ICT Acceptable Usage Policy

The ICT Acceptable Usage Policy is reviewed on an annual basis.

The Committee Audit and Governance Committee gave its approval for the revised security policy relating to the Authority's ICT estate ensuring that Sefton's ICT is operating in accordance with industry standards for ICT Security Management.

The Committee requested that the Policy be reworded in relation to Use of email (key principles) - bullet point 3 to read:

**‘Officers** should not make any statements on their own behalf or on behalf of the Sefton Council that do or may defame, libel, or damage the reputation of Sefton Council or any person’. **\*Elected Members should refer to the Members Code of Conduct for further guidance’;**

The revised Policy incorporating the above rewording was given final approval by Council on 20 April 2023.

#### 9.5.2 Cyber Security Assurance

This report outlined the external assurance sought in relation to the Cyber Security of Sefton Council and set out the key findings from three key assessments completed in 2022, further improvement plans in progress and key next steps. Arising from a request by a Member of the Committee the Senior Manager provided a glossary of terms relating to cyber security.

### 10.0 **Audit and Governance Committee Self-Assessment Exercise**

The Chartered Institute of Public Finance and Accountancy (CIPFA) emphasises the importance of local authority audit committees undertaking a self-assessment exercise to help provide assurance that the committee is soundly based and has in place a knowledgeable membership.

On 23 November 2022 Audit and Governance Committee members attended a special briefing session and conducted a Self-Assessment exercise in consultation with the Chief Internal Auditor and Chief Legal and Democratic Officer.

The Self-Assessment exercise enabled the Committee Members to undertake a high-level review that incorporated the key principles set out in the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Position Statement [CIPFA Audit Committee Position Statement.pdf \(sefton.gov.uk\)](#) and the publication (Practical Guidance for Local Authorities and Police, CIPFA, 2022) [Audit Committee Practical Guidance 2022.pdf \(sefton.gov.uk\)](#)

The completed Self-Assessment document was considered by the Audit and Governance Committee held on 15 March 2023. A copy of this document can be viewed in the Audit and Governance Committee Library at the following link: [AG Committee Self Assessment March 2023.pdf \(sefton.gov.uk\)](#)

The Committee agreed that the Self-Assessment Exercise will be undertaken on an annual basis and will inform the Committee’s work programme, training and development of Committee members and the annual report.

**11.0 Appointment of an Independent Member**

CIPFA strongly recommends that Audit and Governance Committee Membership includes non-elected, co-opted independent member(s).

11.1 CIPFA indicates that the benefits of independent member(s) to serving on Audit and Governance Committees are:

- To supplement the knowledge and experience of elected representatives in specific areas, such as audit or financial reporting.
- To provide continuity outside the political cycle. This is of particular importance where membership of the committee changes annually or because of elections.
- To help achieve a non-political focus on governance, risk and control matters.

11.2 Recruitment for the appointment of Independent Member(s) initially began in October 2022, when the position was advertised on the Council’s JobsGoPublic website and also recognised social media outlets. However, due to the poor response rate and the lack of relevant experience from applications received, it was necessary to readvertise the position in February/ March 2023. This followed agreement by the Audit and Governance Committee on 14 December 2022 that agreed that the Committee’s Terms of Reference be amended to allow for the appointment of one Independent Member, subject to review in a year’s time.

11.3 The second recruitment drive attracted more suitable candidates and interviews for the position were held on 19 April 2023, conducted by:

- Councillor Dave Robinson - Chair of Audit and Governance Committee
- Stephan Van Arendsen – Executive Director of Corporate Resources and Customer Services
- David McCullough – Chief Legal and Democratic Officer.



- 11.4 Following the interviews, it was determined that Ms Rachel Oakes be offered the position of Independent Member on the Audit and Governance Committee, commencing on 1 June 2023 for a three-year period, subject to annual review when the Terms of Reference are reviewed.
- 11.5 The 1 June 2023 start date meant that Ms Oakes was able to commence her position as an Independent Member at the start of the 2023-2024 Municipal Year and attend the first meeting of the Audit and Governance Committee on 19 July 2023 (postponed from 21 June 2023).
- 11.6 CIPFA states that while including co-opted members can bring real value to the Committee, care is needed to ensure that the arrangement works well, both for the co-opted member and for the other committee members. It is essential therefore, that the co-opted member receives an adequate induction and ongoing support to provide organisational context and to build working relationships.
- 11.7 In this respect, for induction purposes, Ms Oakes has attended 2 separate one-to-one meetings (on Teams) with the Chief Internal Auditor and the Service Manager Finance prior to attending her first meeting of the Audit and Governance Committee.

Ms Oakes has also been invited to attend the Audit and Governance Committee Member Training and Development sessions held prior to each meeting of the Committee and the Council's Code of Conduct training event for all Members which is due to be held on Teams on 11 October 2023 – 17.30 to 18.30 hours. Ongoing help and support is also available as and when required.

## 12.0 Audit and Governance Committee Member Training and Development

To comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) advises that regular briefings and training are essential to keep Audit and Governance Committee Members up-to-date, confident and effective in their role.

12.1 On 16 March 2022 the Committee gave its approval for the 2022-2023 programme of Audit and Governance Committee briefing sessions based on the key competencies outlined by CIPFA to be held for one hour prior to scheduled meetings of the Audit and Governance Committee. Details of the programme of briefings and how they fulfil CIPFA key competencies Appendix 3 to this report.

12.2 The report also indicated that as the Treasury Management function cross-cuts all Council business it would be helpful for Treasury Management training to be provided to all Councillors. The Committee therefore gave its approval for this course to be included in the Member Development Handbook 2022-23 provided to Councillors at the start of the Municipal Year. This is in line with CIPFA code which states:

*“The responsible officer will ensure that board/council members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.*

*Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively”.*

The Treasury Management Training event for all Councillors was held on Teams and delivered by the Council’s Treasury Management Consultants – Arlingclose on 9 November 2022.

12.3 CIPFA stresses the importance of Audit and Governance Committee Members being committed to and ‘buying into’ training and development regardless of previous knowledge and skills they had when they joined the committee; ensuring that their knowledge is kept up to date, giving them more confidence and understanding of their role as A&G Committee members and helping to facilitate effective, participation and decision making at meetings.

12.4 The following table provides details of the 2022-2023 training sessions and numbers of attendees at each session:

<b>Date and Topic</b>	<b>Presenter</b>	<b>Number of Attendees</b>
<b>22 June 2022</b>  <b>Organisational knowledge</b>	Chief Legal and Democratic Officer	8 Members 0 Substitutes
<b>7 September 2022</b>  <b>Internal Audit</b> (swapped with Audit & Governance Committee Role & Functions)	Chief Internal Auditor	9 Members 0 Substitutes
<b>14 December 2022</b> <b>Governance</b>	Chief Legal and Democratic Officer	5 Members 0 Substitutes
<b>15 March 2023</b>  <b>Treasury Management</b>  <i>Also provided to all Councillors on 9 November 2022 as part of the Member Development Programme</i>	The Council's Treasury Management Consultant – Arlingclose	8 Members 0 Substitutes  12 Attendees including the &G Committee Chair and 2 Substitute Members

As illustrated, the briefing sessions were well attended by Members with no less than 50% attendance. It is noted that although they were invited, none of the sessions were attended by Substitute Members, except for the Treasury Management session provided to all Councillors as part of the Council's Member Development Programme.

- 12.5 Presentation Slides from all of the training sessions were provided to Member and Substitute Members following each session and can be viewed in the Mod Gov Library (Intranet only) at the following link: [smbc-modgov-03/ecCatDisplay.aspx?sch=doc&cat=14035](http://smbc-modgov-03/ecCatDisplay.aspx?sch=doc&cat=14035)

### 13.0 Outcomes / Achievements

The work undertaken by the Committee has provided additional assurance of the robustness of the Council's arrangements regarding corporate governance, risk management and internal management of controls. The Committee has added value through the importance placed upon governance issues, risk management, anti-fraud and assurances that key risks are being mitigated.

- 13.1 The continuation of the Work Programme for the Audit and Governance Committee is seen as a positive step in ensuring that the Committee remains on track with its ambitious schedule of work. The introduction of quarterly Work Programme update reports are a useful means of monitoring adherence to the annual work programme.
- 13.2 The continuation of the programme of Member Briefings to be held prior to each Committee Meeting based on key competencies outlined by CIPFA helps to ensure that Members have the necessary skills to carry out their role effectively.
- 13.3 The introduction of a Self-Assessment Exercise completed by Members of the Committee, provides reassurance that the Committee is equipped to fulfil its role in providing independent assurance to the Council in respect of the effectiveness of the Council's governance arrangements, risk management framework and the associated control environment; and independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment and helping provide assurance that the Committee is soundly based and has in place a knowledgeable membership.
- 13.4 The appointment of an Independent Member is seen as a positive development for the Committee in helping to supplement the knowledge and experience of elected members and to help achieve a non-political focus on governance, risk and control matters.

## 14.0 Conclusions and Future Plans

- 14.1 The Committee has the benefit of being well supported by Council officers including the Section 151 Officer, the Monitoring Officer and the Chief Internal Auditor as well as the Council's external auditors.
- 14.2 During 2022/2023 the Audit and Governance Committee has consolidated the progress that has been made in previous years in providing robust scrutiny and challenge of the Committees Terms of Reference and in doing so the Committee has continued to have a real and positive contribution to the governance arrangements of the Council.
- 14.3 In order to build on the key achievements of 2022/2023 and in looking forward to the Committee's work programme for 2023/2024 the Committee will:
- Continue to review all elements of the governance arrangements associated with Audit and Governance Committee ensuring that best practise is adopted in a timely fashion;
  - Continue to support the Council in managing the risk of fraud and corruption.
  - Continue to support the work of audit.
  - Continue to consider the effectiveness of the Council's risk management arrangements.
  - Continue to provide effective challenge and scrutiny of all areas of the Audit and Governance Terms of Reference giving the appropriate assurances to the Council.
  - Continue to provide Audit and Governance Committee Members with training to help ensure that they remain up-to-date, confident and effective in their role on the Committee.

## APPENDIX 1

### Audit and Governance Committee - Terms of Reference

#### Statement of purpose

- 1 The Audit and Governance Committee is a key component of Sefton's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 2 The purpose of the Audit and Governance Committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Sefton's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

#### Governance, risk and control

- 3 To review the council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
- 4 To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
- 5 To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

- 6 To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
- 7 To monitor the effective development and operation of risk management and Corporate Governance in the Council.
- 8 To monitor progress in addressing risk-related issues reported to the committee including the Corporate Risk Register.
- 9 To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 10 To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- 11 To monitor the following activities:
  - Counter-fraud/ bribery strategy, actions and resources.
  - Whistleblowing
  - Money Laundering
  - Council Complaints Process including make payments or provide other benefits in cases of maladministration etc. under Section 92 of the Local Government Act, 2000 in excess of £1,000.
  - Breaches of Financial Procedure Rules and Contract Procedure Rules
- 12 To review the governance and assurance arrangements for significant partnerships or collaborations and where appropriate obtain annual third-party assurance statements.
- 13 To make recommendations to Council for amendments to the Constitution.
- 14 To make recommendations to the Council on the adoption, implementation and maintenance and review of a local Code of Conduct for Members – co-opted Members and officers of the Council.

- 15 To determine effective training of Councillors and Co-opted Members in matters of conduct and advice to individuals on issues relating to the treatment of interests and on the propriety of conduct generally.
- 16 To deal with the arrangements for Councillors to receive dispensations to speak on, or participate in, matters in which they have an interest.
- 17 To determine the appropriate action on matters referred to the Committee by the Monitoring Officer including disciplinary matters relating to the conduct of individual and/or groups of Councillors including alleged misuse of a Members Self-Maintained Website.
- 18 To ensure compliance throughout the Council with all appropriate Codes of Conduct, including the Protocol for relationships between members and officers of Sefton Council, and procedures from time to time determined by the Committee.
- 19 To deal with appropriate matters referred to it from other Committees.
- 20 To determine any applications for the grant and supervision of exemptions from political restrictions in accordance with Section 3A of the Local Government and Housing Act 1989.
- 21 To determine whether a valid petition for a Community Governance review has been received and to determine the terms of reference for such a review, how the review will be conducted including the required consultation and consider replies to a consultation and then make a recommendation to Full Council on the preferred outcome. The Committee has the authority to establish a working group to undertake the committee's responsibilities in this regard.



**Internal audit**

- 22 To approve the internal audit charter.
- 23 To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- 24 To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- 25 To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- 26 To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- 27 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments.
- 28 To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include
- a) updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work
  - b) regular reports on the results of the Quality Assurance Improvement Plan (QAIP)
  - c) reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Government Assurance Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement (AGS).

d) to consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

29 To consider the head of internal audit's annual report:

a) The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.

b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the AGS.

30 To consider summaries of specific internal audit reports as requested.

31 To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

32 To contribute to the QAIP and in particular, to the external quality assessment of internal audit that takes place at least once every five years.

33 To consider a report on the effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations (see Appendix A).

34 To provide free and unfettered access to the Audit and Governance Committee Chair for the head of internal audit, including the opportunity for a private meeting with the committee.

**External audit**

35 To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.

- 36 To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- 37 To consider specific reports as agreed with the external auditor.
- 38 To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 39 To commission work from internal and external audit.
- 40 To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

#### **Other Assurance areas**

- 41 To consider the Council's arrangements for health and safety and receive regular assurances and assessments on the effectiveness of these arrangements.
- 42 To consider write-offs of debt/ assets above £10,000.
- 43 To regularly review the Council's Treasury Management activities.

#### **Financial reporting**

- 44 To review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- 45 To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

**Accountability arrangements**

- 46 To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions.
- 47 To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- 48 To publish an annual report on the work of the committee.

## APPENDIX 2

Audit and Governance Committee Work Programme 2022-2023 (Approved by A&G Committee on 16 March 2022)

Agenda item	Inclusion rationale	June	Sept.	Nov.*	Dec.	March
<b>Governance</b>						
Produce annual report of the Audit and Governance Committee (to full Council)	Terms of Reference		✓			
Review of effectiveness of the Audit and Corporate Governance Committee – complete self- assessment	Good practice	✓				
Review Audit and Corporate Governance Committee training requirements	Good practice		✓			
Review and approve Annual Work Plan for the Audit and Governance Committee	Good practice					✓
Review of the Audit and Corporate Governance Committee's Terms of Reference	Good Practice				✓	
Review of Corporate Governance	Recommended by A&G					✓
<b>Internal Audit</b>						
Performance update on Risk and Audit Team including: <ul style="list-style-type: none"> <li>• Audit Team</li> <li>• Health and Safety</li> <li>• Counter Fraud</li> <li>• Insurance and other risk areas such as Business Continuity</li> </ul>	Terms of Reference	✓	✓		✓	✓
Annual Opinion of the Chief Internal Auditor including: <ul style="list-style-type: none"> <li>• review of impairment on independence and objectivity</li> <li>• QAIP</li> <li>• Assessment against PSIAS and LGAN</li> </ul>	Terms of Reference	✓				
Approval of the Annual Internal Audit Plan and review of Internal Audit Charter	Terms of Reference					✓

Agenda item	Inclusion rationale	June	Sept.	Nov.*	Dec.	March
Provide a report on the completion of audit recommendations including those not implemented within a reasonable timescale	Terms of Reference				✓	
Annual report on the follow up of Internal Audit recommendations	Terms of Reference				✓	
<b>Risk Management</b>						
Review of the Quarterly Corporate Risk Register	Terms of Reference	✓	✓		✓	✓
Approval of the review of the Corporate Risk Management Handbook	Terms of Reference				✓	
Provide a regular report on health and safety	Terms of Reference	✓	✓		✓	✓
<b>Monitor role</b>						
Reporting of the anti- fraud, bribery and corruption strategy (in performance report DE)	Terms of Reference	✓	✓		✓	✓
Provide an annual report on the Council's anti-fraud strategy	Terms of Reference				✓	
Review of Whistleblowing Policy	Terms of Reference				✓	
Review of Financial Procedure Rules (if required)	Terms of Reference				✓	
Review of CIPFA Financial Management Code	Good Practice	✓				
Review of the Members Code of Conduct	Terms of Reference		✓			
Review the annual governance statement	Terms of Reference		✓			
Provide an annual report on the Council's Anti-Money Laundering Policy	Terms of Reference				✓	

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Agenda item	Inclusion rationale	June	Sept.	Nov.*	Dec.	March
<b>Accounts, Financial Statements &amp; Treasury Management</b>						
External Auditor Annual Audit Letter	Terms of Reference	✓				
External Auditor Annual Report re. grant work	Terms of Reference	✓				
Treasury Management Outturn	Terms of Reference		✓			
Treasury Management In-Year Position	Terms of Reference	✓	✓		✓	✓
Write-offs of debt above £10,000 (if required)	Terms of Reference	✓	✓		✓	✓
Rent Policy	Good Practice	✓				

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A special meeting of the committee will need to be arranged to consider and approve the final audited Statement of Accounts for 2021/2022. This is currently scheduled for November 2022 but will be dependent on the completion of the audit by the Council's external auditors.

### APPENDIX 3

**Schedule of Member Briefing Sessions for 2022-2023 Municipal Year - based on the CIPFA recommended Core Areas of Knowledge for Audit and Governance Committee Members (Approved by Audit and Governance Committee on 16 March 2022). (\*\* Subject to alteration to meet contingencies during the year)**

<b>2022-2023 Municipal Year</b>		
<b>Knowledge area /Training Date / Facilitator</b>	<b>Details of core knowledge required</b>	<b>How the audit committee member is able to apply the knowledge</b>
<p><u>Treasury management</u></p> <p><b>16 March 2022</b></p> <p><i>Also, to be provided to all Councillors at a later date (tbc) as part of the Member Development Programme</i></p> <p><b>Facilitators:</b> Treasury Management Consultants - Arlingclose</p>	<p>Effective Scrutiny of Treasury Management is an assessment tool for reviewing the arrangements for undertaking scrutiny of treasury management. The key knowledge areas identified are: regulatory requirements; treasury risks; the organisation’s treasury management strategy; the organisation’s policies and procedures in relation to treasury management. See also Treasure Your Assets (CfPS).</p>	<p>Core knowledge on treasury management is essential for the committee undertaking the role of scrutiny.</p>



Knowledge area /Training Date / Facilitator	Details of core knowledge required	How the audit committee member is able to apply the knowledge
<u>Organisational knowledge</u>  <b>22 June 2022</b>  <b>Facilitators:</b> <ul style="list-style-type: none"> <li>• Chief Legal and Democratic Officer</li> </ul>	An overview of the governance structures of the authority and decision-making processes. Knowledge of the organisational objectives and major functions of the authority.	This knowledge will be core to most activities of the audit committee including review of the AGS, internal and external audit reports and risk registers.
<u>Audit committee role and functions</u> (Chapters 3 and 6)  <b>7 September 2022</b>  <b>Facilitator:</b> <ul style="list-style-type: none"> <li>• Chief Legal and Democratic Officer</li> </ul>	An understanding of the audit committee's role and place within the governance structures. Familiarity with the committee's terms of reference and accountability arrangements. Knowledge of the purpose and role of the audit committee.	This knowledge will enable the audit committee to prioritise its work in order to ensure it discharges its responsibilities under its terms of reference and to avoid overlapping the work of others.
<u>Financial management and accounting</u> (Chapter 4) <b>(Annual Statement of Accounts)</b>  <b>23 November 2022</b>  <b>Facilitators:</b> <ul style="list-style-type: none"> <li>• Service Manager - Finance</li> </ul>	Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. Understanding of good financial management principles. Knowledge of how the organisation meets the requirements of the role of the CFO, as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016) and the CIPFA Statement on the Role of Chief Financial Officers in Policing (2018).	Reviewing the financial statements prior to publication, asking questions. Receiving the external audit report and opinion on the financial audit . Reviewing both external and internal audit recommendations relating to financial management and controls. The audit committee should consider the role of the CFO and how this is met when reviewing the AGS.

Knowledge area /Training Date / Facilitator	Details of core knowledge required	How the audit committee member is able to apply the knowledge
<p><u>Governance</u> (Chapter 4)</p> <p><b>14 December 2022</b></p> <p><b>Facilitator:</b></p> <ul style="list-style-type: none"> <li>• Chief Legal and Democratic Officer</li> </ul>	<p>Knowledge of the seven principles of the CIPFA / Solace Framework and the requirements of the AGS.</p> <p>Knowledge of the local code of governance.</p>	<p>The committee will review the local code of governance and consider how governance arrangements align to the principles in the framework.</p> <p>The committee will plan the assurances it is to receive in order to adequately support the AGS.</p> <p>The committee will review the AGS and consider how the authority is meeting the principles of good governance.</p>
<p><u>Internal audit</u> (Chapter 4)</p> <p><b>15 March 2023</b></p> <p><b>Facilitator:</b></p> <p>Chief Internal Auditor</p>	<p>An awareness of the key principles of the PSIAS and the LGAN.</p> <p>Knowledge of the arrangements for delivery of the internal audit service in the authority and how the role of the head of internal audit is fulfilled.</p>	<p>The audit committee has oversight of the internal audit function and will monitor its adherence to professional internal audit standards.</p> <p>The audit committee will review the assurances from internal audit work and will review the risk-based audit plan. The committee will also receive the annual report, including an opinion and information on conformance with professional standards.</p> <p>In relying on the work of internal audit, the committee will need to be confident that professional standards are being followed.</p> <p>The audit committee chair is likely to be interviewed as part of the external quality assessment and the committee will receive the outcome of the assessment and action plan</p>

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<b>Report to:</b>	Audit and Governance Committee	<b>Date of Meeting:</b>	6 September 2023
<b>Subject:</b>	Information Governance and Compliance 2022/23		
<b>Report of:</b>	<b>Executive Director of Corporate Resources and Customer Services</b>	<b>Wards Affected:</b>	(All wards)
<b>Cabinet Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

## Summary:

To update Members on the Council's approach to information management and compliance.

## Recommendation(s):

- 1) To note the contents of the report.
- 2) To request the Executive Director of Corporate Resources and Customer Services to submit future reports on an annual basis covering the Council's information management and governance arrangements.

## Reasons for the Recommendation(s):

To inform members of the Council's approach to information governance and management and the consequences of not having appropriate arrangements in place together with details of information compliance in 2022/23.

## Alternative Options Considered and Rejected: (including any Risk Implications)

None.

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## What will it cost and how will it be financed?

### (A) Revenue Costs

N/A

### (B) Capital Costs

N/A

## Implications of the Proposals:

### Resource Implications (Financial, IT, Staffing and Assets):

There are no resource implications.

### Legal Implications:

- The Freedom of Information Act 2000
- The Environmental Information Regulations 2004
- The UK General Data Protection Regulation
- The Data Protection Act 2018

### Equality Implications:

There are no equality implications.

**Impact on Children and Young People: No**

### Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	Y

Neutral impact. The content of this report is an update to Committee members on information governance and compliance. It does not change the requirement for staff to travel, nor impact upon energy consumption, the amount of water used nor changes green spaces, so has the same impact as we currently do now. It has no impact upon the environment for the communities and stakeholders of Sefton.

**Contribution to the Council’s Core Purpose:**

Protect the most vulnerable: Not applicable
Facilitate confident and resilient communities: Not applicable
Commission, broker and provide core services: To ensure the provision of lawful data processing when providing services
Place – leadership and influencer: Not applicable
Drivers of change and reform: Not applicable
Facilitate sustainable economic prosperity: Not applicable
Greater income for social investment: Not applicable
Cleaner Greener: Not applicable

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD.7341/23) and the Chief Legal and Democratic Officer (LD.5541/23) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

None.

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**Appendices:**

There are no appendices to this report.

**Background Papers:**

There are no background papers available for inspection.

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## 1. Introduction/Background

Sefton Council recognises information as an important asset in the provision and effective management of services and resources. It is of paramount importance that information is processed within a framework designed to support and enable appropriate information management.

There are a number of pieces of legislation which impose obligations on the Council when managing and handling information, its protection, security, storage, retention and the public's rights with regard to the information the Council holds. The key ones are as follows:

- The Freedom of Information Act 2000
- The Environmental Information Regulations 2004
- The UK General Data Protection Regulation
- The Data Protection Act 2018

Information Management is a set of multi-disciplinary structures, policies, procedures, processes and controls implemented to manage information at an organisational level, and designed to support regulatory, legal, risk, environmental and operational requirements.

Effective information management should:

- Treat information as a valuable asset;
- Maintain compliance with the UK General Data Protection Regulation and the Data Protection Act 2018;
- Have in place policies, procedures and guidelines designed to support appropriate information handling and management.
- Demonstrate organisational commitment by setting out roles and responsibilities of staff;
- Have in place appropriately trained Information Governance staff available to provide advice and support to the Council.

## 2. What Structures Do We have in Place in Sefton

The Corporate Information Management and Governance Executive Group (CIMGEG) is a group of senior Council officers chaired by the Senior Information Risk Owner (SIRO) that reports to the Senior Leadership Board (SLB) and the Audit & Governance Committee (A&G). Its role is to oversee the Information Management & Governance framework for the Council.

The following are key membership roles:

Senior Manager ICT and Digital (Council's SIRO) (Chair)  
Chief Legal and Democratic Officer (Deputy SIRO)  
Information Management and Governance Lead (Council's Data Protection Officer)  
Workforce Learning and Development Manager  
Service Delivery Lead (ICT)

In addition to the Corporate Information Management and Governance Executive group Sefton also has an operational Information Management Group which consists of Information Asset Owners (IAO's) who are managers from across the organisation who are directly accountable to the SIRO, providing assurance that their information assets are managed effectively in relation to their risks.

Specifically, duties are:

- Ensure there is a maintained Information Asset Register for their service area.
- Ensure identification, review and prioritisation of data risks and their mitigation.
- Take instruction from the Council's SIRO and be actively involved with the Information Management Group.
- Follow the Council's risk reporting / incident management requirements as published on the intranet.
- Foster an effective Information Governance culture for their staff. This will mean ensuring staff take the Council provided training opportunities and overseeing opportunities for briefing and training within the service area.
- Risk assessment overview. Gain sufficient risk-based understanding of their database purposes, what and who enters the data and how it may leave.
- Oversee information risks when a new information asset is being created or imposed.

Other sub groups may be formed as 'task and finish' working groups to meet business requirements.

### **3. Training**

The Council first introduced half-day briefing sessions covering information compliance in July 2014 and then moved to a model of online e-Learning in 2016 which all staff must undertake on a refresher basis each year. The module takes approximately 35 to 40 minutes to complete. Following the course is a test of 20 questions with a pass rate of 85%. Staff and Members are required to sit this course every year. Any individual who fails the test will be asked to attend additional information compliance training and then re-sit the test. It is also one of the

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mandatory Induction training packages when an employee commences work for the Council.

The eLearning Refresher course enables staff to gain a working knowledge of the legislation governing Information Compliance and advice on how to stay within the law when conducting their day-to-day activities including:

- Collecting Information.
- Maintaining Accurate Information.
- Do's & Don'ts when working with information.
- Sharing information.
- Storage & Security of information.
- Information incidents and what to do if it happens to you.
- Rights of Access to Information.
- Direct Marketing and Newsletters.
- Disposal of information

The course content is reviewed to ensure alignment to best practice and changes in the security risk profile; the next update will include increased information around cyber security, for example. It is anticipated that the new course content will be available later this year in consultation with the IMG Executive.

## **4. Freedom of Information compliance**

The Freedom of Information Act (FOI) provides public access to information held by public authorities. The Act covers any recorded information that is held by a public authority in England, Wales and Northern Ireland, and by UK-wide public authorities based in Scotland. Information held by Scottish public authorities is covered by Scotland's own Freedom of Information (Scotland) Act 2002.

Recorded information includes printed documents, computer files, letters, emails, photographs, and sound or video recordings.

There are 2 separate duties the Council has when responding to requests. These are:

- to tell the person who has made the request (the applicant) whether we hold any information falling within the scope of their request;
- and to provide that information.

A response must be provided within 20 working days unless the Council considers that an exemption applies (for example, the information requested is the personal data of another individual).



## **Performance analysis (April 2022 – March 2023)**

Financial year 2022/23	Numbers
Total Received	1097
Within 20 days response rate	737 (67%)
Outside 20 days response rate	353 (32%)
Requests Withdrawn	7

The number of responses made within the statutory timescale fell in 2022/23 compared to the previous year. However, a proactive improvement plan has been put in place to improve compliance across the Council. The current percentage of responses made within 20 working days is 71%.

In 2022, the Information Commissioner's Office (ICO) set out its commitment to delivering more systemic enforcement action against public authorities that clearly and consistently fail to meet their FOI obligations. Action is regularly taken against public authorities that continue to demonstrate poor FOI performance, including those which demonstrate 'a wilful or negligent attitude to FOI compliance'; those significantly or repeatedly failing to follow the good proactive guidance the ICO publishes; or those that have failed to follow previous advice or comply with lower-level enforcement action. Copies of the Practice recommendations and Enforcement Notices are made available to the public on the ICO's website.

### **5. Subject access and disclosure requests**

Individuals have the right to ask an organisation whether or not they are using or storing their personal information. They can also ask an organisation for copies of their personal information. This is called the right of access and is commonly known as making a subject access request.

The Council received 1,462 subject access requests and disclosures requests in 2022/23. There were 1235 disclosure requests and 227 subject access requests.

The largest number of subject access requests were made to Children's Services, in particular, children's social care (158) followed by Adult Social Care (24). The Council has continued to see a rise in the number of subject access requests received for both departments, for the third consecutive year.

The complexity of such requests differs across the Council, the largest and most complex being those made to Children's Social Care. Individuals have the right to access personal data held about them by an organisation (data controller). In cases where an individual has been in the care of the Local Authority, particularly for the

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majority of their childhood, the files can amount to many hundreds of documents, in some cases, thousands. There are currently just 2 employees who handle such 'access to files' requests and disclosures for Adult Social Care (ASC) and Children's Social Care (CSC). In 2022/23, 70% of the subject access requests received by the Council were to Children's Social Care, 11% to Adult Social Care and the remainder were across the rest of the Council.

In 2022/23, the Council saw a total 1,235 requests made outside organisations making requests for disclosure of personal data e.g. the Police, solicitors, NHS, Central Government departments and other Local Authorities.

With regard to disclosure requests, the majority of these requests are received by the Corporate Resource and Customer Services department. In 2022/23 there were 926 requests, which equates to 75% of the total received. For the most part, these are straight forward requests for a limited amount of information, requiring little or no redaction of information prior to disclosure. On the other hand, those made to ASC and CSC by virtue of the nature of the information held within them, are more complex and can require extensive redaction prior to disclosure, for example, removal of third-party information. Requests made to ASC and CSC equated to 24.5% of requests received last year.

## **6. Data Incidents**

Sefton Council is legally obliged to take appropriate measures to prevent unauthorised or unlawful processing, accidental loss, and destruction of or damage to personal data.

A data security breach can come in a number of forms such as:

- Information is accidentally released (sending personal data out to the wrong person or address)
- Failing to remove information about an individual before disclosing to another who has no right to see it
- Loss of paper or other hardcopy records, especially where they are lost outside of the office or working environment
- Paper or other hardcopy records are disposed of with inadequate security (placed in with general waste and not sent for shredding)
- Information is stolen (emailed or copied without Sefton Council's authorisation)

The UK GDPR introduced a duty on all organisations to report certain personal data breaches to the Information Commissioner's Office (ICO). Where the incident is considered to be one which must be reported, it must be done within 72 hours of

becoming aware of the breach, where feasible. Guidance from the ICO provides the following by way of a definition:

*'A personal data breach means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes. It also means that a breach is more than just about losing personal data.'*

*'If the breach is likely to result in a high risk of adversely affecting individuals' rights and freedoms, then those individuals must be informed without undue delay.'*

A breach or potential breach is not purely a matter 'internal' to the specific department. It is a corporate concern requiring support, to ensure actions or inactions are legal, attend to data subjects' rights, and factor in the Council's reputation and possibility of enforcement action by the ICO. The Information Commissioner can instruct the Council to take specific steps or actions or stop us from taking certain actions. The ICO also has powers of entry and inspection, can issue warnings, reprimands, enforcement notices and the right to issue civil monetary penalty notices in cases of serious infringements of the legislation. The maximum amount is £ 17,500,000 or 4% of the total annual worldwide turnover of the preceding financial year, whichever is higher.

A failure to notify a breach when required to do so may result in a fine of up to £8.7 million or 2 per cent of an organisation's total worldwide annual turnover (Article 83 of the UK General Data Protection Regulation). The fine can be combined with the Information Commissioner's other corrective powers under Article 58.

## **Sefton position**

Staff have good awareness of information governance as evidenced by the number of reports made to the Council's Data Protection Officer (DPO). In 2022/23, 75 data incidents were reported to the DPO, compared to 54 in 2021/22 and 63 in 2020/21. Of the 75 incidents, 1 was deemed to be an incident which required notification to the ICO. The Council also received 1 complaint from an individual about the handling of their personal data, made via the ICO. No enforcement action resulted from either matter.

The types of incidents experienced by the Council mirrors those of the most commonly occurring breaches across Local Government as reported to the Information Commissioner's Office in 2022/23, which were:

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- Data emailed to incorrect recipient
- Data posted or faxed to incorrect recipient
- Failure to redact
- Loss/theft of paperwork or data left in insecure location
- Unauthorised access
- Loss/theft of device containing personal data
- Ransomware
- Verbal disclosure of personal data
- Phishing
- Other

'Non-event' incidents are those reported to the DPO, where, upon further investigation there was no incident, or it was found to be the case that no disclosure of personal data has occurred nor had any been accessed. Such an example would be where an email has been sent to an incorrect recipient, but the email has been retrieved from the unintended recipient prior to opening, or it has been deleted prior to opening. The Council still logs such events to enable lessons to be learned and ensure appropriate recording and training.

Examples of incidents included in the category of 'other' incidents include those where an employee has provided information to an individual but it contains personal data of a third party and the uploading of a case note against the wrong record and loss/theft of an encrypted device.

The vast majority of incidents arise as a result of human error. Any employee who is responsible for a data incident or a 'near miss' must attend additional information compliance training, which is followed up by a one-to-one discussion with a Learning and Development Officer. This covers points of learning and actions the employee will personally take to attempt to prevent a recurrence of the incident for which they were responsible. The Manager of the employee must also investigate the root cause of the incident and confirm the steps they have taken to prevent a recurrence.

The current internal process when a data security incident or breach has occurred, requires the Data Protection Officer (DPO) to be notified immediately, along with the Information Asset Owner (IAO) of the service involved and any relevant senior managers. The Data Breach Reporting form which is available to all staff on the

Intranet must be completed. Data Breach reporting is covered in the Council's mandatory Information Compliance training.

The DPO then convenes a Council Breach Evaluation Group (CBEG) meeting if the breach is deemed serious enough. Various other members of staff may need to be involved, including:

- Relevant Department(s) senior manager
- A Legal Representative
- Human Resources representative
- Specialist Advisors (e.g. IT)
- Communications representative

The CBEG decide:

- Subsequent containment / recovery actions
- Whether to disclose the breach to relevant data subjects, the ICO, other agencies such as the Police
- Internal division of labour, which may include involvement in the investigation or negotiate involvement in any disciplinary investigation
- Any immediate lessons to be applied in Department or Council.
- Date to meet again regarding meeting all four breach stages (recovery, risk assessment, notification, evaluation).

## **7.Data Security and Protection Toolkit (DSPT)**

Each year, the Council completes an online self-assessment tool – the Data Security and Protection Toolkit. All organisations that have access to NHS patient data and systems must complete the Toolkit to provide assurance that they are practising good data security and that personal information is handled correctly. The Toolkit forms part of a framework for assuring that organisations are implementing the ten data security standards published by the Department of Health and Social Care, NHS England and NHS Improvement; and that we are meeting our statutory obligations on data protection and data security. Failure to comply with the DSPT requirements could impact on the Council's access to NHS patient data. The Council is currently compliant with the DSPT.

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## **CONCLUSION**

In conclusion, over the last 12 months Sefton Council has continued to work hard to meet all of its obligations with information governance and compliance. Clearly, it has been a challenging period which is reflected in the statistics provided in this report. The Council continues to make every effort to improve performance across all areas.

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<b>Report to:</b>	Audit and Governance Committee	<b>Date of Meeting:</b>	Wednesday 6 September 2023
<b>Subject:</b>	Code of Corporate Governance		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

## Summary:

To present a revised Code of Corporate Governance for approval.

## Recommendation:

(1) To endorse the revised Code of Corporate Governance.

## Reasons for the Recommendation(s):

Whilst it is not a statutory requirement to have a Code of Corporate Governance it is recommended by CIPFA (*The Chartered institute of Public Finance and Accountancy*).

The principal objective of a code of corporate governance is to increase credibility, accountability and public confidence in local authorities and all public bodies are encouraged to adopt a local code.

## Alternative Options Considered and Rejected: (including any Risk Implications)

None – this will be the 4<sup>th</sup> iteration of the Code endorsed by the Audit and Governance Committee.

## What will it cost and how will it be financed?

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(A) Revenue Costs - None

(B) Capital Costs - None

## Implications of the Proposals:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> None	
<b>Legal Implications:</b> None	
<b>Equality Implications:</b> There are no equality implications	
<b>Impact on Children and Young People:</b> No	
<b>Climate Emergency Implications:</b>  The recommendations within this report will	
Have a positive impact	No
Have a neutral impact	Yes
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes

## Contribution to the Council's Core Purpose:

In consideration of the Council's Core Purpose, the Code of Corporate Governance will underpin the Council's activities discharged to meet the purposes identified below.

Protect the most vulnerable:
Facilitate confident and resilient communities:
Commission, broker and provide core services:
Place – leadership and influencer:
Drivers of change and reform:
Facilitate sustainable economic prosperity:
Greater income for social investment:



Cleaner Greener
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## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7340/23.) has been consulted and any comments have been incorporated into the report. The Chief Legal and Democratic Officer is the author of the report (LD 5540/23).

### (B) External Consultations - None

## Implementation Date for the Decision

Immediately following the Committee meeting.

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## Appendices:

Revised Code of Corporate Governance

## Background Papers:

There are no background papers available for inspection.

### 1. Introduction

- 1.1 Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their Communities.
- 1.2 Governance is more than making sure that things do not go wrong or fixing them if they do. Good governance adds value; it ensures effectiveness in ever changing circumstances.
- 1.3 Governance should be seen as the system by which organisations are directed and controlled and it follows that, if an organisation has good governance, it is well directed and controlled. If it is well directed and controlled it follows that the organisation should be working efficiently, economically and effectively in pursuit of the purpose for which it exists.

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1.3 The principal objective of a code is to increase credibility, accountability and public confidence in local authorities and all public bodies are encouraged to adopt a local code. A code helps us:

- To develop a framework for Corporate Governance for Sefton Council based on good practice and external guidance
- To demonstrate compliance with the principles of good governance
- To continuously improve our effectiveness through an annual review of performance against the framework
- To feed the results of the above into our Annual Governance Statement

1.4 The draft revised Code represents the recent thinking from lead professional bodies in this field contained in the CIPFA/SOLACE – Delivering Good Governance (2016) document.

2. CIPFA has produced 10 questions to ask about a local authority's local code of governance as follows:

	<i>Question</i>	<i>Answer</i>
1	Do we have a local code of governance?	Yes
2	Does it refer to the seven principles of good governance, as set out in the 2016 framework?	Yes
3	How up to date is it?	Last version dated 2019
4	Is it available on the Council's website ?	Yes
5	Does the narrative on the website explain what it is and why governance matters?	<b>No</b> , this will be addressed when revised version is published
6	Does the code set out our local arrangements? (This is the key)	Yes
7	Is it user-friendly, including links to further information?	Yes
8	Is your audit committee regularly sighted on it?	Yes, the intention is that the Code will be reviewed and presented to the Audit and Governance Committee annually.
9	Is it used as the basis for assurance work?	Internal Audit should refer to it

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		when providing audit opinions and it should be the basis for the annual review of the Annual Governance Statement.
10	Does your annual governance statement refer to it?	A good local code allows the AGS to focus on evaluation of how ell governance works in practice, rather than a description of arrangements.

3. Members are requested to carefully consider the draft Code of Corporate Governance and determine whether further amendments are required. Following such consideration Members are requested to approve the Code of Corporate Governance.

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# Sefton Council

## Code of Corporate Governance



# Agenda Item 7

## Summary Sheet

### Document Information

<b>Protective marking</b> (Unclassified / Restricted Circulation / Confidential)	Unclassified
<b>Ref</b>	COCG 19
<b>Document purpose</b>	Principles for governance arrangements within the council
<b>Document status</b> (Draft / Active)	Active
<b>Partners</b> (If applicable)	N/A
<b>Date document came into force</b>	
<b>Date of next review</b>	Twelve-month basis
<b>Owner</b> (Service Area)	Sefton Council – Corporate Resources
<b>Location of original</b> (Owner job title / contact details)	Chief Legal and Democratic Officer
<b>Authorised by</b>	Audit & Governance Committee

### Document History



# Agenda Item 7

Version	Date	Author	Notes on revisions
1.0	February 2018	Jacqueline Pendleton	
2.0	June 2018	Jill Coule	
3.0	September 2019	David McCullough	Approved by Audit & Governance Committee on 18.09.19
4.0	September 2023	David McCullough	



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## Introduction

### Good Governance

Good governance is about how Sefton Council ensures that it is doing the right things, in the right way, for the communities it serves, in a timely, inclusive, open, honest and accountable manner. Good governance will enable the Council to pursue its vision and secure its agreed objectives in the most effective and efficient manner.

### Our Commitment

Sefton Council is committed to upholding the highest possible standards of good corporate governance, believing that good governance leads to high standards of management, strong performance, effective use of resources, increased public involvement and trust in the Council and ultimately good outcomes.

Good governance flows from shared values, culture and behaviour and from systems and structures. This Code of Corporate Governance is a public statement that sets out the framework through which the Council meets its commitment to good corporate governance.

### The Governance Framework

The Governance Framework comprises the systems and processes, and cultures and values, by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate cost-effective services.

Corporate governance in Sefton is based on the following principles recommended by the Chartered Institute of Public Finance and Accountancy / Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) in a joint document entitled “Delivering Good Governance in Local Government (2016 Edition)” which builds on the seven “Principles for the Conduct of Individuals in Public Life” (Appendix A):

The seven principles of Corporate Governance laid out in the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government (2016 Edition) are as follows: -

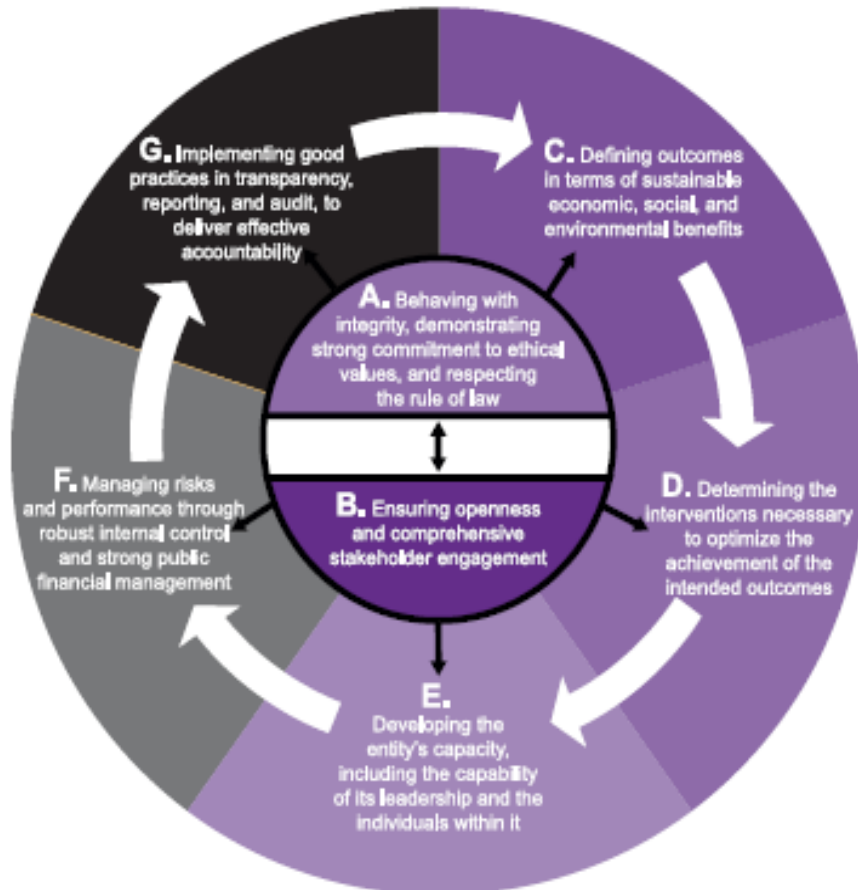
- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- B. Ensuring openness and comprehensive stakeholder engagement;
- C. Defining outcomes in terms of sustainable economic, social and environmental benefits;
- D. Determining the interventions necessary to optimize the achievement of intended outcomes;





- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it;
- F. Managing risks and performance through robust internal control and strong public financial management; and
- G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

## Achieving the Intended Outcomes While Acting in the Public Interest at all Times



*(International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the "International Framework")*

The Framework is based on the principles in the inner circle permeating and being evident throughout the application of the principles in the outer circle. The diagram also illustrates that good governance is dynamic and involves continuous evaluation and review.

This document describes how the Council achieves the seven principles of good governance and describes how the council's corporate governance arrangements will be monitored and reviewed.



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## How Sefton Council achieved the seven principles of good governance

### A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Sub – Principles	How Sefton Council Achieves the Principle
<p>Behaving with integrity.</p> <p>Demonstrating strong commitment to ethical values.</p> <p>Respecting the rule of law.</p>	<ul style="list-style-type: none"> <li>◇ The Council has an agreed constitution which sets out how the council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people.</li> <li>◇ All reports to Council, Cabinet and committees are checked by the Legal and Financial Services to ensure the decisions to be made are lawful and comply with financial requirements.</li> <li>◇ The committee report template has been amended to include implications for children and young people and for the climate emergency.</li> <li>◇ The Council has put processes in place to minimise the risk that its Councillors and employees act in an improper way (influenced by prejudice, bias or conflict of interest) when dealing with stakeholders.</li> <li>◇ The Council has Codes of Conduct and a suite of policies and procedures for Councillors and employees which define the standards of behaviour expected. Deviation from these policies may result in the use of the embedded disciplinary processes in place.</li> <li>◇ Members are required to declare any conflicts of interest at meetings and to have a Register of Interests which is published on the Council's website.</li> <li>◇ The Council has a Confidential Reporting Policy and a Anti-Fraud and Bribery Policy which discourage in appropriate activities and encourages the reporting of the same.</li> <li>◇ Employees are required to notify their line manager of any conflicts of interests.</li> <li>◇ The Council's Vision (Sefton 2030) and Framework for Change programme are clear and</li> </ul>



	<p>demonstrates its commitment to its stakeholders. The 2030 Vision also takes into account ethical behaviour in its promise.</p> <ul style="list-style-type: none"> <li>◇ The Council has a Corporate Plan for 2023 to 2026 which sets out the Council's priorities, core purpose and how it works to deliver the priorities.</li> </ul>
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## B - Ensuring openness and comprehensive stakeholder engagement.

Sub – Principle	How Sefton Council Achieves the Principle
<p>Openness.</p> <p>Engaging comprehensively with institutional stakeholders.</p> <p>Engaging stakeholders effectively, including individual citizens and service users.</p>	<ul style="list-style-type: none"> <li>◇ The Council is committed to openness and holds meetings in public whenever it can.</li> <li>◇ The Council publishes all relevant information (as required by the Local Government Transparency Code 2015) (as amended) on its website.</li> <li>◇ The Council website contains comprehensive information pertaining to the services provided by Sefton. <a href="#">Sefton Home</a></li> <li>◇ The Council's decision-making information, including committee agendas and minutes (not restricted) is available via the council's website and intranet. <a href="#">Councillors, Meetings, Decisions (sefton.gov.uk)</a></li> <li>◇ The Council has dedicated pages on its intranet for data protection and information handling.</li> <li>◇ The Council undertakes consultation exercises regularly and all consultation exercises receive prior approval from the Public Consultation and Engagement Panel. The panel also receives feedback on the effectiveness of consultation processes.</li> <li>◇ This Code is published on the Council's website. <a href="#">Sefton Home</a></li> </ul>

## C - Defining outcomes in terms of sustainable economic, social and environmental benefits.

Sub – Principle	How Sefton Council Achieves the Principle
Defining Outcomes	<ul style="list-style-type: none"> <li>◇ The council is committed to community engagement and involvement.</li> <li>◇ The Council has a clear vision for the future as set</li> </ul>



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<p>Sustainable economic, social and environmental benefits.</p>	<p>out in Sefton 2030, Framework for Change Programme and Corporate Plan, which takes into account all relevant economic, social and environmental factors.</p> <ul style="list-style-type: none"> <li>◇ The Council's Framework for Change has been developed to achieve financial sustainability, to ensure services align with the core purpose and that the Council works with partners to achieve better outcomes.</li> <li>◇ The Council has a structured Budget and Treasury Management process in place.</li> </ul>
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## D - Determining the interventions necessary to optimise the achievement of the intended outcomes.

Sub – Principle	How Sefton Council Achieves the Principle
<p>Determining interventions.</p>	<ul style="list-style-type: none"> <li>◇ The Council operates a Scrutiny and Review committee system and the decision making process allows for challenge where necessary.</li> </ul>
<p>Planning interventions.</p>	<ul style="list-style-type: none"> <li>◇ The Council has a robust financial strategy with Financial Planning protocols in place (Framework for Change, Medium Term Financial Plan, annual budget monitoring and Forward plans.)</li> </ul>
<p>Optimising achievement of intended outcomes.</p>	<ul style="list-style-type: none"> <li>◇ Cabinet receives regular reports on the Revenue and Capital Budgets and the Audit and Governance Committee receives regular reports on Treasury Management.</li> <li>◇ The Council engages and undertakes consultation exercises with its stakeholders in relation to service provision changes and new initiatives.</li> <li>◇ Social value is considered for all Council tender/ARFQ exercises, with the requirement for Social Value being clearly documented in the Council's Contract Procedure Rules.</li> </ul>

## E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.



Sub – Principle	How Sefton Council Achieves the Principle
<p>Developing the entity's capacity.</p> <p>Developing the capability of the entity's leadership and other individuals.</p>	<ul style="list-style-type: none"> <li>◇ The Council has an agreed constitution which details roles and responsibilities of Councillors and key Officers of the Council.</li> <li>◇ The Council requires all new employees and Councillors to undertake an induction process.</li> <li>◇ The Council has several human resource policies in place.</li> <li>◇ The Council has a personal development review process in place for employees.</li> <li>◇ There is a training programme for members and employees. Employee training needs are identified through the annual appraisal process.</li> <li>◇ The Council has a Member Induction Programme and a Member Development Handbook.</li> <li>◇ The Council has established a Member Development Steering Group.</li> <li>◇ The Council has determined a number of training courses as mandatory for members and employees.</li> <li>◇ Financial Regulations are contained within the Council Constitution and all employees are required to operate within them.</li> <li>◇ The Council works with a number of partners in order to deliver services throughout the borough.</li> <li>◇ The Council will be a constituent authority in the Cheshire and Merseyside Health and Care Partnership to deliver an integrated care strategy across Cheshire and Merseyside</li> <li>◇ Areas of the Council have been or are under review to ensure that they are operating efficiently and effectively within resources available.</li> </ul>

## F - Managing risks and performance through robust internal control and strong public financial management.

Sub – Principle	How Sefton Council Achieves the Principle
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Sub – Principle	How Sefton Council Achieves the Principle
<p>Managing risk.</p> <p>Managing performance.</p> <p>Robust internal control.</p> <p>Managing data.</p> <p>Strong public financial management.</p>	<ul style="list-style-type: none"> <li>◇ The Council has a Risk Management Framework in place.</li> <li>◇ The Council's Performance Management of new projects is linked to the Framework for Change.</li> <li>◇ A system of scrutiny and review is in place as part of the Council's decision-making process.</li> <li>◇ The Council has an Audit &amp; Governance Committee who meets quarterly and provides independent assurance on the adequacy of the Council's Risk Management Framework and the associated control environment.</li> <li>◇ The Council has a Risk Management Handbook and the Audit &amp; Governance Committee review the Corporate Risk Register at each meeting.</li> <li>◇ The Audit and Governance Committee has endorsed a risk appetite framework.</li> <li>◇ An internal audit function is maintained and reports quarterly to the Audit &amp; Governance Committee.</li> <li>◇ A data management framework and procedures are in place and are readily available to all members of staff. The Council has appointed a Data Protection Officer, Senior and Deputy Senior Information Risk Officers.</li> <li>◇ The Council has a robust financial strategy with Financial Planning protocols in place (Framework for Change, annual budget monitoring Medium Term Financial Plan and Forward plans.)</li> <li>◇ Council Financial Statements are available to the Public on the Council's website.</li> </ul>

## G - Implementing good practices in transparency, reporting, and audit to deliver accountability.

Sub – Principle	How Sefton Council Achieves the Principle
<p>Implementing good practice in transparency.</p>	<ul style="list-style-type: none"> <li>◇ The Council adheres to the Local Government Transparency Code 2015, with relevant information accessible via the council's website.</li> </ul>



<p>Implementing good practices in reporting.</p> <p>Assurance and effective accountability.</p>	<ul style="list-style-type: none"> <li>◇ The Councils website is designed for ease of navigation and includes “Browse aloud” function.</li> <li>◇ The Council has a Communications Policy in place.</li> <li>◇ The Council’s Financial Statements, Auditors letter and LGA Peer Review Action Plan is available on the Councils website.</li> <li>◇ The Council produces financial statements in accordance with CIPFA’s Practice on Local Authority Accounting in the UK following International Financial Reporting Standards (IFRS). The Financial statements are scrutinised by the external auditor with a separate report produced.</li> <li>◇ An Annual Governance Statement is produced and incorporated into the Council’s approved Financial Statements.</li> <li>◇ The Council has a compliments and complaints policy</li> </ul>
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## Monitoring and reporting

The Council will undertake an annual review of its governance arrangements to ensure continuing compliance with best practice to provide assurance that corporate governance arrangements are adequate and operating effectively in practice. Where reviews of the corporate governance arrangements have revealed gaps, actions will be planned to enhance the governance arrangements accordingly.

The Council will prepare an Annual Governance Statement which will be submitted to the Audit and Governance Committee for consideration and will form part of the Council’s annual Financial Statement.

The Annual Governance Statement will include:

- an acknowledgement of responsibility for ensuring there is a sound system of governance and system of internal control;
- a brief description of the key elements of the governance arrangements;
- a brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements;
- an evaluation of the level of assurance that the systems and processes that comprise the Council’s governance arrangements can provide; and
- an outline of the actions taken, or proposed, to deal with significant governance and internal control issues.



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The Annual Governance Statement will be signed by the Leader of the Council and the Chief Executive on behalf of the Council.

In reviewing and approving the Annual Governance Statement, members of the council will be provided with detailed information regarding the effectiveness of the governance arrangements and system of internal control and how these address the key risks faced by the Council. Those assurances will be available from a wide range of sources, including internal and external audit, a range of external inspectorates and managers from across the Council.

The Council will aspire to operate an assurance framework, embedded into its business processes, that maps corporate objectives to risks, controls and assurances. This framework and regular reports on its application and effectiveness will provide members with assurances to support the Annual Governance Statement and will help members to identify whether corporate objectives and significant business risks are being properly managed.







## **The Seven Principles of Public Life**

The Seven Principles of Public Life apply to anyone who works as a public office holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, non-departmental public bodies, and in health, education, social and care services. All public office holders are servants of the public and stewards of public resources. The principles also apply to all those in other sectors delivering public services.

### **1. Selflessness**

Holders of public office should act solely in terms of the public interest.

### **2. Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

### **3. Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

### **4. Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

### **5. Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

### **6. Honesty**

Holders of public office should be truthful.

### **7. Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

*The Seven Principles were established in the Committee's first report in 1995, the accompanying descriptors were revised following a review in the Fourteenth Report, published in January 2013.*

# Agenda Item 10

<b>Report to:</b>	Audit and Governance Committee	<b>Date of Meeting:</b>	Wednesday 6 September 2023
<b>Subject:</b>	Audit and Governance Committee - Quarterly Work Programme Update Report		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

## Summary:

The Audit and Governance Committee Work Programme has been developed to help ensure that all of the responsibilities of the Committee set out in the Audit and Governance Committee's Terms of Reference are discharged during the municipal year.

This report provides an update on reports listed for submission at the meeting of the Audit and Governance Committee held on 19 July 2023 and reasons for non-submission of some of the reports listed. Members are reminded that this meeting had originally been scheduled to take place on 21 June 2023, but had been moved to 19 July 2023 on request by Councillor Robinson (Chair).

The reports considered at the meeting on 19 July 2023 were listed in the Work Programme for the 2022-2023 Municipal Year, which had been approved by Audit and Governance Committee on 15 March 2023.

## Recommendation:

The Committee is requested to note the Audit and Governance Committee Work Programme update on reports listed for submission to the meeting held on 19 July 2023.

## Reasons for the Recommendation

The Chartered Institute of Public Finance and Accountancy (CIPFA) publication - "Practical Guidance for Local and Authorities and Police" recommends as good practice, the provision of an annual Work programme to enable Audit and Governance Committees to discharge their duties in accordance with their Terms of Reference.

Adherence to the work plan ensures that the Audit and Governance Committee has a structured, consistent approach to fulfilling its responsibilities as detailed in the CIPFA guidance.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

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To not have a Work Programme and not update the Committee on reasons for non-submission of expected reports would lessen the effectiveness of the Audit and Governance Committee.

## What will it cost and how will it be financed?

### (A) Revenue Costs

None directly

### (B) Capital Costs

None directly

## Implications of the Proposals:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>	
There are no direct resource implications	
<b>Legal Implications:</b>	
There are no direct legal implications	
<b>Equality Implications:</b>	
There are no direct equality implications.	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	Y
This report provides an update on reports to be provided to the Audit and Governance Committee in December 2022 as set in the Work Programme and as such does not have any climate emergency implications.	

## Contribution to the Council's Core Purpose:

Protect the most vulnerable: N/A
Facilitate confident and resilient communities: N/A
Commission, broker and provide core services: Yes
Place – leadership and influencer: N/A
Drivers of change and reform: Yes
Facilitate sustainable economic prosperity: N/A
Greater income for social investment: N/A
Cleaner Greener: N/A

## What consultations have taken place on the proposals and when?

## (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD 7350/23 ) and the Chief Legal and Democratic Officer (LD 5550/23 ) have been consulted and any comments have been incorporated into the report.

## (B) External Consultations

None

## Implementation Date for the Decision

Immediately following the Committee meeting.

<b>Contact Officer:</b>	Ruth Appleby
Telephone Number:	Tel: 0151 934 2181
Email Address:	ruth.appleby@sefton.gov.uk

## Appendices:

Appendix 1 - Update on Reports listed in the 2023-2023 Audit and Governance Committee Work Programme and ad hoc reports submitted for consideration by Audit and Governance Committee held on 19 July 2023.

## Background Papers:

CIPFA – Audit Committees – Practical Guidance for Local Authorities and Police 2022 Edition can be viewed at the following link: [Sefton Home](#)

### 1. Introduction/Background

The Work Programme for each Municipal Year is an important element in planning the year ahead as being closely aligned with the Terms of Reference, it ensures that the Committee has a structured, consistent approach to fulfilling its responsibilities within the Terms of Reference and helps to ensure the effectiveness of the Audit and Governance Committee. It is also important to note that a degree of flexibility is applied in order that any ad hoc / urgent reports may be considered by the Committee as and when required.

### 2. Work Programme Update – July 2023

- 2.1 It is good practice to provide the Audit and Governance Committee with regular updates on reports listed in the Work Programme and submission of ad hoc reports for consideration at each of its quarterly meetings.
- 2.2 Appendix 1 provides details of the reports listed in the 2023-2024 Work Programme for consideration at the meeting of the Audit and Governance Committee held on 19 July 2023 and the reasons for non-submission of some of

# Agenda Item 10

the reports listed. It also provides details of ad hoc reports submitted which were not listed in the Work Programme.

- 2.3 As agreed by Audit and Governance Committee on 22 June 2022, update reports on adherence to the Work Programme will be provided to each of the quarterly meetings of the Audit and Governance Committee throughout the municipal year.

**Update on Reports listed in the Audit and Governance Work Programme for consideration by  
Audit and Governance Committee held on 19 July 2023 (originally scheduled to take place on 21 June 2023)**

	<b>Report Title</b>	<b>Inclusion Rationale</b>	<b>Details</b>	<b>Comments and/or reason for delay</b>
	<b>Governance Reports</b>			
(1)	Audit and Governance Committee Work Programme Quarterly Update Report	Good Practice	Submitted and Noted	Update on reports listed in the Work Programme for consideration at the previous meeting
(2)	Code of Corporate Governance	Recommended by A&G	Submitted and approved	Deferred from March 2023
	<b>Internal Audit Reports</b>			
(3)	Performance update on Risk and Audit Team including: <ul style="list-style-type: none"> <li>• Audit Team</li> <li>• Health and Safety</li> <li>• Counter Fraud</li> <li>• Insurance and other risk areas such as Business Continuity</li> </ul>	Terms of Reference	Submitted and approved	Quarterly update provided to Members
(4)	Provide a regular report on health and safety	Terms of Reference	Submitted and approved	Quarterly update – incorporated in the Audit and Risk Performance Update report
	<b>Risk Management Reports</b>			
(5)	Review of the Quarterly Corporate Risk Register	Terms of Reference	Submitted and approved	Quarterly update provided to Members
	<b>Monitor Role</b>			
(6)	Review of CIPFA Financial Management Code	Good practice	Submitted and noted	Updating on implementation of Financial Management Code

	Report Title	Inclusion Rationale	Details	Comments and/or Reason for delay
	<b>Accounts, Financial Statements &amp; Treasury Management reports</b>			
(7)	Treasury Management Outturn 2022/23 and Position to June 2023	Terms of Reference	Submitted and approved	This was originally scheduled for consideration at the 6 September 2023 meeting but was able to be brought to Committee early due to the June A&G meeting being moved to 19 July 2023.
(8)	External Auditor Annual Audit Letter On completion of the External Audit	Terms of Reference	Not submitted	Delayed because the external audit of accounts has not been completed – see ad hoc reports (11) below**.
(9)	External Auditor Annual Report re. grant work on completion of the External Audit – EY/	Terms of Reference	Not submitted	Delayed because the external audit of accounts has not been completed - see ad hoc reports (11) below**.
(10)	Write-offs of debt above £10,000 (if required)	Terms of Reference	Not submitted	Matters will be considered as required through the year
	<b>Ad hoc Reports (not on Work Programme)</b>			
(11)	Statement of Accounts 2020/21, 2021/22 and 2022/23	Good practice	Submitted and noted	**Report submitted to explain reasons for the delays in completion of the external audit of accounts from 2020/21, 2021/22 and 2022/23



# Agenda Item 12

<b>Report to:</b>	Audit and Governance Committee	<b>Date of Meeting:</b>	Wednesday 6 <sup>th</sup> September 2023
<b>Subject:</b>	Unrecoverable Debts over £10,000		
<b>Report of:</b>	Executive Director of Corporate Resources and Customer Services	<b>Wards Affected:</b>	(All Wards);
<b>Portfolio:</b>	Regulatory, Compliance and Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No - but the appendices to the report are NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. The Public Interest Test has been applied and favours the information being treated as exempt		

## Summary:

As outlined within the Council's Schemes of Financial Delegation, all outstanding debts over £10,000 cannot be written off without the approval of the Audit and Governance Committee.

The report sets out, at 1.2 below, that the Council was unable to follow a business-as-usual debt management programme, including the writing-off of bad debt, due to restrictions in place during the pandemic. Therefore, this is the first report requesting approval to write-off unrecoverable debt for some time and so amounts are higher than would usually be considered by the Committee.

The Committee is asked to approve the write off the debts listed in Appendices A, B and C to this report.

## Recommendation:

To approve the write off of all individual debts detailed in the appendices to this report. The total amount for write off is £1,380,751.94.

## Reasons for the Recommendation(s):

The debts detailed in the Appendices have all been assessed on an individual basis as all means of recovery have been exhausted. These debts are now considered to be irrecoverable and are recommended for write off.

Approval will ensure uncollectable debt will be removed from the system.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

# Agenda Item 12

Not to write off the debt.

## What will it cost and how will it be financed?

### (A) Revenue Costs

The Council maintains provisions for bad debts for the four main areas of debt. These are re-evaluated at the end of each financial year to take account of the amounts collected in the year, new debt raised in the year, changes in economic conditions. Current provisions are more substantial than would otherwise be the case due to minimal amounts of debt being written off since the COVID-19 pandemic.

The amounts proposed for write off set out within this report are within the provisions set aside for bad debts as shown in the table at 3.1 below.

### (B) Capital Costs

Not Applicable

## Implications of the Proposals:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>	
None	
<b>Legal Implications:</b>	
None	
<b>Equality Implications:</b>	
There are no equality implications.	
<b>Impact on Children and Young People:</b>	
No	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will	
Have a positive impact	No
Have a neutral impact	Yes
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes
There are no climate emergency implications in this report.	

## Contribution to the Council's Core Purpose:

Protect the most vulnerable: Not applicable.
Facilitate confident and resilient communities: Not applicable.

Commission, broker and provide core services: Not applicable.
Place – leadership and influencer: Not applicable.
Drivers of change and reform: Not applicable.
Facilitate sustainable economic prosperity: Not applicable.
Greater income for social investment: Not applicable.
Cleaner Greener Not applicable.

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD7316/23) and the Chief Legal and Democratic Officer (LD5516/23) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

Not Applicable.

### Implementation Date for the Decision

Immediately following the Committee / Council meeting.

**(Please delete as appropriate and remove this text)**

<b>Contact Officer:</b>	Diane Turner
<b>Email Address:</b>	diane.turner22@sefton.gov.uk

### Appendices

The following appendices are attached to this report:

- Appendix A - Business Rates debts over £10,000.
- Appendix B - Sundry Debt debts over £10,000.
- Appendix C – Housing Benefit Overpayment debts over £10,000.

### Background Papers

Write Off terms of reference are attached to this report.

### 1. Introduction/Background

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- 1.1 The Council seeks to limit the level of debt that is written off and every effort is also made to ensure that collection levels remain high. For this reason, a Debt Working Group was formed in 2019, led by the Executive Director of Corporate Resources and Customer Services consisting of key staff from the legal, financial management and revenues teams. The aim of the group was to scrutinise all aspects of the Council's policy and operational procedures in relation to debt management, including write-off of unrecoverable debt, to identify improvements to working practices to enhance debt recovery.
- 1.2 The work of the Group was curtailed during the 2020-2022 period due to the need to prioritise tasks associated with supporting residents and businesses through the COVID-19 pandemic. In addition, to fully comply with Government and Public Health England advice to minimise the spread of the virus and provide those most impacted with appropriate support and breathing space, the Civil Enforcement Agency (CIVEA) suspended enforcement visits in March 2020, with all other activity such as the issuing of notices of enforcement, reminder letters and outbound calls being severely reduced. Other than "light touch" collection activity, which mainly consisted of encouraging those having difficulty making payments to get in touch for advice, the Council was unable to continue with a business-as-usual debt management programme, including writing off bad debt, as restrictions in place meant that it was not possible to exhaust all collection and enforcement options as outlined below at 2.1. For these reasons, there is now a backlog of bad debt identified for submission for write-off that the Audit and Governance Committee will be asked to consider at future meetings.
- 1.3 The Council has taken a number of steps in recent months in order to re-introduce a regular programme of write-off of bad debt as follows: -
  - The Corporate Debt Policy has been reviewed and updated in terms of legislation and process. The objectives of the Policy are cost effective income collection and recovery that is sensitive to the needs of people and businesses in our community. [Corporate Debt Policy \(sefton.gov.uk\)](https://sefton.gov.uk/corporate-debt-policy)
  - A report was provided to the Council's Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) on 13th June 2023 setting out the current position, actions taken to collect and enforce debt, bad debt provision and the risks in managing the Council's debt position. The report also explained that in line with the Council's constitution, the Audit and Governance Committee would be asked to recommence reviewing requests to write-off bad debts over £10,000, with the S151 Officer and Monitoring Officer reviewing requests under £10,000.
- 1.4 The Council collected income of over £281.65m during 2022/23 which included:
  - £177.6m in Council Tax,
  - £67.8m in Business Rates,
  - £35.8m Sundry Income, and
  - £0.45m Housing Benefit overpayments.

For 2023/24, the forecast for collectable debits i.e., billed amounts, is £334.8m. As at the 30<sup>th</sup> June 2023 this comprises of:

- £197.5m in Council Tax,
- £66.6m in Business Rates,
- £70m Sundry Income, and
- £0.7m – Housing Benefit overpayment.

1.5 The table below shows the percentage collection rate for Council Tax and Business Rates by the Council over the last decade. These collection rates compare favourably to all metropolitan local authorities nationally and neighbouring Liverpool City Region authorities: -

Council Tax		Business Rates	
Year	Collection Rate	Year	Collection Rate
2014	96.30%	2014	98.40%
2015	96.20%	2015	99.30%
2016	96.30%	2016	99.30%
2017	96.30%	2017	98.70%
2018	96.00%	2018	99.22%
2019	95.81%	2019	98.34%
2020	94.98%	2020	96.35%
2021	94.82%	2021	97.30%
2022	95.00%	2022	99.37%
2023	32.17 as at the 17/7/23	2023	36.75% as at the 17/7/23

1.6 All debts, taxes and rates are actively pursued and, in most instances, are collected with little difficulty. As a result, debts are monitored to ensure they are collected in the most efficient and economical manner and are only considered for write off where all means of recovery have been exhausted. This report details those sums that are over £10,000 in value and recommended for write off as a result of recovery processes having been completed.

## 2. Recovery Procedures Undertaken

2.1 For those sums where a payment is outstanding the following recovery actions are undertaken: -

- Bill / Invoice sent.
- Reminder sent.
- Final Notice sent.
- Summons sent.
- Liability Order granted at Magistrates Court for Council Tax /NNDR.
- Telephone debt chasing to make arrangements to pay.
- In appropriate cases, home visits are made to make arrangements to pay.
- 14 Day Warning Letter or Letter before action sent.
- Cases referred to Enforcement Agents or Debt Collectors.
- Charging Orders and Land Charges are obtained against the property if appropriate. However, the vast majority of businesses in Sefton are in leased properties.
- Statutory Demands issued for Bankruptcy proceedings.

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- 2.2 If a person or business is having difficulty making the payment, special arrangements are used to effect recovery, and this may mean extending the period to collect the debt. Only when all options have been explored would a debt be considered for write off.
- 2.3 There are a number of key reasons why a debt is put forward for write off. These include:
- The debt is uneconomical to collect i.e., the cost of collection.
  - The debtor cannot be found despite all reasonable attempts to trace. The Revenues service has access to a credit reference agency database which is used for tracing absconded debtors. Each case is checked against the system before a decision is taken to put forward the debt for write off.
  - The debtor is deceased and there is no likely settlement from the estate or next of kin.
  - Insolvency and personal bankruptcy where there are no assets to claim against and there is no/limited likelihood of settlement.

## 3. Approach to Debt Write off

- 3.1 The Council has made provision for writing off bad debts, with specific provision for Business Rates, Council Tax, Sundry Debt and Housing Benefit Overpayments. The amounts proposed for write off are within the provisions set aside for doubtful debts. As part of the 2023/2024 accounts process, provisions will be recalculated considering current levels of debt outstanding.

The table below shows a summary of the current position for each provision and the amount to be charged against it subject to Committee approval:

	<b>Provision as at 31<sup>st</sup> March 2023</b>	<b>Approved Write-Offs in 2023/2024 – Under £10k</b>	<b>Approved Write-Offs in 2023/2024 – Over £10k</b>	<b>Provision Currently Remaining</b>	<b>NET Write-Offs where approval being sought from A&amp;G Committee</b>	<b>Provision Remaining After Write-offs applied</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Council Tax (incl. Court Costs)	<b>-33.435</b>	0.0	0.0	<b>-33.435</b>	0.00	<b>-33.435</b>
Business Rates (incl. Court Costs)	<b>-5.875</b>	0.0	0.0	<b>-5.875</b>	1.034	<b>-4.841</b>
Sundry Debts & Housing Benefits	<b>-4.029</b>	0.0	0.0	<b>-4.029</b>	0.252	<b>-3.777</b>

Agresso debts						
Housing Benefits – including non-invoiced (Northgate)	<b>-2.315</b>	0.0	0.0	<b>-2.315</b>	0.094	<b>-2.221</b>

3.2 Legal checks: The Council’s Legal Team have reviewed the accounts proposed for write off and consider this to be appropriate action at this time.

3.3 Whenever an amount is written off, it is possible that further sums may be recovered in due course as new information is obtained. This would happen in the following instances:

- Where a new address is found for an absconded debtor, attempts will be made to recover any outstanding sums.
- Whenever a firm or individual goes into bankruptcy, liquidation, receivership etc., the Council's interest is registered with the Receiver, Liquidator etc. and the receiver may pay a dividend to creditors; and
- Companies that have ceased trading but have not entered into insolvency may restart their business.

3.4 Reconciliation: following approval for the write off of individual cases, the Revenues Manager will provide a reconciliation statement identifying any discrepancies that have arisen and reasons for discrepancies. Schedules of balances actually written off will accompany the statement and be submitted to Financial Management for evidence and monitoring of the bad debt provision.

#### **4. Council’s constitution**

4.1 The Council’s Schemes of Financial Delegation set out that the Audit and Governance Committee must consider and approve write-off of bad debts over £10,000 with the Section 151 and Monitoring Officer approving write of debt under £10,000.

4.2 The Committee is asked to note that subsequent reports will be provided detailing the levels of under £10,000 debt written-off under delegated authority so that there is full transparency of amounts being written off.

#### **5. Debts of over £10,000 Identified for Write-Off**

5.1 56 individual accounts with balances over £10,000 and totalling £1,380,751.94 have been identified for write off. At this time, debts submitted to the Audit and

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Governance Committee for write-off consideration relate to Business Rates, Sundry Debt and Housing Benefit Overpayments. There are no Council Tax debts over £10,000 for the Committee to consider on this occasion.

5.2 The overall debt is summarised as follows: -

<b>All Debts - Write offs over £10,000</b>		
<b>Write off Reason</b>	<b>No. of Cases</b>	<b>Amount for Write Off</b>
Bankruptcy	5	£ 76,613.89
Ceased Trading No Assets	22	£ 569,072.25
Deceased No Assets	6	£ 83,698.83
Gone No Trace	3	£ 74,707.17
Individual Voluntary Arrangement	1	£ 48,123.23
In Administration	4	£ 164,073.87
Liquidation	9	£ 190,224.89
Unable to Collect - Recovery Exhausted	6	£ 174,237.81
<b>Totals</b>	<b>56</b>	<b>£ 1,380,751.94</b>

<b>All Debts - Write Offs by Debt Year</b>		
<b>Year</b>	<b>Amount for Write Off</b>	
2010	£	16,811.07
2012	£	32.50
2013	£	13,787.82
2014	£	308.75
2015	£	14,708.49
2016	£	43,973.35
2017	£	163,305.20
2018	£	254,167.09
2019	£	381,602.58
2020	£	195,644.25
2021	£	243,810.71
2022	£	52,576.61
2023	£	23.52
<b>Total</b>	<b>£</b>	<b>1,380,751.94</b>

5.3 This overall debt can be analysed across the different types of debts as follows:

<b>Business Rates - Write offs over £10,000</b>		
<b>Write off Reason</b>	<b>No. of Cases</b>	<b>Amount for Write Off</b>
Bankruptcy	1	£ 15,418.07
Ceased Trading No Assets	22	£ 569,072.25



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Gone No Trace	3	£	74,707.17
Individual Voluntary Arrangement In Administration	1	£	48,123.23
Liquidation	4	£	164,073.87
Unable to Collect - Recovery Exhausted	6	£	120,440.47
	2	£	42,807.01
<b>Totals</b>	<b>39</b>	<b>£</b>	<b>1,034,642.07</b>

<b>Business Rates - Write Offs by Debt Year</b>		
Year	Amount for Write Off	
2015	£	457.89
2016	£	17,570.36
2017	£	125,368.15
2018	£	194,346.37
2019	£	348,270.60
2020	£	94,001.35
2021	£	202,027.22
2022	£	52,576.61
2023	£	23.52
<b>Total</b>	<b>£</b>	<b>1,034,642.07</b>

<b>Sundry Debt - Write offs over £10,000</b>		
Write off Reason	No. of Cases	Amount for Write Off
Bankruptcy	1	£ 26,762.82
Deceased No Assets	4	£ 57,896.25
Liquidation	3	£ 69,784.42
Unable to Collect - Recovery Exhausted	2	£ 97,316.60
<b>Totals</b>	<b>10</b>	<b>£ 251,760.09</b>

<b>Sundry Debt - Write Offs by Debt Year</b>		
Year	Amount for Write Off	
2010	£	16,811.07
2012	£	32.50
2013	£	211.25
2014	£	308.75
2015	£	2,413.43
2016	£	15,786.49
2017	£	37,937.05
2018	£	49,580.79
2019	£	33,331.98
2020	£	87,677.49

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2021	£	7,699.29
<b>Total</b>	<b>£</b>	<b>251,760.09</b>

<b>Housing Benefit Overpayment - Write offs over £10,000</b>		
<b>Write off Reason</b>	<b>No. of Cases</b>	<b>Amount for Write Off</b>
Bankruptcy	3	£ 34,433.00
Deceased No Assets	2	£ 25,802.58
Unable to Collect - Recovery Exhausted	2	£ 34,114.20
<b>Totals</b>	<b>7</b>	<b>£ 94,349.78</b>

<b>Housing Benefit Overpayment - Write Offs by Debt Year</b>		
<b>Year</b>	<b>Amount for Write Off</b>	
2013	£	13,576.57
2015	£	11,837.17
2016	£	10,616.50
2018	£	10,239.93
2020	£	13,965.41
2021	£	34,114.20
<b>Total</b>	<b>£</b>	<b>94,349.78</b>

## 6. Conclusion

6.1 To conclude, this is the first report requesting Committee approval to write-off unrecoverable bad debt over £10,000 since the pandemic. It is anticipated that a business- as-usual programme will be presented to future Audit and Governance Committees for consideration.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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