

AUDIT AND GOVERNANCE COMMITTEE

**MEETING HELD AT THE BIRKDALE ROOM - SOUTHPORT TOWN
HALL, LORD STREET, SOUTHPORT, PR8 1DA
ON 20 MARCH 2024**

PRESENT: Councillor Robinson (in the Chair)
Councillor Roche (Vice-Chair)

Councillors Catie Page, Pugh, Shaw, Thomas and
Webster

43. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors John Joseph Kelly, Spring and Anne Thompson and the Independent Member, Rachel Oakes.

44. DECLARATIONS OF INTEREST

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

45. MINUTES

RESOLVED:

That the Minutes of the meeting held on 13 December 2023 be confirmed as a correct record.

46. 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 rested with the Strategic Leadership Board.

The CIA indicated that since the meeting held on 13 December 2023:

- One new risk had been added to the Corporate Risk Register in the current quarter;
 - Increase in Academisation of Schools in the Borough

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- One risk had been de-escalated and would continue to be monitored on the appropriate Service Risk Register;
 - Requirement to work collaboratively with Sefton New Directions to review delivery model

The CIA informed the Committee that there were on-going initiatives to embed risk management within the Council including assurance mapping and horizon scanning.

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

- The impact of the increase of academies in the Borough
- Any effect on Special Educational Needs or Disability provision
- The rising number of Education, Health, and Care Plans

Following consideration of the report, the Committee received a presentation from the Executive Director of Adult Social Care and Place and the Assistant Director of Life Course Commissioning. The presentation covered the risks associated with the Adult Social Care (ASC) sector:

- ASC Contracted Rates
- Social Care Provision
- Inflation and cost of care impact

RESOLVED: That

- (1) the updated Corporate Risk Register, the nature of the major risks facing the Council and the planned actions in place to mitigate these risks, be noted;
- (2) the progress on the embedding of risk management within the Council be noted; and
- (3) the Executive Director of Adult Social Care and Place and the Assistant Director of Life Course Commissioning be thanked for their presentation.

47. ICT ACCEPTABLE USAGE POLICY - YEARLY REVIEW

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which requested approval for revised security policy documentation relating to the Authority's ICT estate. The Policy Document is a yearly review of the ICT Acceptable Usage Policy which was previously reviewed and approved by the Audit & Governance Committee on 15 March 2023 and by Council on the 13 April 2023. Changes to the ICT Acceptable Usage Policy included the provision

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explicit guidance around Bring Your Own Devices (BYOD) for Council Officers and WhatsApp usage.

The Committee queried whether Councillors would still be able to connect to corporate resources on personal devices.

RESOLVED: That

- (1) the revised ICT Acceptable Usage policy documentation relating to the authority's ICT estate be approved; and
- (2) the internal publication of the Acceptable Use Policy be approved.

48. TREASURY MANAGEMENT POSITION TO JANUARY 2024

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 to 31 January 2024. The report was the third of the ongoing quarterly monitoring provided to Audit & Governance Committee.

The report included an overview of:

- Investments Held
- Interest Earned
- Borrowing Strategy
- Interest Rate Forecast
- Compliance with Treasury and Prudential Limits

RESOLVED:

That the report be noted.

49. SEFTON ASSURANCE MAP

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which set out Internal Audit's and the Risk and Resilience Team's assessment of the sources of assurance for the Audit and Governance Committee on the management of the Council's strategic risks.

The report described the approach to the work and the outcomes, including recommendations for improvement.

RESOLVED: That

- (1) the outcome of the Sefton Risk Assurance Map at Appendix A be noted; and

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- (2) the consideration of implications for the Internal Audit annual plans in 2024-25 be noted.

50. 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 December 2023 to 29 February 2024.

The report discussed the resourcing position across the Team as well as in particular the Internal Audit Team, the response and the actions planned for the rest of the financial year. It also included an update on the actions from the Corporate Governance Review including progress on the Significant Governance Issues.

RESOLVED: That

- (1) the progress on the revised 2023/24 Internal Audit Plan to 29 February 2024 be noted;
- (2) 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; and
- (3) The revised Annual Audit Plan be approved.

51. INTERNAL AUDIT CHARTER AND ANNUAL AUDIT PLAN

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which presented the proposed Internal Audit Charter and the Internal Audit Plan 2024/25.

The Committee asked questions regarding the time period for recruitment.

RESOLVED: That

- (1) the Internal Audit Charter be approved; and
- (2) The Internal Audit Plan 2024/25 be approved.

**52. GRANT THORNTON EXTERNAL AUDIT PROGRESS REPORT
AND SECTOR UPDATE - FEBRUARY 2024**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which presented the Audit Progress Report for 2023/2024 from the Council's external auditors, Grant Thornton (GT).

The Progress Report included:

- Key Grant Thornton team members
- The auditor's statutory responsibilities
- 2023-24 deliverables
- Audit approach
- Digital experience
- Sector update

The Committee asked for updates on the Council's Statement of Accounts for 2020/21, 2021/22 and 2022/23.

The Engagement Lead from Grant Thornton introduced herself to the Committee and outlined the timeline for an Audit Plan, findings report and annual report.

RESOLVED:

That the Grant Thornton Report for 2023/2024 be noted.

53. REVIEW OF WHISTLEBLOWING POLICY AND REVIEW OF WHISTLEBLOWING REFERRALS 2022 - 2023

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which summarised all complaints received by the Council via its whistleblowing policy in the municipal year 2022 to 2023 and presented a revised policy for approval by the Committee.

RESOLVED: That

- (1) the revised policy as detailed in appendix 1 be approved; and
- (2) the summary of referrals received during the municipal year 2022 to 2023 be noted.

54. REVIEW OF TERMS OF REFERENCE

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which indicated that it was good practice for the Committee to regularly review its terms of reference to ensure they were fit for purpose. The report specifically asked Members to consider the position of Independent Members on the Committee.

The Committee agreed that the Committee should attempt to recruit a second Independent Member.

RESOLVED: That

- (1) the content of the report be noted; and
- (2) the relevant officers be asked to start attempting to recruit a second Independent Member.

55. GUIDANCE FOR COUNCIL APPOINTED DIRECTORS

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which presented conflict-of-interest guidance for Members who are appointed as directors on its wholly owned companies for endorsement.

RESOLVED:

That the attached Conflict of Interests Guidance be approved and issued to all Members and Officers who are appointed as Directors on any company.

56. AUDIT AND GOVERNANCE COMMITTEE SELF-ASSESSMENT 2023/2024

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which set out the Self-Assessment exercise undertaken by Audit and Governance Committee Members in consultation with officers from Democratic Services at an informal Audit and Governance Committee Member meeting held on 5 March 2024 via Microsoft Teams.

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.

A regular self-assessment can be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

RESOLVED: That

- (1) the Self-Assessment document be agreed as a correct reflection of the view of the Audit and Governance Committee;
- (2) the undertaking of a Self-Assessment exercise on an annual basis be continued;
- (3) the Self-Assessment exercise will support the planning of the Audit and Governance Committee Work Programme and Training

Programme and inform the Annual Report be noted.

57. AUDIT AND GOVERNANCE COMMITTEE MEMBER TRAINING AND DEVELOPMENT

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which detailed Audit and Governance Committee Member Training and Development. The Audit and Governance Committee held on 15 March 2023 gave approval for a programme of briefing sessions for Audit and Governance Committee Members and Substitutes to be held one hour (1.45 pm to 2.45 pm) prior to meetings of the Audit and Governance Committee. The report provided:

- An update on the programme of briefings held for Audit and Governance Committee Members and Substitutes in 2023/24 detailed in Appendix 1 to the report.
- Proposals for the 2024/25 programme of briefing sessions, based on the recommended Core Areas of Knowledge for Audit and Governance Committee Members outlined by the Chartered Institute of Public Finance and Accounting (CIPFA) as set out in Appendix 2 to the report.
- An update on the Treasury Management course which in accordance with the CIPFA Treasury Management code, will be provided annually with a required attendance by Members and Substitute Members of Audit and Governance Committee
- Proposal for the Treasury Management course to continue to be offered to all Councillors in accordance with the CIPFA Treasury Management Code and included in the Member Development Handbook as part of the Council's Member Development Programme 2024-2025.

The Members discussed introducing a consultation process to determine the best time and method for future briefing sessions.

RESOLVED: That

- (1) the update and attendance at the programme of briefings held for Audit and Governance Committee Members and Substitutes in 2023/24 detailed in Appendix 1 to the report be noted;
- (2) the proposed Audit and Governance Committee schedule of member development briefings to be held from 1.45 to 2.45 pm prior to meetings of the Audit and Governance Committee in 2024-2025 and 2025-26 as set out in Appendix 2 to the report be approved;
- (3) the briefing topics listed in Appendix 2 are to be provided in

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accordance with CIPFA identified core areas of knowledge required of Audit and Governance Committee Members be noted;

- (4) the Democratic Services Officer be authorised to amend the schedule of briefings set out in Appendix 2, in consultation with the Chair of Audit and Governance Committee, to meet any changing circumstances such as facilitator non-availability;
- (5) in line with the CIPFA Treasury Management Code, it be noted all Members and Substitutes of the Audit and Governance Committee will be required to attend the Treasury Management session to be provided annually by the Council's Treasury Management Consultants;
- (6) in line with the CIPFA Treasury Management Code, the continued inclusion of an additional 'Treasury Management' training session provided by the Council's Treasury Management Consultants, for all Councillors as part of the Member Development Programme 2024-2025 be approved;
- (7) the importance of Audit and Governance Committee Members and Substitutes 'buying into' and showing commitment to training and development be endorsed.

**58. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME
2024-2025**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which set out the Work Programme for the Committee for the 2024-2025 municipal year.

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.

RESOLVED:

That the Audit and Governance Committee Work Programme for 2024-2025 as set out in Appendix 2 to the report be approved.

**59. AUDIT AND GOVERNANCE COMMITTEE - WORK
PROGRAMME UPDATE REPORT**

The Committee considered the quarterly work programme update report of the Executive Director of Corporate Resources and Customer Services. The Audit and Governance Committee Work Programme 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.

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This report provided an update on reports listed for submission at the meeting of the Audit and Governance Committee held on 13 December 2023 and reasons for non-submission of some of the reports listed.

The reports considered at the meeting on 13 December 2023 were listed in the Work Programme for the 2023-24 Municipal Year, which had been approved by Audit and Governance Committee on 15 March 2023.

RESOLVED:

That the Audit and Governance Committee Work Programme update on reports listed for submission to the meeting held on 13 December 2023 be noted.

60. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they would 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 favoured exclusion of the information from the press and public.

61. UNRECOVERABLE DEBTS OVER £10,000

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which asked for approval to write off the debts listed in Appendices A, B and C.

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.

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

- Whether there had been any criminal proceedings
- Enquires about specific debts
- Liability insurance

RESOLVED:

That the write off of all individual debts detailed in the appendices to this report be approved. The total amount for write off is £1,090,495.03.

**62. WRITE-OFF OF IRRECOVERABLE RETAIL-RELATED
ARREARS WITH BALANCES OVER £10,000**

The Committee considered the report of the Executive Director of Place which requested the authorisation of the Committee to write off the debts listed in the appendix to the report.

As outlined within the Council's Constitution, all outstanding debts of £10,000 and over cannot be written off without Member approval.

RESOLVED: That

- (1) the write off of all individual debts of £10,000 and over detailed in the appendix to this report be approved in accordance with the Financial Procedure Rules. The total net amount for write off is £1,307,512.94 (excl. VAT); and
- (2) the Executive Director (Place) will write off individual bad debts of up to £10k as detailed in the appendix to this report, in consultation with the Section 151 Officer and the Monitoring Officer be noted, in accordance with the Financial Procedure Rules. The total net amount for write off is £131,337.01 (excl. VAT).