

**AUDIT AND GOVERNANCE COMMITTEE**

**MEETING HELD AT THE COMMITTEE ROOM - BOOTLE TOWN HALL,  
TRINITY ROAD, BOOTLE, L20 7AE  
ON 19 JUNE 2024**

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

Councillors Johnson, Maher, McNabb, Neary, Pugh,  
Shaw, and Spring

**ALSO PRESENT:** Rachel Oakes (Independent Member)

**1. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Harrison-Kelly.

**2. DECLARATIONS OF INTEREST**

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

**3. MINUTES**

**RESOLVED:**

That the Minutes of the meeting held on 20 March 2024 be confirmed as a correct record.

**4. ANNUAL REPORT AND OPINION OF THE CHIEF INTERNAL AUDITOR**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which summarised the work of internal audit during 2023/24 and provided the Chief Internal Auditor's opinion on the overall control environment operating within the Council during the year.

The report was a key requirement of the Public Sector Internal Audit Standards and outlined that the opinion for the 2023/24 financial year was adequate with adequate prospects for improvement.

The report included the below:

- Executive Summary
- Introduction
- Summary of Work Completed
- Performance

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- Public Sector Internal Audit Standards
- Overall Opinion
- Looking Ahead

The Committee discussed the following topics:

- School audits
- Financial sustainability
- High needs deficit

RESOLVED:

That the work of internal audit during 2023/24 and the overall opinion on the control environment of the Council during that period be noted.

### **5. 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 last meeting held on 20 March 2024:

- No new risk(s) had been added to the Corporate Risk Register in the current quarter
- No risk had been de-escalated from the Corporate Risk Register

The Corporate Risk Management Handbook had been updated to reflect some updates identified by the external risk management review and the risk appetite statement. The external review of risk management draft report had highlighted a number of recommendations to improve risk management. There were other on-going initiatives to embed risk management within the Council including assurance mapping and horizon scanning.

Following consideration of the report, the Committee received a presentation from the Service Manager - School Improvement. The presentation updated the Committee on Academisation, as follows:

- Proposed Academy Conversions
- Reasons for Academisation
- Implications
- Historic and Current Response

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

- All Service Areas had updated their service risk registers bar 2
- Statutory responsibilities
- Diocese and Archdiocese Schools
- Capital Programme
- Whether or not a change in government would affect the academisation of schools
- School resources

The Committee requested that the two service areas that had not updated their Service Risk Register undertake this task as soon as possible and an update report on the Academisation of Schools be brought to a future meeting.

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;
- (3) the revised Corporate Risk Management Handbook be approved;
- (4) the relevant services areas be requested to update their respective risk registers as soon as possible;
- (5) the Service Manager - School Improvement be requested to bring an update report on the Academisation of Schools to a future meeting; and
- (6) the Service Manager - School Improvement be thanked for their presentation.

## **6. RISK AND AUDIT 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 15 February 2024 to 30 April 2024.

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

- Management review
- Public liability claims

RESOLVED: That

- (1) the progress on the revised 2023/24 Internal Audit Plan to 31 March

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2024 and 2024/25 Internal Audit Plan from 1 April 2024 to 30 April 2024 be noted; and

- (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.

**7. EXTERNAL AUDIT PLAN 2023/2024**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which presented Grant Thornton's External Audit Plan 2023/2024 for consideration.

The report contained:

- Key matters
- Introduction and headlines
- Significant risks identified
- Other risks identified
- Group audit scope and risk assessment
- Other matters
- Our approach to materiality
- IT Audit Strategy
- Value for Money Arrangements
- Risks of significant VFM weaknesses
- Audit logistics and team
- Audit fees and updated auditing standards
- IFRS 16 'Leases' and related disclosures
- Independence and non-audit services
- Communication of audit matters with those charged with governance
- Escalation policy
- Addressing the audit backlog

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

- Audit fees relating to previous years' audits that had yet to be finalised by the Council's previous external auditor
- Audit backlogs and the implications for the 2023/24 audit
- Proposed fees

RESOLVED:

That Grant Thornton's External Audit Plan for 2023/2024 be considered and received.

**8. DRAFT STATEMENT OF ACCOUNTS 2023/2024**

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The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which presented the draft unaudited 2023/2024 Statement of Accounts for consideration.

The report included:

- Narrative report
- Statement of Responsibilities for the Statement of Accounts
- Comprehensive Income and Expenditure Statement
- Movement in Reserves Statement
- Balance Sheet
- Cash Flow Statement
- Notes to the Financial Statements – Expenditure and Funding Analysis
- Other Notes to the Financial Statements
- Collection Fund
- Group Accounts
- Annual Governance Statement
- Independent Auditors Report to the Members
- Glossary
- Abbreviations
- Useful Addresses

Members of the Committee queried some of the figures relating to Senior Officers pay and it was agreed that the Service Manager - Finance would review these.

RESOLVED: That

- (1) the draft 2023/2024 Statement of Accounts, and feedback to officers on the issues identified, be received and considered; and
- (2) the timetable for the completion of the external audit that will be conducted by Grant Thornton be noted.

### **9. FINANCIAL MANAGEMENT CODE**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services that provided an update on progress in implementing the action plan for further improvements and also identified additional actions to further improve compliance.

The Chartered Institute of Public Finance and Accountancy (CIPFA) had issued a Financial Management (FM) Code which aimed to ensure a high standard of financial management in local authorities. This required an annual assessment of the Council's compliance with the code and was accompanied by an action plan for improvement. Many areas of good practice in financial management were highlighted within the compliance assessment.

RESOLVED: That

- (1) the principles of good financial management be noted;
- (2) the approaches and lessons learnt from the implementation of the FM 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.

#### **10. TREASURY MANAGEMENT POSITION TO MAY 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 31st May 2024. The document was the first report of the ongoing quarterly monitoring provided to the Audit and Governance Committee, whose role it was to carry out scrutiny of treasury management policies and practices.

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

- Council Tax income
- Internal borrowing
- Cash flow forecasting
- Interest rates

RESOLVED: That

- (1) the Treasury Management update to 31st May 2024 be noted;
- (2) the effects of decisions taken in pursuit of the Treasury Management Strategy be considered; and
- (3) implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities be considered.

#### **11. SENDING / DISCUSSING PERSONAL INFORMATION POLICY**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which sought approval for a revised policy on Sending / Discussing Personal information.

RESOLVED:

That the revised policy on Sending / Discussing Personal Information be approved.

## **12. UNREASONABLY PERSISTENT AND UNACCEPTABLE BEHAVIOUR POLICY**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided Members with a revised policy and procedure for dealing with unreasonably persistent and unacceptable behaviour by members of the public when complaining to the Council or making data access requests.

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

- The impact of the policy for staff and Members in Sefton
- The use of an Independent Person
- Vulnerable persons

RESOLVED: That

- (1) the report and revised policy be considered; and
- (2) a final draft be submitted to Council for approval.

## **13. 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

The report provided an update on reports listed for submission at the meeting of the Audit and Governance Committee held on 20 March 2024 and reasons for non-submission of some of the reports listed.

The reports considered at the meeting on 20 March 2024 were listed in the Work Programme for the 2023-24 Municipal Year, which had been approved by the 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 20 March 2024 be noted.