

AUDIT AND GOVERNANCE COMMITTEE

**MEETING HELD AT THE TOWN HALL, BOOTLE
ON 7 DECEMBER 2016**

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

Councillors Ashton, Bennett, Bliss, Kevin Cluskey,
McGinnity, Moncur, Sayers and Shaw

26. APOLOGIES FOR ABSENCE

No apologies for absence were received.

27. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were received.

28. MINUTES

RESOLVED:

That the Minutes of the meeting held on 21 September 2016 be confirmed as a correct record.

**29. ADULT SOCIAL CARE AND PUBLIC HEALTH COMPLAINTS
ANNUAL REPORT 2014/15**

Further to Minute No. 16 of 21 September 2016, the Senior Democratic Services Officer reported the intention to submit a further report on this matter to a future meeting of the Committee. Certain questions had been raised by Members regarding the above matter at the meeting held on 21 September 2016, and the relevant Officer was in attendance to respond to the questions previously raised.

The Health and Social Care Complaints Officer, Commissioning Support and Business Intelligence, reported that with regard to concerns in relation to staff attitude, just over 40% of complaints raised had been upheld either in full or in part. In relation to the National Child Measurement Programme (NCMP), issues had arisen where parents or carers had received a letter

AUDIT AND GOVERNANCE COMMITTEE - WEDNESDAY 7TH
DECEMBER, 2016

relating to their child's weight and it was considered that the letter could be perceived as negative and raise concerns regarding self-esteem. The NCMP Steering Group had considered the matter and the wording of the letter would be reconsidered to provide greater reassurance regarding results. In relation to action taken to reduce the number of complaints received, 45% of complaints were currently being upheld, either in full or in part. In the current financial climate the numbers of complaints were anticipated to rise, although it was considered that complaints were a free source of intelligence available to identify areas for improvement within Adult Social Care.

RESOLVED:

That the information provided regarding the Adult Social Care and Public Health Complaints Annual Report 2014/15 be noted.

30a. STATEMENT OF ACCOUNTS 2015/16

Further to Minute No. 21 of 21 September 2016, the Committee considered the report of the Head of Corporate Resources providing the Committee with details of the outcome of the Value for Money assessment undertaken by the Council's External Auditor, Ernst & Young LLP, as part of the 2015/16 closure of accounts process. The report set out the background to the matter; a review of the arrangements to secure economy, efficiency and effectiveness of resources; the Council response to the issues raised within the Annual Audit Letter, as produced by the Council's External Auditor, Ernst & Young; and concluded that weaknesses identified within the Council's Procurement processes would be addressed.

In response to concerns raised by Members of the Committee regarding monitoring of Procurement activity and the delivery of the Procurement Action Plan in particular, assurances were given that progress would be reported back to each meeting of this Committee for a period of 12 months.

RESOLVED: That

- (1) the fact that the final audit certificate has been provided to the Chair of the Audit and Governance Committee and Head of Corporate Resources, be noted;
- (2) the Annual Audit Letter, as provided by Ernst & Young LLP, be received and noted;
- (3) the response of the Council to the issues raised within the Annual Audit letter in respect of Procurement Activity be noted;

AUDIT AND GOVERNANCE COMMITTEE - WEDNESDAY 7TH
DECEMBER, 2016

- (4) that progress in delivering the Procurement Action Plan be reported by the Head of Commissioning Support and Business Intelligence to each subsequent meeting of the Audit and Governance Committee in addition to a summary of all OJEU (Official Journal of the European Union) compliant processes that are undertaken for a period of 12 months; and
- (5) the fact that a report, through the Head of Commissioning Support and Business Intelligence, will also be considered at the next Cabinet meeting on the outcome of the recent procurement processes and subsequent audit work be noted.

30b. ANNUAL AUDIT LETTER 2015/16

Further to Minute No. 30a above, the Committee considered the Annual Audit Letter submitted by the Council's External Auditors – Ernst and Young LLP. The submission outlined the following:-

- Executive Summary;
- Purpose of the Annual Audit Letter;
- Responsibilities of the Appointed Auditor and the Council;
- Financial Statement Audit;
- Value for Money considerations and Key Findings; and
- Other Reporting Issues.

A summary of Audit Fees was attached to the submission at Appendix A.

RESOLVED:

That the Annual Audit Letter be noted.

31. REVIEW OF PROCUREMENT PROCESSES, RULES AND GUIDANCE

Further to Minute No. 30 a above, the Committee considered the report of the Head of Commissioning Support and Business Intelligence advising the Committee of work being undertaken to review the Council's procurement processes, rules and guidance and seeking approval for revised Contract Procedure Rules produced as part of that review. The report set out the background to the matter, indicating that Procurement was an Executive function, and a summary of the key changes to Contract Procedure Rules were attached to the report at Annex 1. The revised Contract Procedure Rules were set out at Annex 2 to the report.

In relation to Annex 2 attached to the report, and the revised Contract Procedure Rules, a subsequent amendment to the rules that applied to schools that had opted to purchase the Council's Procurement service, was reported.

AUDIT AND GOVERNANCE COMMITTEE - WEDNESDAY 7TH
DECEMBER, 2016

Members of the Committee asked about processes involved in awarding contracts and the balance between qualitative and quantitative standards. It was reported that individual tender documents and specifications set out criteria for evaluation and scoring.

RESOLVED: That

- (1) the work being undertaken to review the Council's procurement processes, rules and guidance, be noted;
- (2) subject to the following amendment, the revised Contract Procedure Rules, as set out in Annex 2 to the report, be approved:-

Section 1.1.1 of the Contract Procedure Rules – Link to the Constitution, the deletion of the 3rd paragraph, to be replaced with the following:-

“These rules will apply to all Sefton Council maintained schools, in accordance with “Fair Funding Guidance: Scheme for Financing Schools”.”; and

- (3) as Procurement is an Executive function and in light of the importance of good procurement practice both for the achievement of value for money, and to provide assurance to the Cabinet, the revised Contract Procedure Rules be referred to the Cabinet for it to receive that assurance as to action taken and to note the changes made to the Contract Procedure Rules.

32. LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING

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

With regard to the section of the briefing paper entitled “Treasury confirms public sector pay-offs to be capped at £95,000”, it was reported that the Government had originally planned to introduce the proposals by April 2017.

RESOLVED:

That the Local Government Audit Committee Briefing be noted.

33. VEXATIOUS OR UNFOCUSED COMPLAINTS AND DATA REQUESTS

Further to Minute No. 20 of 21 September 2016, the Committee considered the report of the Head of Regulation and Compliance providing Members with a proposed policy and procedure about Vexatious or Unfocussed Complaints and Data Requests. The report introduced the matter and a draft Vexatious or Unfocussed Complaints and Data Requests Policy and Procedures document was attached to the report, which included organising principles; anticipated outcomes; definitions; the Council's response to unfocussed or vexatious behaviours; a flow chart; a mutual agreement template; a vexatious status letter; and background information.

It was reported that reference to "relevant Senior Manager" within the draft Policy and Procedures document, referred to Heads of Service within the Council and that the matter had been reported to the Strategic Leadership Board.

RESOLVED: That

- (1) the contents of the report be noted; and
- (2) the draft policy be recommended to the Council for consideration.

34. CCTV POLICY STATEMENT

The Committee considered the report of the Head of Regulation and Compliance on a draft CCTV policy statement. The report set out the background to the matter, indicating that the use of CCTV and other forms of surveillance cameras were regulated by a number of different pieces of legislation and Commissioners. The draft CCTV policy statement was attached to the report and set out the following:-

- Introduction;
- Objectives of CCTV;
- Legislation;
- Responsibility;
- Purchase and deployment of CCTV cameras;
- Monitoring;
- Viewing images and the provision of evidence;
- Insurance claims;
- Signage;
- Requests for information;
- Recording systems;
- Disciplinary offences and security;
- Health and safety;
- Complaints; and
- Further advice / information.

Members of the Committee raised queries in relation to the purchase and deployment of CCTV cameras and also on the number of body worn cameras used by employees, together with cameras issued by the Police in certain circumstances, and Officers undertook to provide the information requested.

Minor amendments were required to the proposed Policy Statement in relation to the Section on Dashcams.

RESOLVED: That

- (1) the Council be recommended to approve the CCTV Policy Statement attached to the report at Annex A; and
- (2) the Head of Regulation and Compliance be requested to provide Members of the Committee with the information requested on the number of body worn cameras used by employees and Police issued cameras.

35. RISK AND AUDIT SERVICE PERFORMANCE REPORT

Further to Minute No. 23 of 21 September 2016, the Committee considered the report of the Chief Internal Auditor detailing the performance and activities of the Risk and Audit Service during the period from 1 September to 23 November 2016.

The Performance Report contained an Executive Summary; an Introduction; an Internal Audit Performance Update; a Health and Safety Performance Update; an Insurance Performance Update; a Risk and Resilience Performance Update; Looking Ahead, together with conclusions. The Anti-Fraud, Bribery and Corruption Policy was set out at Appendix A to the Performance Report.

The Chief Internal Auditor reported on key projects anticipated to be submitted to forthcoming meetings of this Committee.

RESOLVED: That

- (1) the progress in the delivery of the 2016/17 Internal Audit Plan and the activity undertaken for the period 1 September 2016 to 23 November 2016 be noted;
- (2) the Anti-Fraud, Bribery and Corruption Policy, as set out at Appendix A to the Performance Report, be approved;
- (3) the fact that the Council's key Health and Safety policies have been reviewed in conjunction with the Health and Safety Committee be noted;

- (4) the fact that the insurance renewal has been completed be noted;
and
- (5) the progress made in developing the Council's emergency planning arrangements, be noted.

36. CORPORATE RISK MANAGEMENT

The Committee considered the report of the Chief Internal Auditor detailing the refreshed approach to Corporate Risk Management; seeking approval of the Corporate Risk Management Handbook and requesting Members to review and note the Corporate Risk Register. The refreshed Corporate Risk Management Handbook was attached to the report, setting out the following:-

- Introduction;
- Risk definition,
- Benefits of risk management;
- Risk management process;
- The risk management model;
- Identifying and mitigating risks, together with potential risk areas;
- Response and assurance;
- Action planning, risk monitoring, risk reporting and annual assurance;
- Risk management in other business processes;
- Where to record and escalate a risk; and
- Completing the risk implications on Committee and Executive reports.

Annex A to the Handbook set out the Risk Management Strategy; the Risk Management Policy Statement; and Roles and Responsibilities. Annex B to the Handbook set out the Risk Register Template.

RESOLVED: That

- (1) the Corporate Risk Management Handbook and the arrangements captured in the document for embedding robust risk management in the organisation, be approved; and
- (2) the Corporate Risk Register be noted.

37. TREASURY MANAGEMENT UPDATE 2016/17 - POSITION TO OCTOBER 2016

AUDIT AND GOVERNANCE COMMITTEE - WEDNESDAY 7TH
DECEMBER, 2016

The Committee considered the report of the Head of Corporate Resources on Treasury Management activities undertaken to 31 October 2016.

The report set out details of investments held at the end of October 2016; fixed and short-term investments; interest earned; prudential indicator monitoring; and plans to organise the annual Treasury Management training for elected Members.

Reference was made to the annual Treasury Management Training for Members on 22 March 2017, and a request was made to include information on the Local Government Association and pension funds.

RESOLVED: That

- (1) the Treasury Management update to 31 October 2016 be noted; and
- (2) the Head of Corporate Resources be requested to consider the request to include information on the Local Government Association and pension funds during the annual Treasury Management Training for Members on 22 March 2017.

38. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12 A to the Act. The Public Interest Test has been applied and favoured exclusion of the information from the press and public.

**39. REVENUE SERVICE - WRITE OFF OF IRRECOVERABLE
DEBTS WITH BALANCES OVER £10,000**

The Committee considered the report of the Head of Corporate Resources outlining outstanding debts over £10,000 and requesting authorisation from the Committee to write off the debts, in accordance with the Council's Constitution.

A Member of the Committee referred to Appendix 2 of the report and Sundry Debts over £10,000, and requested information on the timeline relating to the information provided.

AUDIT AND GOVERNANCE COMMITTEE - WEDNESDAY 7TH
DECEMBER, 2016

With regard to Appendix 2 of the report, the Head of Corporate Resources undertook to evaluate and review the systems in place and to consider the use of a different description in such cases, in the future.

RESOLVED: That

- (1) the write off of all individual debts detailed within the appendices to the report, amounting to £226,385.88, be written off;
- (2) the Head of Corporate Resources be requested to provide the information requested in relation to Appendix 2 of the report, to the Member of the Committee concerned; and
- (3) the Head of Corporate Resources be requested to consider an evaluation and review of the systems in place with regard to Sundry Debts, and to consider the use of a different description in future cases of a similar nature to that raised.