

AUDIT AND GOVERNANCE COMMITTEE

**MEETING HELD AT THE TOWN HALL, SOUTHPORT
ON 6 DECEMBER 2017**

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

Councillors John Pugh, Bennett, Bliss, McGinnity,
Sayers, Shaw and Anne Thompson

ALSO PRESENT: Mr Hassan Rohimun, External Auditor, Ernst and
Young LLP

23. APOLOGIES FOR ABSENCE

An apology for absence had been received from Councillor Moncur.

24. WELCOME AND INTRODUCTION

The Chair welcomed everyone to the meeting, in particular to Councillor Pugh, who had recently been re-elected to the Council at the Dukes Ward By-Election on 2 November 2017.

25. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were received.

26. MINUTES

RESOLVED:

That the Minutes of the meeting held on 13 September 2017, be confirmed as a correct record.

**27. REVIEW OF CONSTITUTION - PLANNING APPLICATIONS AND
NEIGHBOURHOOD PLAN**

The Committee considered the report of the Chief Planning Officer on proposed changes to the Council's Constitution in relating to Planning Applications / Neighbourhood Planning to reflect changes to national legislation and the Council's Governance arrangements, including the creation of the Cabinet member: Planning and Building Control portfolio and consequential changes to other portfolio holders' responsibilities.

The proposed changes were detailed in paragraphs 2.3, 2.5, 2.8, 2.9, 3.4, 3.5 and 4.1 of the report.

The Head of Regulation and Compliance presented the report and indicated that since publication of the report, the final sentence of paragraph 2.3 had been amended slightly from:

“It is also recommended that applications to vary conditions on major applications which are not contentious are not considered by Planning Committee”.

To state:

“It is also recommended that applications to vary **or remove** conditions on major applications which are not contentious are not considered by Planning Committee’.

RESOLVED: That

- (1) the final sentence in paragraph 2.3 be amended with the addition of the words ‘or remove’ to read as follows:

“It is also recommended that applications to vary **or remove** conditions on major applications which are not contentious are not considered by Planning Committee”; and

- (2) subject to the above amendment, the Audit and Governance Committee recommends to Council that the Constitution be amended to reflect the proposals set out in paragraphs 2.3, 2.5, 2.8, 2.9, 3.4, 3.5 and 4.1 of the report.

28. RE-USE OF PUBLIC SECTOR INFORMATION

The Committee considered the report of the Head of Regulation and Compliance detailing the need for the Council to include on its website, guidance on the procedure to be followed in relation to the re-use of public sector information.

The proposed website guidance note was attached at Appendix 1 to the report.

The Data Protection Officer presented the report and answered questions thereon.

RESOLVED: That

- (1) the guidance note informing the public on how they may make a request to re-use public sector information be approved; and

- (2) approval be granted for the inclusion of the guidance note on the Council's website.

29. LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING

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

Issues highlighted in the briefing paper included the EY forecast that UK GDP (Gross Domestic Product) would grow by 1.8% this year in line with last year's outcome; the need for organisations to identify and manage potential cyber-attacks, with reference to the 'WannaCry' ransomware attack in May 2017; Women in Leadership roles; 2018/19 Code of Practice on Local Authority Accounting Consultation; Use of Housing Companies by local Councils; the EY Local Government audit committee members governance forum; Outcome of Local Government Tender Process; and Financial Reporting Council's (FRC) Audit Quality Inspection Results.

Mr Hassan Rohimun (EY) presented the report and answered questions thereon.

RESOLVED:

That the Local Government Audit Committee Briefing be noted.

30. REVENUE AND CAPITAL BUDGET UPDATE - TREASURY MANAGEMENT 2017/18 - POSITION TO OCTOBER 2017

The Committee considered the report of the Head of Corporate Resources which provided a review of the Treasury Management activities undertaken to 31 October 2017. This was the second of the ongoing quarterly management reports provided to Audit and Governance Committee.

The report would also be considered by Cabinet on 7 December 2017 and Council on 25 January 2018, to enable monitoring against the Treasury Management Policy and Strategy statement, approved by Cabinet and Council in March 2017.

The report included information on the investments held and entered into during the period and interest rates obtained. The report also highlighted any variances from the Treasury Management Policy and Strategy and the Council's approved prudential indicators.

The Service Manager – Treasury and Capital presented the report and answered questions thereon.

RESOLVED: That

- (1) the Treasury Management update to 31 October 2017 be noted;
- (2) the effects of decisions taken in pursuit of the Treasury Management Strategy be noted; and
- (3) the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities be noted.

31. CORPORATE RISK MANAGEMENT

The Committee considered the report of the Chief Internal Auditor which provided an update on the Corporate Risk Register. The report indicated that since the last meeting, the Corporate Risk Register had been fully updated with one risk closed, one de-escalated and one new risk identified.

The report also included the updated Corporate Risk Management Handbook which was presented to Audit and Governance for annual approval. The updated handbook provided information on the following areas:

- Defining risk;
- Risk Management Process –
Definition; Risk identification; Trigger and Result; Risk Ownership;
Risk Assessment – Scoring; Existing Controls; Residual Risk Score;
Proposed Actions to reduce Residual Risk Score; Response and
Assurance; Action Planning; Risk Monitoring; Risk Reporting;
Where to report and escalate a risk; Risk Evaluation Scoring Matrix;
- Annual Assurance; 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.

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

RESOLVED: That

- (1) the contents of the Corporate Risk Register be noted and in particular the nature of the major risks facing the Council and planned actions in place to mitigate these; and
- (2) the updated Corporate Risk Management Handbook be approved.

32. RISK AND AUDIT SERVICE PERFORMANCE REPORT

Further to Minute No. 20 of 13 September 2017, the Committee considered the report of the Chief Internal Auditor on the performance and activities of the Risk and Audit Service in the period 1 September to 22 November 2017.

The report summarised the main aspects of the performance of the Service during this period and gave a detailed overview of the following areas:

Internal Audit:

- Work undertaken in the period, including a summary of work and an outline of the high priority recommendations made;
- performance against Key Performance Indicators;
- anti-fraud update; and
- developments relating to this part of the service

Health and Safety, Insurance and Risk and Resilience:

- Work undertaken in the period, with key data provided; and
- developments relating to these parts of the Service.

The report concluded by looking ahead to the forthcoming activities to be undertaken by the Service.

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

RESOLVED: That

- (1) the progress in the delivery of the 2017/18 Internal Audit Plan and the activity undertaken for the period 1 September to 22 November 2017, be noted; and
- (2) the contribution made by the Health and Safety, Insurance and Risk and Resilience teams in managing key risks be noted.

33. 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 Paragraphs 3 and 7A of Part 1 of Schedule 12A to the Act. The Public Interest Test has been applied and favoured exclusion of the information from the press and public.

**34. WRITE OFF OF IRRECOVERABLE BUSINESS RATES,
HOUSING BENEFIT OVERPAYMENTS AND SUNDRY DEBTS
WITH BALANCES OVER £10,000**

The Committee considered the report of the Head of Corporate Resources on the Revenue Service's write-off of irrecoverable Business Rates, Housing Benefits Overpayments and Sundry Debts with balances over £10,000 as indicated in Appendices 1, 2 and 3 of the report.

The Council's Partnership and Local Taxation Manager and the Revenues Manager (arvato), presented the report and answered questions thereon.

RESOLVED: That

- (1) the write-off of debts totalling £248,311.48, as detailed in Appendices 1, 2 and 3 to the report, be approved; and
- (2) the Revenues Team be commended for their excellent Council and Business Rates collection rates. Business Rates collection fell in the upper quartile percentage of collection success rates by metropolitan authorities nationally.