

AUDIT AND GOVERNANCE COMMITTEE

**MEETING HELD AT THE REMOTE MEETING
ON 16 DECEMBER 2020**

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

Councillors Brennan, Cluskey, McGinnity, Pugh,
John Sayers, Shaw and Irving

12. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors O'Hanlon, Sir Ron Watson and Brough (Substitute for Councillor Watson) and Mr Richard Tyler, External Auditor (Ernst and Young).

13. DECLARATIONS OF INTEREST

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

14. MINUTES

RESOLVED:

That the minutes of the meeting held on 16 September 2020 be confirmed as a correct record.

15. STATEMENT OF ACCOUNTS 2019/2020

Further to Minute No. 6 of 16 September 2020, the Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided an update on the current position regarding the audit of the 2019/20 Statement of Accounts.

RESOLVED:

That the current position with regard to the audit of the 2019/20 Statement of Accounts be noted.

**16. AMENDED DATA PROTECTION AND CONFIDENTIALITY
POLICY**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services, which sought approval for the updated Council Data and Confidentiality Policy attached at Appendix 1 to the report.

The report indicated that in accordance with the accountability principle under Article 5 of the General Data Protection Regulation and Data Protection Act 2018, the Council was required to put in place appropriate technical and organisational measures to meet the requirements of accountability; and adopting and implementing a data protection policy was one of those measures.

The Data Protection and Confidentiality Policy had first been created in January 2014, had subsequently been reviewed a number of times and would continue to be reviewed on an annual basis. The recent revisions included details of the enforcement action the Information Commissioner's Officer (ICO) might take against a data controller, including the fines which might be imposed, details of the criminal offences under the Data Protection Act 2018, payment of the Data Protection fee and additional information on the Council's Information Governance framework. It was noted that a small number of revisions would be made in January to reflect technical amendments resulting from the UK GDPR.

RESOLVED:

That the revised Data Protection and Confidentiality Policy (December 2020) be approved.

17. ICT SECURITY POLICY

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services, which sought approval for the updated ICT Acceptable Use Policy (September 2020) (Appendix A) and the ICT Starters, Movers and Leavers Policy (Appendix B).

Mr Jamal Aslam, Service Delivery Lead, Corporate Resources, presented the report and indicated that work was currently being undertaken in respect of the Council's Password Policy and therefore was not included within the report.

Mr David McCullough, Chief Legal and Democratic Officer also advised that following consultation with the Chair subsequent to publication of the agenda, the recommendation contained in the report had been amended as follows:

- 1) That the ICT Acceptable Usage Policy 2020 be recommended to Council for approval and inclusion in the Constitution.
- 2) That the Sefton Council – ICT Starters, Movers and Leavers Policy be approved and it be recommended to Council that it be removed from the Constitution given the managerial operational nature of the policy not being appropriate for the Constitution.
- 3) That it be noted that the Password Policy referred to in the report will be submitted to a later meeting of the Committee.

RESOLVED: That

- (1) Council be requested to give its approval for the ICT Acceptable Use Policy and inclusion in the Constitution;
- (2) Council be requested to give its approval for the ICT Starters, Movers and Leavers Policy and it be recommended to Council that it be removed from the Constitution, given the managerial operational nature of the policy not being appropriate for the Constitution; and
- (3) it be noted that the Council's Password Policy referred to in the report, will be submitted to a future meeting of the Committee.

18. CORPORATE RISK MANAGEMENT

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the updated Corporate Risk Register, indicating that since the last meeting, the Corporate Risk Register had been reviewed and updated.

The report indicated that there had been no new risks which had been added or escalated from the Service Risk Register to the Corporate Risk Register; that following continual monitoring, the risk of 'failing to secure external funding for revenue projects/programmes had been de-escalated to the service risk register for Economic Growth and Housing, where it would continue to be assessed.

Mr David Eden, Chief Internal Auditor, presented the report and indicated that the risks had been re-scored in accordance with the revised assessment guidance included in the Corporate Risk Management handbook approved by the Committee in December 2019 and a revised Corporate Risk Management handbook was provided at Appendix 2 to the report, for noting by the Committee. The report also provided information on the planned work to formally define the Council's Risk Appetite and the further proposed review of the Risk Management Handbook.

Mr Eden reminded the Committee that at the Audit and Governance Committee held on 18 December 2019, it had been agreed that for future meetings, a short presentation would be made by a risk owner on one of the risks listed in the Corporate Risk Register. In this respect Mr Chris Lee, Service Manager, Special Educational Needs and Disability – SEND had been invited to provide a presentation to the Committee on measures being taken to ameliorate the risk in respect of the Dedicated School Grant High Needs Funding for Special Educational Needs which was inadequate to meet requirements. Accordingly, Mr Lee gave a presentation to the Committee and answered questions thereon.

RESOLVED: That

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- (1) the contents of the Corporate Risk Register, particularly the nature of the major risks facing the Council and the controls and planned action in place to mitigate these risks be noted;
- (2) the updated Corporate Risk Management Handbook be approved;
- (3) the planned work to formally define the Council's Risk Appetite and the further review of the Risk Management Handbook be noted; and
- (4) Mr Lee be thanked for his informative presentation on the risk associated with the Dedicated School Grant Dedicated School Grant High Needs Funding for Special Educational Needs and measures being put into place to reduce / remove the risk and he be requested to provide copies of the presentation slides to Members.

19. RISK AND AUDIT SERVICE PERFORMANCE REPORT

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided details of the performance and key activities of the Risk and Audit Service for the period 6 September 2020 to 6 December 2020.

RESOLVED: That

- (1) the progress in the delivery of the 2020/21 Audit Plans and the activity undertaken for the period 6 September 2020 to 6 December 2020 be noted;
- (2) the revisions in the Annual Internal Audit Plan 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.

20. SEFTON COUNCIL ANTI-MONEY LAUNDERING POLICY

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided details of the Council's Anti-Money Laundering Policy.

RESOLVED:

That the Council's Anti-Money Laundering Policy be approved.

21. TREASURY MANAGEMENT MID-YEAR REPORT 2020/21

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The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided a review of the Treasury Management Activities undertaken to 30 September 2020. This was the second report of the ongoing quarterly monitoring reports provided to the Audit and Governance Committee whose role it was to carry out scrutiny of treasury management policies and practices.

RESOLVED: That

- (1) the Treasury Management update to 30 September 2020 be noted; and
- (2) the effects of the decisions taken in pursuit of Treasury Management Strategy and the implications of changes resulting from regulatory, economic and market factors affecting the Council's management activities be noted.