

AUDIT AND GOVERNANCE COMMITTEE

**MEETING HELD AT THE TOWN HALL, SOUTHPORT
ON 7 SEPTEMBER 2022**

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

Councillors Burns, Cluskey, John Joseph Kelly,
McGinnity, Page, Shaw and Sir Ron Watson

16. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Dowd and Spencer.

17. DECLARATIONS OF INTEREST

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

18. MINUTES

RESOLVED:

That the Minutes of the meeting held on 22 June 2022 be confirmed as a correct record.

19. ISSUING OF PRESS RELEASES

Further to Minute no. 9 of the meeting held on 22 June 2022, when a request was made for elected Members to be given 48 hours advance notice of press releases except where immediate response was required; the Committee considered a report of the Executive Director of Corporate Resources and Customer Services which provided a summary of the Council's process for issuing press releases to media outlets and the involvement of elected members.

The Corporate Communications Manager presented the report and answered questions thereon.

The report was discussed at length.

The Corporate Communications Manager cited the diverse nature of press releases, that on most occasions a release was in direct response to a query from the press which required an almost immediate reply and that departmental capacity and resource issues would therefore make it difficult for the provision of advance notice of all press releases to Councillors.

AUDIT AND GOVERNANCE COMMITTEE- WEDNESDAY 7TH
SEPTEMBER, 2022

The Executive Director of Corporate Resources and Customer Services indicated that there were clearly many issues to be considered regarding the provision of advance notice to Councillors of press releases and suggested that further consideration needed to be given to this matter.

RESOLVED:

That the further consideration be given to the process for the provision of advance notice of press releases to Elected Members.

20. SOUTHPORT THEATRE & CONVENTION CENTRE – DISPOSAL OF FIXTURES AND FITTINGS UPDATE

The Committee considered the report of the Executive Director Place which provided an update on the recent disposal of the fixtures and fittings currently in the Southport Theatre and Convention Centre and sought approval to dispose of a recently discovered grand piano through a specialist auction house.

The Service Manager Tourism presented the report and answered questions on the following issues:

- Whether it would be feasible to offer the remaining equipment, particularly items such as fridges, to any of the Food Banks or other suitable charitable organisations that operate throughout Sefton. This might enable them to extend the range of goods that were donated.
 - It was intended to donate unsold fridges, freezers, cookers, etc in good working order and office furniture and equipment to suitable local charities.
- Had any thought been given as to whether a recently identified, unused for some time, specialist piano itself could be a feature in the new Marine Events Centre?
 - The specialist auction house conducting the auction of the piano had advised that bringing the piano up to standard and on-going maintenance to make it useable would be extremely costly. Also, visiting musicians/acts tended to prefer to bring their own instruments when appearing at venues.

RESOLVED: That

- (1) the results from the recent auction to dispose of redundant fixtures and fittings in the Southport Theatre and Convention Centre be noted;
- (2) approval be granted for the disposal in accordance with Council

procedures of the grand piano in the Southport Theatre and Convention Centre as part of the Marine Lake Events Centre project; and

- (3) any unsold useable fridges, freezers, cookers and office furniture and equipment to be donated to food banks and other suitable local charities

21. 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.

The Chief Internal Auditor presented the report indicating that the ownership of the content of the Corporate Risk Register lay with the Strategic Leadership Board and that since the last meeting there had been no new risks had been added to the Corporate Risk Register.

Three risks had been de-escalated from the Corporate Risk Register to the relevant Service Risk Registers. These risks were:

- Gaps in understanding of community needs
- Failure to manage historic records effectively
- Significant impact on Service Delivery for Planning and Sefton LA

The financial sustainability risk had been updated to reflect the latest position on the economic environment which remained dynamic at present.

Some of the risks had been re-scored in accordance with the revised assessment guidance included in the Corporate Risk Management handbook which had been approved by the Committee in December 2020. A review of the Corporate Risk Handbook originally planned for June 2022 Committee had now taken place and was included in the report for Members to consider. A further review would be required to take place following the completion of the risk appetite work.

Although there had been substantial work undertaken over the past six years to embed risk management across the Council, there continued to be work required to ensure that it was consistently and effectively embedded.

Meetings had been held with Officers and Members to develop the Council's Risk Appetite and it was expected that the formal draft definition of the Council risk appetite would be drafted later in September and refined before providing it to the Committee in due course.

The Committee received a briefing by the Executive Director of Corporate Resources and Customer Services on Emergency Planning and Business Continuity and the ability of the Council to prepare and respond to a major

AUDIT AND GOVERNANCE COMMITTEE- WEDNESDAY 7TH
SEPTEMBER, 2022

incident under the Civil Contingencies Act; and responded to a number of questions raised by Members, including the response to the recent flood emergency in the Bootle area.

In respect of the report, a number of issues were raised, including the provision of national financial support; the financial risks associated with a housing development company; and a financial estimate for the risks to the Council associated with Impact of Cost-of-Living Crisis on Residents and Demand for Council Services.

RESOLVED: That

- (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 Executive Director of Corporate Resources and Customer Service be thanked for his informative presentation on Emergency Planning and Business Continuity and the ability to prepare and respond to a major incident under the Civil Contingencies Act; and
- (3) it be noted that responses to the issues raised not provided at the meeting would be provided to Members in due course.

**22. PROCUREMENT – NATIONAL PROCUREMENT POLICY,
CONTRACT PROCEDURE RULES AND INTERNAL
PROCESSES**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided updates on national policy direction; a refresh of the Contract Procedure Rules for consideration and approval; the Modern Slavery Statement; and progress in respect of Social Value Activity.

RESOLVED: That

- (1) the draft Contract Procedure Rules at Appendix A to the report be approved;
- (2) it be noted that a full re-write of the Contract Procedure Rules and a further report will be provided to Audit and Governance Committee once the updated national guidance is published; and
- (3) it be noted that the Council's [Modern Slavery Statement](#) is published on the Council website and is refreshed annually.

**23. REVIEW OF MEMBERS CODE OF CONDUCT COMPLAINTS
2021-2022**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided a summary of complaints received in the Municipal Year 2021-2022, that Members of Sefton Council had breached the Code of Conduct.

The Council's Principal Lawyer presented the report.

RESOLVED:

That the report be noted.

**24. ANNUAL REPORT OF THE AUDIT AND GOVERNANCE
COMMITTEE 2021-2022**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which formally presented the Annual Report of the Audit and Governance Committee 2021-2022 as detailed in Appendix 1.

Councillor Sir Ron Watson requested that a formal vote of thanks be extended to Councillor Robinson, Chair of Audit and Governance Committee and the Executive Director of Corporate Resources and Customer Services and his teams, for the work undertaken in the past year in respect of Audit and Governance Committee.

RESOLVED: That

- (1) the Annual report of the Audit and Governance Committee as detailed in Appendix 1 to the report be agreed and referred to Council for approval; and
- (2) the Chair of the Audit and Governance Committee and the Executive Director of Corporate Resources and Customer Services and his teams be commended and thanked for the huge amount of work undertaken in the past year in respect of the Audit and Governance Committee.

**25. TREASURY MANAGEMENT OUTTURN 2021/22 AND POSITION
TO JULY 2022**

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 during 2021/22 financial year and also provided an update to 31st July 2022.

The report indicated that Audit and Governance Committee received this outturn report to allow monitoring against the Treasury Management Policy

AUDIT AND GOVERNANCE COMMITTEE- WEDNESDAY 7TH
SEPTEMBER, 2022

and Strategy and Prudential Indicators approved by Cabinet and Council in March 2022.

The Service Manager - Finance, presented the report and he and the Executive Director of Corporate Resources and Customer Services answered questions thereon.

RESOLVED: That

- (1) the Treasury Management position during 2021/22 and the update to 31st July 2022, be noted; and
- (2) the effects of decisions taken in pursuit of the Treasury Management Strategy and the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities be noted.

26. DRAFT STATEMENT OF ACCOUNTS 2021/2022

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which presented the draft unaudited Statement of Accounts for 2021/2022.

The Service Manager Finance presented the report and he and the Executive Director of Corporate Resources and Customer Service answered questions and responded to concerns raised about a number of issues/areas including Children's Social Care; interest in Council wholly owned companies and contract payments.

RESOLVED: That

- (1) the draft 2021/2022 Statement of Accounts be noted;
- (2) the timetable for the completion of the external audit that will be conducted by Ernst and Young LLP be noted;
- (3) it be noted that responses to the issues raised not provided at the meeting would be provided to Members in due course; and
- (3) it be noted that a presentation on the key risks relating to Children's Social Care will be provided to a future meeting of the Audit and Governance Committee either in December 2022 or March 2023.

27. RISK AND AUDIT SERVICE PERFORMANCE

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services providing details of the performance and key activities of the Risk and Audit Service for the period 7 June 2022 to 31 August 2022.

AUDIT AND GOVERNANCE COMMITTEE- WEDNESDAY 7TH
SEPTEMBER, 2022

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

RESOLVED: That

- (1) the progress in the delivery of the 2022 to 2023 Internal Audit Plan and the activity undertaken for the period 7 June 2022 to 31 August 2022 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.

**28. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME
UPDATE**

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided an update on reports listed in the Audit and Governance Work Programme for submission to the meeting held on 22 June 2022 and the reasons for non-submission of some of the reports listed.

The report indicated that the 2022-2023 Work Programme had been approved by Audit and Governance Committee on 16 March 2022 and 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.

It was proposed that regular quarterly update reports on adherence to the Work Programme would be added to the Work Programme for consideration by the Audit and Governance Committee.

RESOLVED: That

- (1) the update on reports listed in the Audit and Governance Committee Work Programme for submission to the meeting on 22 June 2022 be noted; and
- (2) the addition to the Work Programme of the provision of quarterly update reports on adherence to the Work Programme be approved.