

AUDIT AND GOVERNANCE COMMITTEE

**MEETING HELD AT THE ASSEMBLY HALL - BOOTLE TOWN HALL,
TRINITY ROAD, BOOTLE, L20 7AE
ON 16 MARCH 2022**

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

Councillors McGinnity, John Joseph Kelly, Pugh and Shaw

40. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Sinclair D 'Albuquerque, Joe Riley, Liz Dowd, Paula Murphy, John Sayers, Sonya Kelly, Sir Ron Watson and Mike Prendergast.

41. DECLARATIONS OF INTEREST

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

42. MINUTES

RESOLVED:

That the Minutes of the meeting held on 15 December 2021 be confirmed as a correct record.

43. ICT ACCEPTABLE USAGE POLICY

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services, seeking approval for revised security policy documentation relating to the authority's ICT estate. The policy document provided a yearly review of the ICT Acceptable Use Policy, last reviewed on 16 December 2020.

RESOLVED: That

- (1) the revised security policy documentation relating to the authority's ICT estate be approved; and
- (2) the internal publication of the Acceptable Use Policy be approved.

44. CORPORATE RISK MANAGEMENT

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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 Chief Internal Auditor presented the report indicating that no new risks had been added or escalated from the Service Risk Registers to the Corporate Risk Register in the current quarter, but some risk scores had been reassessed

No risks had been de-escalated from the Corporate Risk Register to the Service Risk Registers or deleted from the Corporate Risk Register.

The risks had been re-scored in accordance with the revised assessment guidance included in the Corporate Risk Management handbook which was approved by the Committee in December 2020 and that a revised Corporate Risk Management Handbook would be reviewed following the outcome of definition of the Council's Risk Appetite in April 2022.

The Chief Internal Auditor indicated that as highlighted in December 2021, although there had been substantial work undertaken over the past six years to embed risk management across the Council, there was a gap in delivering key aspects of the Corporate Risk Management Handbook such as the regular updating of the Corporate Risk Register as well as the Service Risk Registers and the embedding position remained similar to the previous quarter.

The Chief Internal Auditor reminded the Committee that at the Audit and Governance Committee held on 15 December 2021, the Executive Director of Corporate Resources and Customer Services had been requested to provide a presentation to this meeting on the risk relating to Financial Sustainability beyond 2022/23 (Housing Development Company) on the information and assurances provided to Cabinet in respect of the company and how Audit and Governance Committee could discharge its duty of risk assessing the Housing Development Company whilst respecting commercial confidentiality.

Accordingly, the Executive Director of Corporate Resources and Customer Services briefed the Committee on the risk associated with Financial Sustainability relating to the Housing Development Company and the measures in place to mitigate those risks.

The Committee noted that during the last quarter only 50% of Service Area Risk Registers had been submitted on time. The Committee stressed the importance of Service Area Risk Registers being completed in a timely manner as part of the Council's Risk Management Framework in order for them to fulfil their responsibilities.

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 the risk associated with Financial Stability in respect of the housing development company and the measures in place to mitigate those risks; and
- (3) Heads of Service be requested to update Service Risk Registers on a quarterly basis and to return them in a timely manner in order that the committee can fulfil its role in reviewing risk across the council.

45. SEFTON COUNCIL ANTI-MONEY LAUNDERING POLICY UPDATE

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services which provided an update on the Council's Anti-Money Laundering Policy, indicating that no contraventions had occurred since approval of the Policy by this Committee on 16 December 2020.

RESOLVED:

That it be noted that no contraventions to the Anti-Money Laundering Policy had occurred since approval of the Policy by the Audit and Governance Committee on 16 December 2020.

46. INTERNAL AUDIT CHARTER AND ANNUAL AUDIT PLAN

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the revised Internal Audit Charter and the proposed Internal Audit Plan 2022-2023 set out in the Appendix to the report.

The report indicated that the Audit Charter had been amended to reflect the proposed changes in the way that the areas of responsibility of the Chief Internal Auditor were audited where this was identified as required. The key changes were detailed in section 2 of the report.

It was noted that at 2.1.8 the final sentence should include at the end "following a recruitment exercise."

RESOLVED: That

- (1) the Internal Audit Charter be approved; and
- (2) the Internal Audit Plan 2022-2023 be approved.

47. TREASURY MANAGEMENT POSITION TO JANUARY 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 to 31 January 2022.

This was the third report of the ongoing quarterly monitoring provided to 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 31 January 2022 be noted; and
- (2) the effects of the 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.

48. 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 8 December 2021 to 7 March 2022.

It was noted that the sentence "We are seeking to fill this with one of the existing temporary Principal Auditors" should include at the end "following a recruitment exercise."

RESOLVED: That

- (1) the progress in the delivery of the 2021 to 2022 Internal Audit Plans and the activity undertaken for the period 8 December 2021 to 7 March 2022 be noted; and
- (2) the contributions made by the Health and Safety, Insurance, Assurance and Risk and Resilience teams in managing the Council's key risks be noted.

49. AUDIT AND GOVERNANCE COMMITTEE MEMBER TRAINING AND DEVELOPMENT

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on proposals for a programme of Audit and Governance Committee briefing sessions based on the key competencies outlined by the Chartered Institute of Public Finance and Accounting (CIPFA), which would be held for one hour prior to scheduled meetings of the Audit and Governance Committee.

The report indicated that the Audit and Governance function cross-cut all Council business and it was also proposed that all Councillors would benefit from attending a course providing an introduction to and overview of the Audit and Governance function. Also, in line with CIPFA Guidance it was proposed to offer a Treasury Management training session to all Members. Both courses would be incorporated in the Council's Member Induction and Development Programme Handbook provided to Members at the start of each municipal year.

RESOLVED: That

- (1) the recommended key competencies required of Audit and Governance Committee members set out by CIPFA as detailed in Appendix 1 to the report be noted;
- (2) the Audit and Governance Committee schedule of member development topics and dates set out in Appendix 1 be approved;
- (3) the importance of Audit and Governance Committee members 'buying into' and showing commitment to training and development be endorsed; and
- (4) the inclusion of an 'Introduction to Audit and Governance' and 'Treasury Management' training sessions for all Councillors as part of the Council's Member Induction and Development Programme be endorsed.

50. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME 2022-2023

The Committee considered the report of the Executive Director of Corporate Resources and Customer Services on the Audit and Governance Committee Work Programme, which had been developed to ensure that all of the responsibilities of the Committee set out in the Audit and Governance Committee's Terms of reference (Appendix 1 to the report) were discharged during the 2022-2023 municipal year.

The Audit and Governance Committee Work Plan 2022-2023 providing details of reports required at each scheduled meeting were set out at Appendix 2 to the report.

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2022

RESOLVED:

That the Audit and Governance Committee Work Programme for 2022-
2023 set out in Appendix 2, be approved.