

**AUDIT AND GOVERNANCE COMMITTEE**

**MEETING HELD AT THE TOWN HALL, BOOTLE  
ON 29 JUNE 2016**

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

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

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Bliss, Councillor Shaw and his Substitute, Councillor Hands.

**2. DECLARATIONS OF INTEREST**

No declarations of any disclosable pecuniary interest were received.

**3. WELCOME AND INTRODUCTIONS**

The Chair welcomed everyone to the Committee, particularly new Members and the Council's new Chief Internal Auditor, Laura Williams, and he stressed the independent role of the Committee.

**4. CHAIR'S ANNOUNCEMENT**

The Chair paid tribute to Margaret Rawding, the former Chief Finance Officer, who had recently retired from her position with the Council, and also to Mike Morris, Senior Democratic Services Officer, whose retirement was imminent.

Stephan Van Arendsen, Head of Corporate Resources, would be continuing in Margaret Rawding's role as an adviser to this Committee in a financial capacity.

RESOLVED:

That thanks be extended to both Margaret Rawding and Mike Morris for their services to both this Committee and the Council and the best wishes of the Committee be extended to them for the future.

## **5. MINUTES**

RESOLVED:

That the Minutes of the meeting held on 23 March 2016 be confirmed as a correct record.

## **6. INTERNAL AUDIT ANNUAL REPORT 2015/16**

The Committee considered the report of the Chief Finance Officer, attaching a copy of the Chief Internal Auditor's Annual Report, which provided the Committee with a review of Internal Audit and Risk Management activity for 2015/16, together with the Chief Internal Auditor's opinion on the overall adequacy and effectiveness of the Council's internal control environment.

A copy of the Internal Audit Annual Report entitled "Corporate Support - Risk and Audit Service Annual Report 2015/16" was attached as an Annex to the report and it detailed the following:-

- Chief Internal Auditor Opinion 2015/16;
- Internal Audit Service;
- Internal Audit Service Performance;
- Professional standards;
- The Risk Management Service; and
- Fraud.

Copies of the following were attached to the Annual Report:-

- Internal Audit Plan 2015/16 Progress Update; and
- Internal Audit Plan 2016/17 Progress Update as at 03/06/16.

The Head of Corporate Resources presented the report and responded to questions raised by Members of the Committee on work undertaken investigating fraud; the Chief Internal Auditor's opinion on aspects of the Council's internal control environment; the approach undertaken by Internal Audit; follow-up actions required; and work undertaken on Assurance.

The Chief Internal Auditor concluded by stressing the importance of providing strong assurances in the future.

RESOLVED: That

- (1) the report and position statement of the Internal Audit and Risk Management Service be noted; and
- (2) the Chief Internal Auditor's opinion arising from the work of the Internal Audit Service be noted.

## **7. POST-BREXIT CONSIDERATIONS FOR THE COUNCIL'S INVESTMENTS**

With the agreement of the Chair and in view of the urgency of the matter, the Head of Corporate Resources tabled a paper entitled "Post-Brexit Considerations for the Council's Investments", outlining the key points raised by Capita Asset Services following the result of the recent European Referendum. The paper discussed a range of issues including potential ratings changes for financial institutions; interest rate exposure; the potential impact upon the return that the Council could expect from its investment strategy; impact on potential borrowing strategies; and the Council's current "counterparty" list.

In addition to the issues raised, Committee Members also raised concerns regarding the teams within the Council which are currently supported by European funding and what the impact of the referendum may be on these areas.

RESOLVED:

That the paper on "Post-Brexit Considerations for the Council's Investments" be noted.

## **8. FUTURE WORK ITEMS / TRAINING EVENTS**

The Head of Regulation and Compliance outlined future work items for the Committee during the current Municipal Year, including information management and governance; data breaches handling and management; maladministration; constitutional amendments; and standards.

The Head of Corporate Resources outlined possible future training events for Members which would include treasury management and the development of the internal audit plan.

RESOLVED:

That the future work items and possible training events outlined be noted.

**9. DATE OF NEXT MEETING**

The Senior Democratic Services Officer indicated that following a request to change the date of the next meeting of the Committee, the Chair had agreed that the next meeting would be held on Wednesday, 21 September 2016, at the Town Hall, Southport, commencing at 3.00 p.m. Confirmation of this change would follow in due course.

**RESOLVED:**

That the change to the date of the next meeting of the Committee be noted.