

AUDIT AND GOVERNANCE COMMITTEE

**MEETING HELD AT THE ASSEMBLY HALL - BOOTLE TOWN HALL,
TRINITY ROAD, BOOTLE, L20 7AE
ON 13 SEPTEMBER 2017**

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

Councillors Ashton, Bennett, McGinnity, Shaw,
Anne Thompson, Linda Cluskey and Dams.

14. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bliss, Moncur, Sayers and Jones (Substitute for Councillor Bliss).

15. DECLARATIONS OF INTEREST

No declarations of interest were received.

16. MINUTES OF THE MEETING HELD ON 28 JUNE 2017

RESOLVED:

That the Minutes of the meeting held on 28 June 2017, be confirmed as a correct record.

17. PROCUREMENT UPDATE

Further to Minute No. 5 of 28 June 2017, the Committee considered the report of the Head of Commissioning Support and Business Intelligence which provided details of current OJEU (Official Journal of the European Union) compliant procurement exercises and an update on the work being undertaken to improve procurement processes and practice within Sefton.

RESOLVED:

That the current OJEU compliant procurement exercises being undertaken and the progress of ongoing work to improve procurement processes and practice within Sefton be noted.

**18. TREASURY MANAGEMENT 2017/18 - POSITION TO 31 JULY
2017**

The Committee considered the report of the Head of Corporate Resources on the Treasury Management position to 31 July 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 the Treasury Management position to 31 July 2017 be noted.

19. STATEMENT OF ACCOUNTS 2016/2017

Further to Minute No. 6 of 28 June 2017, the Committee considered the report of the Head of Corporate Resources on the final audited 2016/17 Statement of Accounts, including the Annual Governance Statement, for consideration and approval. In addition, the proposed 'Letter of Representation' letter from Sefton Council to the external auditor, Ernst & Young LLP (EY), was attached for approval.

Due to the length and complexity of the Statement of Accounts (including the Annual Governance Statement), a briefing session for Members had been held prior to the meeting, to guide Members through the report and answer questions and issues raised, and also to brief Members on the main changes that had occurred since the draft version. Members had also been invited to submit questions in advance of the meeting and 4 questions had been submitted by Councillor Bliss to which responses had been sent and circulated at the briefing session.

The report indicated that the Statement of Accounts 2016/17 provided information about the Authority's finances in respect of the cost of the Authority's services and what the Authority's assets and liabilities were at the end of the year; that the Audit and Governance Committee had delegated authority to approve the Statement of Accounts 2016/17 by 30 September 2017; that the draft Statement of Accounts had been certified by the Head of Corporate Resources on 1 June 2017 and included the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Expenditure and Funding Analysis, the Balance Sheet; Cash Flow Statement; notes to the Financial Statements; Collection

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Fund, Group Accounts, the Annual Governance Statement and the Independent Auditors (Ernst and Young LLP) Report to Members.

The Head of Corporate Resources, the Service Manager - Corporate Finance and representatives from Ernst and Young, presented the report, highlighting changes to the draft Statement of Accounts relating to the actual financial statements, as outlined in the report.

The Head of Corporate Resources concluded by thanking the Corporate Finance Team and Ernst and Young for their efficient and timely production of the 2016/17 Statement of Accounts and Annual Governance Statement.

RESOLVED: That

- (1) the 2016/17 Statement of Accounts be approved;
- (2) the Annual Governance Statement be approved;
- (3) the comments of Ernst and Young LLP be noted;
- (4) the Letter of Representation be approved and the Chair of the Committee and the Head of Corporate Resources be authorised to sign it on the Council's behalf; and
- (5) The Corporate Finance Team and Ernst and Young be commended for their dedication and hard work and collaboration in the production of the Statement of Accounts and Annual Governance Statement 2016/17.

20. RISK AND AUDIT SERVICE PERFORMANCE REPORT

Further to Minute No. 10 of 28 June 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 15 June to 30 August 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; 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.

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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 on concerns raised by schools following recent terrorist attacks in Manchester and London; measures put into place for the Open Golf Championships at Royal Birkdale in July; management of health and safety risk in Council buildings in the light of the Grenfell Tower tragedy; insurance claims / provision; and measures being put into place to address sickness within the team.

The Chief Internal Auditor also introduced Mr David Eden, who had taken up the post of Audit Manager on 21 August 2017.

RESOLVED: That

- (1) the progress in the delivery of the 2016/17 Internal Audit Plan and the activity undertaken for the period 15 June to 30 August 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.

21. CORPORATE RISK REGISTER

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 and two new risks identified.

The Chief Internal Auditor presented the report and answered questions on a number of issues, including the National Funding Formula for schools; the Council's exit from its contract with Arvato; and the capability of the Council in preparing for and responding to major incidents.

The Chief Internal Auditor indicated that a review of procedures was being undertaken so as to provide assurance that the Council's plans and approaches were robust, effective and would stand up to a high level of public scrutiny in the event of a major incident occurring in Sefton.

RESOLVED:

That 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.

22. REVIEW OF THE COUNCIL'S WHISTLE-BLOWING POLICY

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The Head of Regulation and Compliance had indicated that she wished to undertake a review of the Council's Whistleblowing Policy with a view recommending any amendments to the next meeting of the Audit and Governance Committee.

As such, she had invited 3 Members of the Audit and Governance Committee to volunteer to form a 'task and finish' working group for consideration of suggested amendments to the Whistleblowing Policy which would feed into a report to Audit and Governance Committee. She had indicated that issues could be dealt with via email rather than holding meetings.

Councillors Bennett, Shaw and Anne Thompson indicated that they would like to form the task group, with Councillor Shaw as 'Lead Member'.

RESOLVED: That

- (1) the Head of Regulation and Compliance be notified that Councillors Bennett, Shaw and Anne Thompson had agreed to be members of the 'task and finish' working group to help with suggested amendments contributing towards a review of the Council's Whistleblowing Policy for submission of a report to the next meeting of the Audit and Governance Committee on 6 December 2017; and
- (2) Councillor Shaw be appointed as 'Lead Member' on the 'task and finish' working group.