

AUDIT AND GOVERNANCE COMMITTEE

**MEETING HELD AT THE TOWN HALL, SOUTHPORT
ON 18 SEPTEMBER 2019**

PRESENT: Councillor Robinson (in the Chair)
Councillor Roche (Vice-Chair)
Councillors Cluskey, O'Hanlon, John Sayers, Shaw,
Sir Ron Watson and Evans

15. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Brennan, Pugh and Dowd (Substitute).

16. DECLARATIONS OF INTEREST

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

17. MINUTES

RESOLVED:

That the Minutes of the meeting held on 24 July 2019 be confirmed as a correct record.

18. COMMUNITY GOVERNANCE REVIEWS

The Committee considered the report of the Head of Corporate Resources informing of the receipt of two petitions requesting that the Council undertake community governance reviews with a view to establishing parish councils for Crossens and Churchtown.

The report indicated that on 18 July 2019, the Council had amended the terms of reference for the Audit and Governance Committee to provide it with authority to decide upon the terms of reference for a community governance review, how the review would be conducted including the required consultation and consider the replies to any consultation and make a recommendation to Full Council. Authority had also been granted to allow the Audit and Governance Committee to undertake the committee's responsibilities in this regard.

The Chief Legal and Democratic Officer and Monitoring Officer presented the report and answered questions thereon.

RESOLVED: That

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- (1) a working group be established from Audit and Governance Committee members, to undertake a community governance review with a view to establishing parish councils for Crossens and Churchtown in Southport;
- (2) the working group to be comprised of 5 councillors as follows:
 - 2 Labour councillors;
 - 1 Liberal Democratic councillor;
 - 1 Conservative councillor; and
 - 1 Meols Ward councillor;
- (3) the role of the working group to be:
 - (i) to decide the terms of reference for the community governance review;
 - (ii) consider the replies to any consultation;
 - (ii) following the review to make a recommendation to the Audit and Governance Committee; and
- (4) the recommendation of the Audit and Governance Committee be submitted to Full Council for approval.

19. CODE OF CORPORATE GOVERNANCE

The Committee considered the report of the Chief Legal and Democratic Officer that presented a revised Code of Corporate Governance for approval.

The report indicated that the draft code, attached as an appendix to the report, had been prepared by officers from the Audit and Legal teams in the Corporate Resources Service and the need for the revised code had been considered by the Council's Strategic Leadership Board.

The report indicated that the revised Code represented recent thinking from lead professional bodies in this field, contained in the CIPFA/SOLACE – Delivering Good Governance (2016) document.

The Chief Legal and Democratic Officer and Monitoring Officer presented the report and answered questions thereon.

RESOLVED:

That the revised Code of Corporate Governance be endorsed.

**20. REVENUE AND CAPITAL BUDGET UPDATE - TREASURY
MANAGEMENT POSITION TO JULY 2019**

Further to Minute No. 7 of 19 June 2019, the Committee considered the report of the Head of Corporate Resources which provided a review of the Treasury Management activities undertaken to 31 July 2019. This was the first 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.

The Strategic Finance Manager – Corporate Finance presented the report and answered questions thereon.

RESOLVED: That

- (1) the Treasury Management update to 31 July 2019 be noted; and
- (2) the effects of decisions taken in pursuit of Treasury Management Strategy and the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities, be noted.

**21. CIPFA BETTER GOVERNANCE FORUM - AUDIT COMMITTEE
UPDATE REPORT**

The Committee considered an Audit Committee Update report (Issue 29–2019) entitled 'Helping Audit Committees to be Effective', by the Chartered Institute of Public Finance and Accounting (CIPFA).

The report provided details of the CIPFA Statement on the Role of the Head of Internal Audit External Audit Arrangements for English Local Government Bodies Regular Briefing on Current Issues, which had been published in April 2019 to help Audit and Governance Committee members understand what they should expect from the Head of Internal Audit and setting out the overview and support that the Audit and Governance Committee should provide to that role.

The report also provided an update on new developments that would impact on the work of Audit Committees.

The Chief Internal Auditor presented the report and answered questions thereon; in particular, about the availability of funds to enable Audit and Governance Committee members to attend CIPFA training events.

The Head of Corporate Resources responded that the Council usually reserved 30 places to enable staff to attend CIPFA courses, and that Members who expressed an interest could be invited to future events, but

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would be responsible for funding their own travel. The Audit Manager indicated that he would investigate the possibility of CIPFA coming to Sefton Council to deliver training to Members.

RESOLVED: That

- (1) the contents of the CIPFA Audit Committee Update Report (Issue 29 – August 2019), be noted; and
- (2) the Head of Corporate Resources be requested to investigate the possibility of CIPFA training being provided for elected Members in Sefton.

22. CORPORATE RISK MANAGEMENT

Further to Minute No. 10 of 19 June 2019, the Committee considered the report of the Head of Corporate Resources on the updated Corporate Risk Register, indicating that since the last meeting the Corporate Risk Register had been fully updated with no new risks identified or escalated from the service risk registers.

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

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 actions in place to mitigate these be noted; and
- (2) the updated Corporate Risk Register be approved.

23. RISK AND AUDIT SERVICE PERFORMANCE REPORT

Further to Minute No. 9 of 19 June 2019, the Committee considered the report of the Head of Corporate Resources which provided details of the performance and key activities of the Risk and Audit Service for the period 14 June 2019 to 6 September 2019.

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

RESOLVED: That

- (1) the progress of the delivery of the 2019/20 Internal Audit Plan and the activity undertaken for the period 14 June 2019 to 6 September

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2019, be noted; and

- (2) the contributions made by the Health and Safety, Insurance, Assurance and Risk and Resilience Teams in managing key risks be noted.