

AUDIT & GOVERNANCE COMMITTEE

At a remote meeting of the Audit & Governance Committee held in the Authority Chamber - No.1 Mann Island, Liverpool, L3 1BP on Wednesday, 3rd March, 2021 the following Members were

P r e s e n t:

Councillor Edna Finneran	Overview and Scrutiny Committee	Knowsley MBC
Councillor Christine Howard	Overview and Scrutiny Committee	Sefton MBC
Councillor Helen Cameron	Overview and Scrutiny Committee	Wirral BC
Councillor John Pugh	Overview and Scrutiny Committee	Sefton MBC
Councillor David Baines	LCRCA	St Helens BC

30. APOLOGIES

Apologies for absence were received from Councillors Maher, Morgan, Watson, Whitley and Williamson.

31. DECLARATIONS OF INTEREST

There were no declarations of interest received for this meeting.

32. MINUTES OF THE LAST MEETING

Monitoring Officer, Jill Coule, provided the Committee with an update on the work of the standards review into the Code of Conduct. Officers had been working in concert with constituent authorities to secure an agreed version of the Code of Conduct and Members were advised that this had been achieved on Tuesday 2 March 2021. The recommended code was to be shared with Members to consider for adoption as part of the annual process. It was proposed that the Code of Conduct Task and Finish Group meet to consider the recommended code ahead of the Annual meeting in July.

RESOLVED:-

- (a) that the minutes of the last meeting held on 20 January 2021 be agreed as an accurate record; and
- (b) the Code of Conduct Task Group convene in March to consider adopting the recommended Code of Conduct.

33. RISK MANAGEMENT UPDATE

Laura Williams, Head of Internal Audit provided the Committee with an update on risk management in the LCRCA.

The report provided Members with an update on the Corporate Risk Register and ongoing activities taken to embed effective risk management in the organisation. It was explained that since the last meeting, there were some new and emerging risks

to consider such as updating the wording on Brexit risks to coincide with the end of the transition period. Work was also underway to consider risks relating to a recession arising from the impact of the pandemic and broadening the risk around funding streams and new projects like Freeports.

The report highlighted the good progress that was being made across the organisation in terms of service area risk management. Section 4 of the report provided an update on the implementation of the recommendations from risk management audit and it was expected that the final outstanding recommendation would be closed later in the month.

RESOLVED that :-

- (a) the progress made in embedding the system of corporate risk management into the organisation be noted; and
- (b) the refreshed Corporate Risk Register be noted.

34. INTERNAL AUDIT UPDATE

The Committee were updated on activity undertaken by Internal Audit during the last quarter.

Section 2 of the report outlined the six audits that had been completed in the period since the last meeting and Members' attention was drawn to the positive opinions against those pieces of work

With regards to the outstanding recommendations, Internal Audit were working with Heads of Service and Assistant Directors to progress these with a few still to be completed later in the month.

Members were advised that the team had been working through a large volume of grant claims in the period and the team were also facilitating the governance assurance statements process for the organisation.

It was explained that with the work in progress taken into consideration, completion of the plan stood at 89 per cent and the team were on track to deliver the plan in its entirety in line with the targets.

Section 6.3 of the report considered the impact of the pandemic on the Head of Internal Audit's ability to provide a full opinion on the effectiveness of the governance of risk management. CIPFA had produced guidance for organisations on this issue but Laura Williams was confident that due to the positive completion of the plan, she would be in a position to provide an unlimited opinion in terms of scope.

The Chair commended the Internal Audit team for their hard work and the good results that had yielded in the last quarter given the difficulties that had arisen from the pandemic.

Councillor Cameron echoed the Chair's comments and asked for further detail on the Rail Operator Stock Control audit in Table 9 of the report. That risk was associated with the tickets that rail operators sell on behalf of Merseytravel and the LCR Combined Authority at their stations. Traditionally, Internal Audit would attend stations and do a physical count of the stock but that had not been undertaken for

this year to ensure staff members were not put at risk during the pandemic. The work had therefore been moved to next year's plan with the Audit team considering how to undertake the work without a physical visit if possible.

Councillor Howard noted that there were recommendations that had been delayed and missed the implementation date in the Plan and queried if any root cause analysis had taken place to prevent it happening again in the future. Laura Williams advised that there had been a brief hiatus on audit prompts to Heads of Service at the start of the pandemic whilst departments focused on response. Internal Audit were in contact with managers about this issue and progress was being made in implementing outstanding recommendations and removing those that were no longer relevant.

RESOLVED that :-

- (a) the outcomes of the audit work undertaken during the period of the report be noted; and
- (b) the progress made in the delivery of the approved Internal Audit Plan in respect of the Combined Authority be noted.

35. INTERNAL AUDIT PLAN AND CHARTER 2021-22

Laura Williams presented the Internal Audit Plan and Charter 2021-22 for consideration by the Committee.

Members were advised that given the unprecedented circumstances that the organisation had found itself in over the last 12 months, flexibility had become a key part of the Internal Audit Plan.

Section 4 of the report outlines the breakdown of audit days for the year and how these are split between the LCR Combined Authority and Merseytravel. Compared to the previous year there was a greater emphasis on the LCR Combined Authority which was reflective of its continue growth and increasing scope.

RESOLVED that: -

- (a) the Internal Audit Plan 2021-22 be approved; and
- (b) the Internal Audit Charter 2021-22 be approved.

36. LIVERPOOL CITY REGION COMBINED AUTHORITY ACCOUNTING POLICIES 2020/21

Sarah Johnston, Assistant Director for Finance presented the Liverpool City Region Combined Authority Accounting Polices for 202/21.

It was noted that the accounting policies has not changed since the previous year due to there being no significant changes to the accounting standards or regulations. A streamlining process undertaken the year prior had also helped to ensure o changes were needed.

The Chair thanked the finance team for their hard work during the last 12 months and for presenting the information in an understandable way.

RESOLVED that: -

- (a) the attached accounting policies and provide any comments thereon be noted; and
- (b) the attached accounting policies be approved.

37. LIVERPOOL CITY REGION AUDIT AND GOVERNANCE COMMITTEE ANNUAL REVIEW 2020-21

The Committee were presented with a review of the Liverpool City Region Audit and Governance Committee for 2020-21. Shauna Phillips, Senior Democratic Services Office highlighted the key achievement in the report and the work plan for 2021-22. It was reported that any changes to the work plan would be made in consultation with the Chair, Vice-Chair, Head of Internal Audit and the Monitoring Officer. It was highlighted that the meetings for 2020-21 had been quorate the Members were thanked for their continued efforts and engagement over the last 12 months especially during the pandemic.

The Chair thanked Democratic Services for their support during the move to remote meetings.

RESOLVED that

- (a) the Audit and Governance Committee Annual Review for 2020/21 at Appendix 1 be agreed and that any amendments/insertions be made in consultation with the Chairperson, Vice Chairperson, the Head of Internal Audit and the Monitoring Officer; and
- (b) the proposed programme of meetings and provisional work programme for the Audit and Governance Committee for 2021/22 at Appendix 1 be approved and that any amendments during the course of the new municipal year be made in consultation with the Chairperson, Vice Chairperson, the Head of Internal Audit and the Monitoring Officer.

Minutes 30 to 37 received as a correct record on the 28 day of July 2021

Chairperson of the Combined Authority

(The meeting closed at 10:45am)