

Lancashire County Council

Audit, Risk and Governance Committee

Minutes of the Meeting held on Monday, 29th January, 2018 at 2.00 pm in Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston

Present:

County Councillor Alan Schofield (Chair)

County Councillors

E Nash	J Shedwick
P Williamson	C Crompton
A Vincent	L Beavers
J Berry	

1. Apologies

There were no apologies.

County Councillors Carl Crompton and Lorraine Beavers replaced County Councillors Miles Parkinson and Erica Lewis respectively for this meeting.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

None.

3. Minutes of the Meeting held on 25th September 2017

A number of updates were provided on items on the agenda. It was confirmed that a note had been circulated on the PFI liability, that the information on emergency preparedness had been promoted to members and that the information in relation to "Prevent" had been made available to all members. In relation to the overpayment of salaries, it was confirmed that a report would be presented to the next meeting.

Resolved: That the minutes of the meeting held on 25 September 2017 be confirmed as a correct record and signed by the Chair.

4. Audit, Risk and Governance Committee - Revised Name and Terms of Reference

Resolved: That the committee noted the decision of Full Council on 26 October 2017 to revise the Committee's name and Terms of Reference.

5. Accounting Policies Applicable to the Statement of Accounts 2017/18

The Committee were presented with proposed accounting policies to be applied in the preparation of the Statement of Accounts 2017/18. It was noted that the policies were unchanged from the previous year.

Resolved: That the accounting policies to be applied to the preparation of the Statement of Accounts for 2017/18 as set out in the report be approved.

6. Treasury Management Policy and Strategy 2018/19

In accordance with the requirements of the Chartered Institute of Public Finance and accountancy (CIPFA), the committee considered a proposed Treasury Management Strategy and Policy 2018/19.

The attention of the Committee was drawn to changes, including the reduced operational limit for long term investments from £450m to £300m and related changes, reflecting reduced overall levels of reserves held by the council, and additionally the inclusion of permissions to invest in credit and multi-asset funds. It was reported that the intention was to further descale the level of risk to which the council was exposed. The Committee also noted the introduction of the revised "Markets in Financial Instruments Directive" (MiFID) by the Treasury, and noted that any changes that become necessary to the policy and strategy due to MiFID would be brought back to the Committee.

Resolved: That the Treasury Management Policy and Strategy for 2018/19 as set out in the report be recommended to Full Council for approval.

7. 2017/18 Treasury Management Activity Update

The Committee received an update on the Council's Treasury management Activity from August to November 2017. It was noted that there were no significant changes to the approach being taken, and that the report reflected this.

In responses to concerns raised by members, it was agreed that consideration would be given to methods to ensure that future reports were fully accessible and that abbreviations and acronyms were properly explained.

Resolved: That the review of Treasury Management activity be noted.

8. Internal Audit Progress Report

The Committee received the regular report on the work of the Internal Audit Service, including key findings and issues of concern. In presenting the report, the Head of Internal Audit advised that it was anticipated that the service would only be able to provide limited assurance at year-end, given the issues set out in the report and the restrictions on the work that the service has been able to carry

out. It was confirmed that the Internal Audit Service was on target to deliver its full plan of work by the end of the year.

In considering the report, members of the committee noted the large number of temporary and agency staff being used in some areas of social care, and also noted that the review of the Highways Asset Management System (HAMS) did not encompass consideration of the relationship to the Transport Asset Management Plan (TAMP).

Resolved: That the report be noted.

9. Risk and Opportunity Register Quarter 3

The Committee considered that Quarter 3 Risk and Opportunity Register and noted the changes as set out in the report.

Resolved: That the Quarter 3 Risk and Opportunity register be noted.

10. Liquid Logic System Update

The Committee considered a report on the Liquid Logic System used in Adults and Children's Social Care Services. The report was requested by the Committee following a previous report in June 2017 to provide an update on progress in relation to improvements in the system and governance arrangements.

The Committee felt that it was clear that significant improvements had been made, and were given assurance that it was now close to a "Business as Usual" (BAU) operating model.

Resolved: That the Committee noted the report.

11. Report of Decision taken under the Urgent Business Procedure

The Committee received notification of a decision made under the Urgent Business Procedure in relation to the government consultation on the disqualification criteria for Councillors and Mayors. It was noted that all members of the committee had been consulted in compiling the response, which was to support the government's proposals.

Resolved: That the report be noted.

12. Urgent Business

There was no urgent business.

13. Date of Next Meeting

It was noted that the next meeting of the committee would take place at 2pm on Monday 30 April 2018 at County Hall, Preston.

L Sales
Director of Corporate Services

County Hall
Preston