

MAGHULL TOWN COUNCIL
SPECIAL MEETING OF THE
AUDIT & GOVERNANCE COMMITTEE
HELD 2ND APRIL 2012

383. PRESENT – Councillor (Ms) S. Williams (In the Chair) and Councillors: S. Kermode, (Vice Chair) P. Dowd, (Mrs) R. Knight, (Ms) R. Appleby (Acting Town Clerk/Minutes).

384. WELCOME BY THE CHAIRMAN – The Chair welcomed everyone to the meeting, in particular Ms J. Bamber and Mr. A. Johnson, from Sefton Council's Audit Team, who were in attendance in respect of their audit of Maghull Town Hall roof works.

385. APOLOGIES FOR ABSENCE – Apologies for absence were received from Councillors A Blackburn, M. Byrne, (Mrs) J. Day, M Jones, A. Lewis P. Mckinley, I. Moncur, A. Robertson, (Miss) C. Traynor and P. Tweed.

386. DECLARATIONS OF INTEREST – The following Declaration of Interest was received:

Member	Minute No./Item	Interest	Action
Councillor Dowd	391. Confirmation of the factual accuracy of the Roof Audit Report unertaken by Sefton MBC Officers	Personal – is a Councillor for Sefton MBC	Remained in the room, took part in consideration of the item and voted thereon.

387. EXCLUSION OF PRESS AND PUBLIC –

In response to a query by Councillor Dowd, Mrs Bamber outlined the reasons for exclusion of the press and public in relation to the item, as set out in the Act:

- Paragraph 1 – Information relating to any individual.
Exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- Paragraph 2 – Information which is likely to reveal the identity of an individual
Exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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- Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information). Exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Mrs Bamber indicated that although the report did not mention any individuals by name, it would be possible to identify them by their post titles and dates given.

Accordingly, it was Proposed by Councillor Dowd, seconded by Councillor S Kermode and

RESOLVED:

That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they would involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Act. The Public Interest Test had been applied and favoured exclusion of the information from the press and public.

CHAIRMAN

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388. PRESENT – Councillor (Ms) S. Williams (In the Chair) and Councillors: S. Kermode, (Vice Chair) P. Dowd, (Mrs) R. Knight, (Ms) R. Appleby (Acting Town Clerk/Minutes).

389. APOLOGIES FOR ABSENCE – Apologies for absence were received from Councillors A Blackburn, M. Byrne, (Mrs) J. Day, M Jones, A. Lewis P. Mckinley, I. Moncur, A. Robertson, (Miss) C. Traynor and P. Tweed.

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391. CONFIRMATION OF THE ACCURACY OF THE ROOF AUDIT REPORT UNDERTAKEN BY SEFTON MBC AUDITORS

Further to Minute No.369 of the Special Meeting of the Finance and General Purposes Committee held on 21 March 2012, the Committee considered the draft report compiled by Sefton MBC Auditors, Mrs J Bamber and Mr A Johnson on the audit of the Maghull Town Hall roof.

Mrs Bamber reiterated her comments made at the Finance and General Purposes Committee that the audit had focused on rigour and compliance in respect of the Town Council’s requisite rules, processes, systems, in particular the procurement procedures, Standing Orders and Financial Regulations. She strongly advised the that the Town Council seek legal advice from Sefton Council’s Head of Corporate Legal Services regarding releasing the final document to the press and public.

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Mrs Bamber and Mr Johnson answered questions on the factual content and accuracy of the audit report.

It was Proposed by Councillor Mrs Knight, Seconded by Councillor Dowd and unanimously agreed that:

- (1) the factual accuracy of the report be confirmed and that there be no factual changes;
- (2) the following recommendations contained in the report be accepted:
 1. A review of project appraisal systems should be undertaken such that, in all instances, there is a clear evidence base to identify the rationale for projects and the approval thereof
 2. A review of project approval systems should be undertaken to ensure that there is a clear management trail from the submission of tenders through to the approval of the contract sum
 3. A review of contract evaluation systems should be undertaken to ensure that financial vettings are undertaken where appropriate, and that they inform the decision making / approval process
 4. Contract management systems should be reviewed to ensure that constructions work does not commence on site until the contract is formally agreed (also see recommendation 7 below)
 5. A review of contract reporting mechanisms should be undertaken to ensure that Members receive appropriate information on a timely basis, and to ensure that requisite procurement processes are undertaken
 6. In accordance with Financial Regulations, tender opening procedures must be complied with in all instances; specifically, at least one Member must be present at tender opening
 7. Contract management systems should be reviewed to ensure that constructions work does not commence on site until the contract is formally agreed (also see recommendation 4 above)
 8. In accordance with financial Regulations, a formal tender process should be adopted in relation to expenditure above £10,000 (also see recommendation 10 below)

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- Contract management systems should be reviewed to ensure that an appropriate contract form is utilised (also see recommendation 12 below)
9. In accordance with Financial Regulations, a formal tender process should be adopted in relation expenditure above £10,000 (also see recommendation 8 above)
 10. Invitations to quote or tender should be undertaken on a timely basis to ensure that all bids are submitted on an equitable basis
 11. Contract management systems should be reviewed to ensure that an appropriate contact form is utilised (also see recommendation 9 above)
 12. In accordance with Financial Regulations, an official order (or letter or contract should be raised for all work undertaken; specifically, where a contractor / consultant engages in different projects, then separate procurement processes should be undertaken unless appropriate approval is provided to waive the requirements of Financial Regulations (e.g. if there is a value for money rationale for extending the terms of an incumbent provider)
 13. In accordance with financial Regulations, appropriate timely reports should be presented to members where expenditure exceeds 5% of the original order / contract value
 14. A review of governance arrangements, specifically relating to procurement processes should be undertaken; this review should include roles and responsibilities of relevant officers, and terms of reference of Committees
 15. A review of the current Financial Regulations / Standing Orders should be undertaken
- (3) Sefton Council's Auditors be requested to release the final Audit Report to Maghull Town Council tomorrow, Tuesday 3 April 2012, together with a covering letter;
 - (4) the final report to be presented for approval by the full Council at its next meeting on 11 April 2012; and
 - (5) Mrs Bamber and Mr Johnson be thanked for their help and support in producing the Audit Report.

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Mrs Bamber and Mr Johnson left the meeting at 6.25 pm.

392. CHAIRMAN'S REPORT

The Chair stated that the Audit Report had been invaluable in providing a clear understanding of the need for robust structures, systems, protocols and controls to be in place. She expressed concern that notwithstanding the roof works debacle, the gaps and anomalies in existing structures had placed the Town Council in a position of severe risk.

Councillor Dowd concurred with the Chair's comments and suggested that in the light of the report's recommendations, an action plan should be formulated.

It was Proposed by Councillor S Kermode seconded by Councillor Mrs Knight and

RESOLVED: That the Leader and Chair of the Town Council undertake further consultations with Sefton Council's Audit and Legal Departments, on the formulation of an action plan and way forward in the light of its Audit review of the Maghull Town Hall roof works.

CHAIRMAN