

AUDIT AND GOVERNANCE BOARD

*At a meeting of the Audit and Governance Board held on Wednesday, 23 March 2022
at the Council Chamber - Town Hall, Runcorn*

Present: Councillors Polhill (Chair), A. Lowe (Vice-Chair), J. Bradshaw, Jones, McDermott, Philbin, J. Stockton and Wallace

Apologies for Absence: Councillors E. Cargill, Wall and Whitley

Absence declared on Council business: None

Officers present: E. Dawson, M. Murphy, S. Baker and M. Reaney

Also in attendance: Michael Green and Stephen Nixon of Grant Thornton

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

	<i>Action</i>
BEB23 MINUTES	
The Minutes of the meeting held on 24 November 2021 were taken as read and signed as a correct record.	
BEB24 STANDARDS UPDATE	
The Board considered a report of the Operational Director, Legal and Democratic Services/Monitoring Officer, which provided an update on Standards issues for the Municipal Year 2021/22. The update included information on national and local developments of interest, and a verbal update on the complaints received in Halton during the past year.	
It was proposed that the report would be forwarded to Council for information along with the minutes in place of the previous Standards Committee Annual Report.	
RESOLVED: That the report be noted.	
BEB25 REVISED CODE OF CONDUCT FOR MEMBERS	
The Board considered a report of the Strategic Director – Enterprise, Community and Resources, on the	

revised Members Code of Conduct (the model code).

It was reported that the Local Government Association (LGA) had published some minor changes to the model Code of Conduct for Members. However, a significant change had been made to the prejudicial interest test, which in the Merseyside Model Code and original LGA Model Code was applied to 'your interests'. The revised drafting properly expanded the scope of the test to include other interests and those of family and associates in accordance with the Principles of Public Life.

The Merseyside Model Code was based on the December 2020 version of the LGA Model Code and the 17 May 2021 version had only recently been made available to Liverpool City Region Monitoring Officers, whilst the 19 January 2021 version was not provided. As such, additional amendments may be subsequently required to incorporate into the Merseyside Code of Conduct any further relevant changes and/or to provide for other local arrangements. Monitoring Officers across the LCR would continue to work together in an attempt to align amendments to the Merseyside Model Code across their respective authorities.

The Model Code was attached at Appendix A for Members consideration.

RESOLVED: That the Board recommends Council to adopt the revised Code of Conduct for Members attached to the report as Appendix 1.

Strategic Director
Enterprise,
Community and
Resources

BEB26 ANNUAL GOVERNANCE STATEMENT 2020/21

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which sought approval of the final 2020/21 Annual Governance Statement (AGS).

The 2020/21 AGS was originally presented to the Board on 7 July 2021. It was important that the AGS was up to date when the statement of accounts were approved. As such, the document was presented again for the Board to review.

Once approved the AGS would be signed by the Council Leader and Chief Executive and published on the Council's website.

RESOLVED: That the Annual Governance Statement 2020/21 be approved.

BEB27 2020/21 STATEMENT OF ACCOUNTS, AUDIT FINDINGS, REPORT AND LETTER OF REPRESENTATION

The Board considered a report of the Operational Director, Finance, which sought approval for the Council's 2020/21 Statement of Accounts (the latest version of which was enclosed with the Agenda), and the report of the Audit Findings of the External Auditor (Grant Thornton) on the 2020/21 financial statements. The report also sought approval of the Council's Letter of Representation.

It was reported that the Statement of Accounts set out the Council's financial performance for the year in terms of revenue and capital spending and also presented the year-end financial position as reflected in the balance sheet. The key elements were detailed in the report.

The External Auditor presented the Audit Findings report which summarised the findings from 2020/21 external audit. Section 2 of the Audit Finding report presented the findings of the External Auditor in respect of matters and risks identified at the planning stage of the audit and additional and significant matters that arose during the course of their work.

It was explained that the audit work was substantially complete, except for undertaking additional work relating to infrastructure assets which had recently been required following a sector-wide issue relating to component accounting. It was not anticipated that any matters would arise from this additional work, however, it must be undertaken in order for the External Auditor to provide their Audit Opinion.

In addition the Council was required to provide the External Auditor with a Letter of Representation relating to the financial statements, as shown in Appendix 1. The letter was required to be signed by the Chair of the Board on behalf of the Council.

It was noted that on 1 April 2020 the National Audit Office had introduced a new Code of Audit Practice which came into effect from audit year 2020/21. The Code introduced a revised approach to the audit of Value for Money (VFM). Work on VFM arrangements was ongoing but the External Auditor had not identified any significant weakness during planned work to date.

RESOLVED: That

1. the draft Letter of Representation in Appendix 1 be approved and any subsequent additions or amendments be approved by the Operational Director - Finance, in liaison with the Chair of the Board;
2. the External Auditor's draft 2020/21 Audit Findings Report in Appendix 2 and any subsequent additions or amendments be approved by Operational Director - Finance, in liaison with the Chair of the Board; and
3. the Council's draft 2020/21 Statement of Accounts in Appendix 3 be approved and any subsequent additions or amendments be approved by the Operational Director - Finance, in liaison with the Chair of the Board.

BEB28 2022/23 INTERNAL AUDIT PLAN

The Board considered a report of the Divisional Manager, Audit, Procurement and Operational Finance, which sought approval for the planned programme of internal audit work for 2022/23.

A risk based Audit Plan had been prepared, designed to enable internal audit to deliver an overall opinion on the Council's risk management and control and governance arrangements. A copy of the draft Audit Plan for 2022/23 was attached as an appendix to the report.

The Board was advised that, as in previous years, the Audit Plan would need to remain flexible and that changes may be required in order to respond to risks which emerged during the year.

For the past two years the pandemic had had a significant impact on the work of internal audit and it was possible that would continue, at least in the short term. As such, a general provision had been made in the audit plan for continuing work in relation to the pandemic.

Performance against the Audit Plan would be kept under review throughout the year and regular progress reports would be provided to the Board. Internal Audit would work closely with the Council's external auditor, Grant Thornton, to minimise duplication and to ensure efficient and effective deployment of the overall audit resource.

RESOLVED: That the Board approves the proposed Internal Audit Plan for 2022/23.

BEB29 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) whether members of the press and public should be excluded from the meeting of the Board during consideration of the following items of business in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972, because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972; and
- 2) whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following item of business, in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

BEB30 INTERNAL AUDIT PROGRESS REPORT

The Board considered a report of the Divisional Manager, Audit, Procurement and Operational Finance, which provided Members with a summary of internal audit work completed since the last progress report on 24 November 2021. The report also highlighted matters relevant to the Board's responsibilities as the Council's Audit Committee.

Appendix 1 provided a list of the planned work for the year and showed the current status of each audit. It also highlighted those audits that had not started and had therefore been included in the 2022/23 Audit Plan as they

were still considered relevant. Details of a further 13 audit reports that had been finalised since the last progress report to the Board were also outlined.

RESOLVED: That the report be noted.

Meeting ended at 7.50 p.m.