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AUDIT AND GOVERNANCE BOARD

At a meeting of the Audit and Governance Board held on Wednesday, 20 March 2024 at the Boardroom - Municipal Building, Widnes

Present: Councillors Polhill (Chair), Abbott, Bevan, Dourley, Gilligan, McDermott and Wallace

Apologies for Absence: Councillors Wall, Begg, J. Bradshaw and N. Plumpton Walsh

Absence declared on Council business: None

Officers present: E. Dawson, M. Murphy, G. Ferguson, H. Hamlett and M. Reaney

Also in attendance: Councillor Dennett and S. Nixon, M. Green and L. Luddington (Grant Thornton UK LLP)

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

AGB20 MINUTES

The Minutes of the meeting held on 22 November 2023 were taken as read and signed as a correct record.

AGB21 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 2023/24. The Board had assumed responsibility for the work of the former Standards Committee in 2021 and it was agreed that a report on Standards issues would be brought each year.

A verbal update was given on local matters that had been considered since the last meeting involving Councillors and also those involving Parish Councils.

Following a discussion about Councillor register of interest forms, it was agreed that following the May elections, a reminder would be sent to all Councillors to ensure that the information on their individual register of interest form is kept up to date.

Action

RESOLVED: That the report be noted.

AGB22 SETTLEMENT AGREEMENT POSITION

The Board considered a report of the Corporate Director, Chief Executive's Delivery Unit, that detailed the Council's position on settlement agreements which are used in exceptional circumstance.

It was noted that where the need to use a settlement agreement was required, the legal framework set out in Section 111A of the Employment Rights Act 1996, and the guidance for Best Value authorities on Special Severance Payments, as set out in Section 26 of the Local Government Act 1999, would be discharged appropriately. In the event that a settlement agreement was considered appropriate for a position appointed to by the Council's Appointment Committee, discussions would take place between the Chief Executive, Leader and the appropriate Executive Board Portfolio Holder and a decision would be made to use such an agreement for that position.

Arising from the discussion, it was agreed that consideration would be given by Officers to how information on future settlement agreements could potentially be shared with Councillors'.

RESOLVED: That the report be noted.

AGB23 INTERNAL AUDIT PLAN – 2024/25

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 2024/25.

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 2024/25 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 the changing governance, risk and control landscape, which emerge during the year.

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 2024/25.

Operational
Director - Finance

AGB24 ANNUAL GOVERNANCE STATEMENT 2022/23

The Board considered a report of the Operational Director - Finance, which sought approval of the final 2022/23 Annual Governance Statement (AGS).

The AGS provided a summary of the authority's governance arrangements during 2022/23 and also provided an opinion on whether they were fit for purpose. It identified any issues with the Council's governance arrangements and set out how such issues would be addressed.

The 2022/23 AGS was originally presented to the Board in July 2023. It was important that the AGS was up to date when the statement of accounts were approved. As such, the document had been reviewed and updated to reflect current progress and it 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 2022/23 be approved.

Operational
Director - Finance

AGB25 2022/23 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 2022/23 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 2022/23 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 2022/23 external audit. Section 2 of the Audit Finding report presented the finding 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.

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 consultation with the Chair of the Audit and Governance Board;
- 2) the External Auditor's draft 2022/23 Audit Findings Report in Appendix 2 be approved and any subsequent additions or amendments be approved by Operational Director - Finance, in consultation with the Chair of the Audit and Governance Board; and
- 3) the Council's draft 2022/23 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 Audit and Governance Board.

Operational
Director - Finance

AGB26 EXTERNAL AUDIT ANNUAL REPORT 2022/23

The Board considered a report of the Operational Director – Finance which presented the 2022/23 External Audit Annual Report.

On behalf of the Council's External Auditor, Grant Thornton UK LLP, Michael Green, presented the Annual Report, which detailed the Council's overall arrangements, as well as providing key recommendations regarding any significant weaknesses identified during the review. It was noted that three significant weaknesses had been identified and the external auditors had made key recommendations where the Council should take action to improve.

RESOLVED: That the contents of the 2022/23 External Audit Annual Report shown in the appendix be noted, including the recommendations contained within the Report.

AGB27 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.

AGB28 INTERNAL AUDIT PROGRESS REPORT

The Board received a report from the Divisional Manager – Audit, Procurement and Operational Finance, updating them on the internal audit activity since the last progress report to the Board on 22 November 2023. It also highlighted any matters that were relevant to the Board's responsibilities as the Council's Audit Committee.

Members were referred to Appendix One, which listed all the planned work for the year and its current status. The schedule of audits had been updated to reflect the progress made in completing audits since the last update to the Board. By the end of February 2024, 1132 days of audit

work had been completed, which represented 92% of the total planned days for the year. The team remained on target to achieve the planned number of days for the year.

Appended to the report were the executive summaries of the reports issued numbering 2 to 17, as listed in the report.

RESOLVED: That the Internal Audit Progress Report and comments made be noted.

On behalf of the Board, the Chair thanked Stephen Nixon from the external auditors for all the support he had provided over the years and wished him well for the future.

Meeting ended at 8.10 p.m.