

## AUDIT AND GOVERNANCE BOARD

*At a meeting of the Audit and Governance Board held on Wednesday, 25 September 2024 at The Board Room - Municipal Building, Widnes*

Present: Councillors Polhill (Chair), Wall (Vice-Chair), Abbott, Begg, Connolly, Dourley, Gilligan, McDermott and Wallace

Apologies for Absence: Councillor Ratcliffe

Absence declared on Council business: None

Officers present: E. Dawson, M. Murphy, K. Keane, A. Jones, S. Baker and M. Guest

Also in attendance: None

### ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

	<i>Action</i>
AGB9 MINUTES	
The Minutes of the meeting held on 26 June 2024, were taken as read and signed as a correct record.	
AGB10 INTERNAL AUDIT PEER REVIEW	
The Board considered a report from the Head of Audit, Procurement and Operational Finance, which presented the Internal Audit Peer Review.	
It was a requirement of the Public Sector Internal Audit Standards (PSIAS) that an external assessment of the Council's internal audit arrangements should be carried out every 5 years. To fulfil this requirement, an independent peer review of the Council's internal audit arrangements was conducted in February 2024 by senior internal audit representatives from other North West authorities. <i>The Halton Borough Council Peer Review of Internal Audit Service Against the UK Public Internal Audit Standards</i> was appended to the report. It was noted that the purpose of the external assessment was to help improve delivery of the audit service and to establish whether governance requirements relating to the provision of the service were embedded.	

The approach taken, findings and agreed actions from this review were set out within the report, which concluded that the Council's internal audit arrangements confirmed to the PSIAS. It was noted that many positive observations and good practices were identified by the review team and any recommendations made were intended to add value by strengthening the existing arrangements further. Officers advised that all recommendations were agreed and would be implemented.

RESOLVED: That Members note the outcome of the external assessment of the Council's Integral Audit function against the Public Sector Internal Audit Standards.

#### AGB11 EXTERNAL AUDIT FINANCIAL SUSTAINABILITY LETTER

The Board considered a letter received by the Council from the External Auditor (Grant Thornton UK LLP) regarding the Council's financial sustainability. The letter raised the External Auditor's concerns regarding significant weaknesses in the Council's arrangements for securing value for money.

It was noted that the Chief Executive and Director of Finance had met with the External Auditor to discuss the issues raised within the letter. The Council was aware of its financial position and ongoing financial challenges and was taking various steps to address them as a matter of urgency, whilst also continuing a dialogue with Government.

The comments made by Members regarding the timing of the letter were noted. It was confirmed that this would be taken to the Labour Group meeting on 1 October.

RESOLVED: That the contents of the letter from Grant Thornton UK LLP shown in the appendix be noted.

#### AGB12 ANTI FRAUD AND CORRUPTION UPDATE

The Board considered a report of the Operational Director, Finance, which provided an annual update on developments in regard to the Council's anti-fraud and anti-corruption activity.

It was reported that the Board was responsible for the monitoring and reviewing the adequacy of the Council's anti-fraud and anti-corruption arrangements, which was a key aspect of the Council's risk management, control and governance framework.

The Board considered information relating to the following activities:

- The fraud risk landscape;
- Reported fraud investigations from 2023/24;
- HR related investigations from 2023/24;
- Whistleblowing complaints received and action taken;
- An update on the National Fraud Initiative;
- Details of fraud investigation related information reported under the Transparency Code;
- Details of ongoing and planned anti-fraud work; and
- Details of the Council's suite of anti-fraud and anti-corruption related policies.

RESOLVED: That

- 1) the annual update report on anti-fraud and corruption related activity be noted;
- 2) the counter fraud work being undertaken be supported; and
- 3) the minor change made to the Whistleblowing Policy be noted.

#### AGB13 2023/24 EXTERNAL AUDITOR'S ANNUAL REPORT

Due to the unforeseen absence of the External Auditor, this item was deferred to the November meeting.

#### AGB14 ANNUAL GOVERNANCE STATEMENT 2023-24

Due to the unforeseen absence of the External Auditor, this item was deferred to the November meeting.

#### AGB15 2023/24 STATEMENT OF ACCOUNTS, AUDIT FINDINGS REPORT AND LETTER OF REPRESENTATION

Due to the unforeseen absence of the External Auditor, this item was deferred to the November meeting.

#### AGB16 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.

## AGB17 INTERNAL AUDIT PROGRESS REPORT

The Board received a report from the Head of Audit, Procurement and Operational Finance, updating Members on the internal audit activity since the last progress report to the Board on 26 June 2024. 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 August 2024, 429 days of audit work had been completed, which represented 37% of the total planned days for the year.

Appended to the report were the executive summaries of the reports issued numbering 2 to 12, as listed in the report. The Board expressed concerns at the findings relating to the audit of Children's Services Commissioning and agreed that a further audit of the area be carried out as part of the 2025/26 Internal Audit Plan.

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

Head of Audit,  
Procurement &  
Operational  
Finance

*Meeting ended at 7.15 p.m.*